

DATED the 【●】 day of 【●】 20 【●】

MAXJET COMPANY LIMITED

AND

【●】

AND

CHINA OVERSEAS PROPERTY SERVICES LIMITED

**DEED OF MUTUAL COVENANT AND
MANAGEMENT AGREEMENT**

in respect of

**NO. 3 FEI NGO SHAN ROAD, HONG KONG
(Lot No. 1982 in Survey District No. 2
Sai Kung, New Territories)**

**S.H. CHAN & CO.
SOLICITORS**
Units C-E, 18th Floor
China Overseas Building
139 Hennessy Road
Wanchai
Hong Kong

Ref: JT/61630/

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THIS DEED

is made the 【●】 day of 【●】

BETWEEN :-

- (1) **MAXJET COMPANY LIMITED (美逸有限公司)** whose registered office is situated at 10th Floor, Three Pacific Place, 1 Queen's Road East, Hong Kong ("**the First Owner**") which expression shall where the context so admits include its successors and assigns) of the first part;
- (2) 【●】 (Holder of Hong Kong Identity Card No. 【●】/Company No. 【●】) of/whose registered office is situated at 【●】 ("**the First Assignee**") which expression shall where the context so admits include his or her or their or its successors and assigns or his or her or their executors, administrators and assigns or such survivor of his or her or their or its assigns) of the second part; and
- (3) **CHINA OVERSEAS PROPERTY SERVICES LIMITED (中國海外物業服務有限公司)** whose registered office is situated at Unit A, 19th Floor, China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong ("**the Management Company**") which expression shall where the context so admits include its successors appointed in accordance with the provisions herein) of the third part.

DEFINITIONS

In this Deed, the following expressions shall have the following meanings except where the context otherwise permits or requires:-

- "Authorized Person"** means Mr. Ching Tak Keung, Wilbert of Messrs. Chung Wah Nan Architects Limited, and any other replacement authorized person for the time being appointed by the First Owner;
- "Balconies"** means the balconies on the 2nd floor within all the Houses as green features pursuant to the JPN1. Such balconies are shown (for identification purpose only) coloured blue on the Balcony Plan, certified as to their accuracy by the Authorized Person and annexed hereto; and "Balcony" shall be construed accordingly;
- "Buildings"** means the buildings, the houses and other structures erected or to be erected in or upon the Lot in accordance with the Buildings Plans or any approved amendments thereto and in the singular means any building in or upon the Lot;
- "Buildings Plans"** means the general buildings plans and specification in respect of the Development or in respect of any part or parts of the Development prepared by the Authorized Person and approved by the Building Authority under reference no. BD2/9194/11 and includes any amendment thereto as approved by the Building Authority;
- "CCTV Imaging Device"** means a CCTV imaging device to be operated by trained personnel or a service provider for conducting inspection of the drainage pipes concealed by the architectural features installed in the Development;
- "Certificate of**

Compliance”

17th day of June 2019 with Memorial No. 19071102360051 certifying the positive obligations under the General and Special Conditions of the Conditions have been complied with to his satisfaction;

“Common Areas and Facilities”

means those parts of the Lot and the Development intended for the common use and benefit of all Owners as a whole, and not any House as have been specified or designated in an instrument registered in the Land Registry as being for the exclusive use, occupation, and enjoyment of an Owner, which parts are subject to the provisions of this Deed to be used by each Owner and Occupier in common with all other Owners and Occupiers of the Lot and the Development. The said parts include but are not limited to:-

- (a) such areas or spaces on or within which the Inside Works are carried out or to be carried out, Slopes and Retaining Walls within the Lot and landscape areas; areas for installation or use of aerial broadcast distribution or telecommunications network facilities (if any);
- (b) driveways, fan room for carpark, planters, existing transformer room, existing switch room, master water meter room, T.B.E. room, F.S. & sprinkler pump room (carpark), potable and flushing water pump room, staircases, pipe ducts, 36 cu.m. F.S. tank, 70 cu.m. sprinkler tank, F.S. control room, light weight concrete fill, mass concrete fill, unexcavated area, Town Gas cabinet, F.S. inlet, existing sewage treatment plant room, existing sewage tank, electric meter room, driveway manoeuvring space, cable duct for electric meter room, E/M horizontal pipe ducts at high level, refuse collection area, lawns and external walls and fence walls of the Development (except those external walls, walls and fence walls forming parts of the Houses), Greenery Areas;
- (c) the CCTV Imaging Device and such of the drains, gutters, pipes, ducts, pumps, sewers, water intakes and mains, sanitary fittings, wires, cables, conduits, electrical installations, fittings, equipment and apparatus and other services and facilities, whether ducted or otherwise, which are, or at any time may be in, under, over or passing through the Lot, through which fresh or salt water, sewage, gas, electricity, telecommunication facilities and other services are supplied to or removed from the Development, lighting facilities, lamp posts and other lighting installations, fire prevention and fighting equipment and apparatus, irrigation points and drain points which are located in the Common Areas and Facilities, security system and installations, equipment and apparatus and any other areas, mechanical systems, devices, facilities, fixtures, fittings, machinery, apparatus, installations and backup emergency system (if any) from time to time installed or provided for the common use and benefit of the Development in accordance with these presents; and
- (d) where appropriate, the reference to “common parts” as defined in the Ordinance (save and except such part(s) as specifically included in a House assigned).

Such Common Areas and Facilities (if capable of being shown on

plans) are shown (for identification purpose only) coloured yellow on the Common Areas and Facilities Plans (certified as to their accuracy by the Authorized Person) annexed hereto;

- “Conditions”** means the document of title setting forth the rights and entitlements granted by the Government, in respect of the Lot, namely Agreement and Conditions of Exchange deposited and registered in the Land Registry as New Grant No.8677 and as modified by (a) a Modification Letter dated the 12th day of October, 1999 and registered in the Land Registry by Memorial No. SK393796; and (b) a 2nd Modification Letter dated the 7th day of July 2017 and registered in the Land Registry by Memorial No.17072100430013, under which the First Owner, subject to the terms and conditions set out therein, is entitled to a government lease for the term of years commencing on 15th December 1995 and expiring on 30th June 2047 and shall include any subsequent extensions or modifications thereto or renewals thereof;
- “Covered Area”** means all the underneath areas covered under the Balconies as shown hatched blue and marked as “COVERED AREA” (for identification purpose only) on the Covered Area Under Balcony Plans, certified as to their accuracy by the Authorized Person and annexed hereto;
- “Deed”** means this Deed of Mutual Covenant and Management Agreement made pursuant to the provisions hereunder;
- “Development”** means the whole of the residential development constructed or in the course of construction on the Lot in accordance with the Conditions and the Buildings Plans and known as “No. 3 Fei Ngo Shan Road”, No. 3 Fei Ngo Shan Road, Sai Kung, New Territories;
- “Government”** means the Government of Hong Kong;
- “Green and Innovative Features”** means the part or parts of the design or construction in the Development incorporating the features of the Balconies, the Covered Area and the Non-Structural Prefabricated External Walls;
- “Greenery Areas”** means the greenery areas in the Lot and the Development which are shown (for identification purpose only) coloured green on the Greenery Areas Plans certified as to their accuracy by the Authorized Person annexed hereto;
- “Hong Kong”** means the Hong Kong Special Administrative Region of the People’s Republic of China;
- “House”** means any one of the 5 houses constructed on the Lot in respect of which a specific number of Undivided Shares is allocated in accordance with this Deed and which is intended for separate and exclusive use and possession by the Owner thereof for private residential use, and each of them including, inter alia, a carport (which consists 2 carparking spaces), gardens, irrigation points and drain points which are located in the House, swimming pool, filtration plant area, flat roof, upper roof, lift, staircases, stairhood, Balcony, curtain wall, F.S. tank, F.S. pump room, check meter cabinet, LV/EV electric room, lift shaft, gas heater cabinet, planter, Non-Structural Prefabricated External Walls, walls of the filtration plant area,

external walls of the House and fence walls of the gardens of the House (and in case of a common wall adjoining two Houses or gardens or filtration plant area only up to the mid point of such common wall) but excluding the external walls and fence walls of the Development forming part of the Common Areas and Facilities, which are shown (for identification purpose only) coloured yellow on the Common Areas and Facilities Plans) and shall also include all the structures thereof and “**Houses**” shall be construed accordingly;

- “**House Rules**” means any rules and regulations as the Manager may make from time to time in accordance with the provisions of this Deed for the proper or efficient management of the Development;
- “**JPN 1**” means the Joint Practice Note No. 1 of the Buildings Department, the Lands Department and the Planning Department;
- “**JPN 2**” means the Joint Practice Note No. 2 of the Buildings Department, the Lands Department and the Planning Department;
- “**Lot**” means all that piece or parcel of land registered in the Land Registry as Lot No. 1982 in Survey District No. 2;
- “**maintain**” means operate, service, repair, uphold, support, rebuild, overhaul, pave, purge, scour, cleanse, empty, amend, replace, insure and decorate or any of such of the foregoing as may be applicable in the circumstances and in the interest of good estate management; “**maintenance**” shall be construed accordingly;
- “**Maintenance Manual for the Works and Installations**” means the schedules and maintenance manual for the Works and Installations as may from time to time be amended or revised in accordance with the provisions of this Deed;
- “**management expenditure**” means all costs, charges, expenses and outgoings necessarily and reasonably incurred by the Manager in relation to the management and maintenance of the Development as provided in this Deed; “management expenses” shall be construed accordingly;
- “**Management Shares**” means those notional shares allocated to the Houses as provided in the First Schedule hereto for the purposes of calculating the contributions payable by their respective Owners towards the management expenditure of the Development;
- “**Manager**” means the Management Company or any other person who for the time being is, for the purpose of this Deed, managing the Development;
- “**Natural Terrain Hazard Mitigation and Stabilization Works Plan**” a plan approved by the Director of Lands and registered in the Land Registry by Memorial No. 18122700890200 in accordance with Special Condition No. (54)(e) of the Conditions indicating the locations, nature and scope of the Inside Works and the Outside Works and the location and extent of the areas of the Lot and the Government land on which the Owners of the Lot may require or be required to carry out the maintenance works, including the areas of the Lot and the Government land where the Owners of the Lot may require or be required by the Director of Lands to carry out clearance of landslide

debris or boulders under sub-clause (f) of Special Condition No. (54) of the Conditions. **“Inside Works”** means the mitigation and stabilisation works and associated works, including works for the access for the subsequent maintenance of the completed mitigation and stabilisation works and associated works within the Lot, and **“Outside Works”** means the aforesaid works which are required to be done on the areas shown coloured green hatched black and green cross-hatched black on Plan No. SKM8443b annexed to the Conditions or any other Government land and as so defined in sub-clause (c) of Special Condition No. (54) of the Conditions;

- “Non-Structural Prefabricated External Walls”** means the non-structural prefabricated external walls provided within the Houses as green features pursuant to the JPN2 which are shown hatched red (for identification purpose only) on the Non-Structural Prefabricated External Wall Plan certified as to their accuracy by the Authorized Person and annexed hereto;
- “Occupation Permit”** means a temporary or permanent occupation permit issued by the Building Authority in respect of the Buildings or any part or parts thereof;
- “Occupier”** means a person occupying a House for the time being, the family members, servants, tenants, agents, invitees or licensees of the Owner of that House;
- “Ordinance”** means the Building Management Ordinance (Cap. 344);
- “Owner”** means such person in whom for the time being any Undivided Share is vested and appears from the records at the Land Registry to be the owner of such Undivided Share and every joint tenant or tenant in common of any Undivided Share, and (where any Undivided Share has been assigned or charged by way of mortgage or charge) includes both the mortgagor or chargor, and the mortgagee or chargee in possession of or having foreclosed such Undivided Share Provided that (subject to the provisions of the mortgage or charge) the voting rights attached to such Undivided Share by the provisions of this Deed is exercisable only by the mortgagor or chargor unless the mortgagee or chargee is in possession of or has foreclosed or has appointed a receiver to manage such Undivided Share;
- “Owners’ Committee”** means a committee of the Owners of the Development established under the provisions of this Deed;
- “Owners’ Corporation”** means the corporation of the Owners incorporated under section 8 of the Ordinance;
- “Slope Maintenance Guidelines and the Maintenance Manual”** means the guidelines contained in “Geoguide 5 – Guide to Slope Maintenance” issued by the Geotechnical Engineering Office (as amended or substituted from time to time) and the maintenance manual for the Slopes and Retaining Walls prepared in accordance with such “Geoguide 5 – Guide to Slope Maintenance” and approved by the relevant Government department;
- “Slopes and Retaining Walls”** means such slopes, retaining walls, retaining structures, slope treatment works, existing adjacent features outside lot and/or other

structures (if any), within or outside the Lot, and for identification purpose only, as shown coloured red, brown and pink respectively on the Slopes Retaining Structures and Existing Adjacent Features Outside Lot Plan, certified as to their accuracy by the Authorized Person and attached hereto, the maintenance of which is the responsibility of the Owners under Special Condition No. (55) of the Conditions or under this Deed or otherwise;

“Special Fund” means a special fund to be set up by the Manager pursuant to the provisions of this Deed for expenditure in relation to the management of the Development of a capital and non-recurring nature for the purpose of paragraph 4 of Schedule 7 to the Ordinance;

“Sub-Deed” means any Sub-Deed of Mutual Covenant in respect of any part of the Development remaining in the ownership of the First Owner to be entered into between the First Owner and another co-owner or owners thereof;

“Undivided Share” means an equal undivided part or share of and in the Lot and of and in the Development allocated in accordance with the provisions of this Deed or a Sub-Deed (if any);

“Unsold Houses” means Houses in the Development the construction of which has been completed and which remain unsold 3 months after (i) the date of this Deed or (ii) the date on which the First Owner is in a position validly to assign or dispose of its relevant Undivided Shares allocated to such Houses (i.e. when the consent to assign or certificate of compliance has been issued by the Government), whichever is the later;

“Works and Installations” means the major works and installations in the Development (whether forming part of the Common Areas and Facilities or not) requiring regular maintenance on a recurrent basis which include but not limited to the following (if any):

- (a) structural elements;
- (b) external wall finishes and roofing materials;
- (c) fire safety elements;
- (d) Slopes and Retaining Walls;
- (e) plumbing system;
- (f) drainage system;
- (g) fire services installations and equipment;
- (h) electrical wiring system;
- (i) lift installation (if applicable);
- (j) gas supply system;
- (k) window installations;
- (l) landscaping works;
- (m) light weight concrete fill;
- (n) mass concrete fill; and
- (o) other major items (if any).

WHEREAS:-

- (1) Immediately prior to the Assignment to the First Assignee hereinafter referred to, the First Owner was the registered owner and in possession of the Lot.

- (2) The First Owner has developed the Development on the Lot in accordance with the Buildings Plans. The Development has been completed and the Occupation Permit in respect thereof has been issued.
- (3) For the purpose of sale, the Lot and the Development have been notionally divided into 7,880 equal Undivided Shares which have been allocated as provided in the FIRST SCHEDULE hereto.
- (4) The First Owner has obtained the Certificate of Compliance and is entitled to assign or otherwise dispose of Undivided Shares together with the right to the exclusive use and occupation of the Houses individually.
- (5) By an Assignment bearing even date herewith and made between the First Owner of the one part and the First Assignee of the other part and for the consideration therein expressed the First Owner assigned unto the First Assignee ALL THAT 【●】 of the Development (“**the First Assignee’s Premises**”) subject to and with the benefit of the Conditions.
- (6) The parties hereto have agreed to enter into this Deed for the purpose of making provisions for the management, maintenance, repair, renovation, insurance and service of the Development and for the purpose of defining and regulating the rights, interests and obligations of the Owners in respect of the Lot and the Development and under the Conditions.
- (7) The Director of Lands has approved the terms of this Deed in accordance with Special Condition No. (19) of the Conditions.
- (8) In this Deed (if the context permits or requires) words importing the singular number only shall include the plural number and vice versa and words importing the masculine gender only shall include the feminine gender and the neuter gender and words importing person shall include corporation and vice versa.
- (9) Headings are inserted for reference purpose only and shall not be deemed to be part of or affect the interpretation of any provision herein.
- (10) References in this Deed to any ordinance shall (except where the context otherwise requires) be deemed to include any statutory re-enactment thereof or any statutory modification thereof having substantially the same legal effect but not having retrospective effect.

NOW THIS DEED WITNESSETH as follows:-

SECTION I
RIGHTS AND OBLIGATIONS OF OWNERS

1. The First Owner shall at all times hereafter subject to and with the benefit of the Conditions so far as they are still subsisting and this Deed have the sole and exclusive right and privilege to hold, use, occupy and enjoy to the exclusion of the First Assignee the whole of the Lot and the Development together with the appurtenances thereto and the entire rents and profits thereof SAVE AND EXCEPT the First Assignee’s Premises assigned to the First Assignee as aforesaid and the Common Areas and Facilities and SUBJECT TO the rights and privileges granted to the First Assignee by the aforesaid Assignment and SUBJECT TO the provisions of this Deed.

2. The First Assignee shall at all times hereafter subject to and with the benefit of the Conditions and this Deed have the full and exclusive right and privilege to hold, use, occupy and enjoy to the exclusion of the First Owner the First Assignee's Premises assigned to the First Assignee by the said Assignment together with the appurtenances thereto and the entire rents and profits thereof SUBJECT TO the provisions of this Deed.
3. Each Undivided Share and the sole and exclusive right and privilege to hold, use, occupy and enjoy any part of the Development shall be held by the Owner from time to time of such Undivided Share subject to and with the benefit of the easements, rights, privileges and obligations provided in the SECOND SCHEDULE hereto and the covenants and provisions contained in this Deed.
4. The Owner or Owners for the time being of each Undivided Share shall at all times hereafter be bound by and shall observe and perform the covenants, provisions and restrictions contained herein and in the THIRD SCHEDULE hereto so far as the same relate to such Undivided Share held by him or them and shall hold each Undivided Share subject to the easements, rights and privileges set out in the FOURTH SCHEDULE hereto and such Owner shall comply with the House Rules from time to time in force so far as the same are binding on such Owner.
5. Every Owner shall have the full right and liberty without reference to any other Owner or any person who may be interested in any other Undivided Share(s) in any way whatsoever and without the necessity of making such other Owner or such person a party to the transaction to sell, assign, mortgage, charge, lease, license or otherwise dispose of or deal with his Undivided Share(s) or interest of and in the Lot and the Development together with the sole and exclusive right and privilege to hold, use, occupy and enjoy such part(s) of the Development which may be held therewith PROVIDED THAT any such transaction shall be made expressly subject to and with the benefit of this Deed and PROVIDED FURTHER THAT every such assignment, mortgage, charge, lease or underletting for a term of more than three years or other disposal shall be registered at the Land Registry.
6.
 - (a) The sole and exclusive right and privilege to hold, use, occupy and enjoy any part of the Development shall not be sold, assigned, mortgaged, charged, leased or otherwise dealt with separately from the Undivided Share(s) with which the same is held PROVIDED ALWAYS that the provisions of this Clause, subject to the Conditions, do not extend to any lease, tenancy or licence with a term not exceeding ten (10) years.
 - (b) The right to the exclusive use, occupation, and enjoyment of a carport, garden(s), flat roofs, and upper roof shall not be sold, assigned, mortgaged, charged, leased, or otherwise dealt with separately from the House with which the carport, the garden(s), the flat roofs, and the upper roof is/are held (as the case may be).
 - (c) Any House shall not be partitioned and sold, assigned, mortgaged, charged leased, or otherwise dealt with separately from other parts or portions of the House.
7. Every Owner, his tenants, servants, agents, invitees, and licensees shall have the full right and liberty (in common with the Manager and others having like rights) to go, pass and repass over and along, and to use the Common Areas and Facilities for all purposes connected with the proper use and enjoyment of the same, subject to the provisions of this Deed, the rights of the Manager, the House Rules, or the fitting out rules (if any).

SECTION II
ADDITIONAL RIGHTS OF THE FIRST OWNER

8. The First Owner shall for as long as it remains the beneficial owner of any Undivided Share (and in addition to any other rights which it may have reserved under the said Assignment to the First Assignee or otherwise) have the right at any time or times and from time to time as it shall deem fit, to do all or any of the following acts or deeds, and to exercise all or any of the following rights:-
- (a) The right to enter into and upon all parts of the Lot and the Development (other than any part of the Development in respect of which the exclusive right to hold use occupy and enjoy is owned by other Owners) with all necessary equipment, plant and materials for the purposes of constructing and completing the other parts of the Development in accordance with the Buildings Plans and may, for such purposes, carry out all such works in, under, on, or over the Lot and the Development, as it may from time to time see fit PROVIDED THAT nothing herein shall absolve the First Owner from obtaining any Government approval which may be required for the same. The right of the First Owner to enter into the Lot and the Development as aforesaid to carry out such works shall extend equally to all necessary contractors, agents, workers and other persons authorized by the First Owner. The First Owner in pursuance of such works may from time to time issue in writing to the Owners instructions as to the areas or parts of the Lot and the Development that the Owners, their tenants, servants, agents or licensees may or may not use while such works are being carried out PROVIDED THAT the exercise of such right shall not interfere with the right of any Owner to hold, use, occupy and enjoy his House or impede or restrict the access to and from his House AND PROVIDED FURTHER THAT the First Owner shall at its own expense make good any damage or loss that may be caused by or arise from such construction, demolition, or other works or such right of entry, and shall ensure that such construction works shall cause the least disturbance and be carried out without delay and negligence.
 - (b) Subject to prior approval by a resolution of Owners at a meeting of Owners convened under this Deed, the right to convert or designate and declare by deed any area or part or parts of the Development the sole and exclusive rights to hold, use, occupy and enjoy which, and to receive the rents and profits in respect of which, is then beneficially owned by the First Owner to be additional Common Areas and Facilities, whereupon with effect from such conversion or designation and declaration, such additional Common Areas and Facilities shall form part of the Common Areas and Facilities as provided in this Deed and the Owners shall contribute to the maintenance and upkeep of the same PROVIDED THAT the First Owner and the Manager shall not have the right to re-convert or re-designate such additional Common Areas and Facilities to its own use or benefit AND PROVIDED FURTHER THAT in making such conversion or designation the First Owner shall not interfere with or adversely affect the rights of any Owner to hold, use, occupy, and enjoy his House.
 - (c) The right to build and operate in such part or parts of the Common Areas and Facilities to complete the Development in accordance with the Buildings Plans PROVIDED THAT such buildings and operations shall not contravene the terms and conditions of the Conditions or any of the laws and regulations for the time being in force in Hong Kong, and shall not interfere with an Owner's exclusive right to hold, use, and occupy the part of the Development which he

is entitled, or unreasonably impede or restrict the access to and from any such part of the Development, and that any damage resulting from such buildings and operations shall be made good by the First Owner at its expense.

- (d) The right and obligation, upon execution of this Deed, to assign the Common Areas and Facilities together with the Undivided Shares allocated to the Common Areas and Facilities to the Manager free of costs or consideration, to be held on trust for all the Owners and for the general amenity of the Owners and other occupants of the Development subject to the Conditions and to this Deed. Such Undivided Shares together with the exclusive right to hold, use, occupy, and enjoy the Common Areas and Facilities shall, upon such assignment to the Manager, be held by the Manager as trustee for all the Owners for the time being, and in the event that the Manager shall resign or be wound up or have a receiving order made against it or is removed and another manager appointed in its stead in accordance with this Deed, then the outgoing Manager or the liquidator or the receiver shall assign such Undivided Shares together with the Common Areas and Facilities which they represent to the new manager PROVIDED ALWAYS THAT nothing herein contained shall in any way fetter or diminish the rights, powers, authorities and entitlements of the Manager contained in this Deed or any relevant Sub-Deed, AND PROVIDED FURTHER THAT when the Owners' Corporation has been formed, the Manager shall, if required by the Owners' Corporation, assign the Common Areas and Facilities together with the Undivided Shares allocated to the Common Areas and Facilities and transfer the management responsibilities to it free of costs or consideration to be held by the Owners' Corporation on trust for all Owners.
- (e) The right to change, amend, vary, add to, or alter the Buildings Plans and the landscaping proposals existing at the date hereof from time to time, but nothing herein shall absolve the First Owner from the requirements of obtaining the prior written consent of the Director of Lands or other Government authorities pursuant to the Conditions or other applicable legislation, and no such change, amendment, variation, addition or alteration shall give to the Owners any right of action against the First Owner PROVIDED THAT the First Owner shall not be entitled to alter, change, amend, vary, or add to the Buildings Plans or the landscaping proposals in respect of any House(s) which have already been sold to individual purchaser(s) and any such change, amendment, variation, addition, or alteration shall not interfere with the right of any Owner to hold, use, occupy, and enjoy his House, and that access to and from his House shall not be adversely affected PROVIDED FURTHER THAT the prior written approval by a resolution of Owners at an Owners' meeting convened under this Deed shall be required if the change, amendment, variation, addition or alteration of the Buildings Plans or the landscaping proposals relates to or affects the Common Areas and Facilities.
- (f) Subject to the prior written approval by a resolution of Owners at a meeting of Owners convened under this Deed, the right for the First Owner to apply to, negotiate, and agree with the Government to amend, vary, or modify the Conditions (including the plan(s) annexed thereto) as the First Owner may deem fit, and to execute any documents in the name of the First Owner in connection therewith without the necessity of joining in any other Owner PROVIDED THAT the exercise of this right shall not interfere with an Owner's right to hold, use, occupy, and enjoy the part of the Development which he owns, and that access to or from any such part of the Development shall not be adversely affected PROVIDED ALSO THAT the First Owner shall be fully responsible, to the exclusion of other Owners, for any relevant premium or premiums (if any)

payable to the Government, including administrative fees, unless such amendment, variation, or modification of the Conditions is required by the Government.

- (g) Subject to the prior written approval by a resolution of Owners at a meeting of Owners convened under this Deed, or the Owners' Corporation (if formed), the right to install, affix, maintain, alter, renew, and remove any one or more chimneys, flues, pipes, signs, advertisements, masts, aerials, antennae, satellite dishes, lightning conductors and lighting, and other fixtures, structures or facilities, on or within any part or parts of the Common Areas and Facilities, and the right to enter into and upon any part of the Development with or without workmen and equipment, at all reasonable times, on giving prior reasonable written notice (except in the case of emergency) for any or all of the purposes aforesaid, and to license or otherwise permit or grant the right so to do to any other person PROVIDED THAT any such chimneys, flues, pipes, signs, advertisements, masts, aerials, antennae, satellite dishes, lightning conductors and lighting, and other fixtures, structures or facilities on or within the Common Areas and Facilities, are for the common use and enjoyment of all Owners, and any fee or monetary benefit arising from the aforesaid act to licence, permit, or grant the right in relation to the Common Areas and Facilities shall go into the Special Fund, and PROVIDED ALWAYS THAT any such chimney, flues, pipes, signs, advertisements, masts, aerials, antennae, satellite dishes, lightning conductors or lighting or other fixtures, structures or facilities, shall not interfere with the use and enjoyment by other Owners and Occupiers of the Development, and that the First Owner causes the least disturbance, and shall at its own expense make good any damage caused thereby and/or arising from the exercise by the First Owner of the aforesaid rights.
- (h) The right to name or re-name the Development or any or all of the Buildings at any time and from time to time upon giving not less than three (3) months' prior written notice to the Owners.
- (i) The right, subject to the prior written approval by a resolution of Owners at a meeting of Owners convened under this Deed, to dedicate to the public any part or parts of the Common Areas and Facilities for the purposes of passage with or without vehicles, or in such manner as the First Owner shall deem fit PROVIDED THAT in making such dedication, the First Owner shall not interfere with an Owner's right to hold, use, and occupy the part(s) of the Development which he owns, nor adversely affect in any way an Owner's rights and interests in the part(s) of the Development which he owns and in such parts as to be dedicated as aforesaid PROVIDED FURTHER THAT in the event that the Government offers any money or compensation for or in exchange of such dedication, such money or compensation shall form part of the management fund.
- (j) Subject to prior approval by a resolution of Owners at a meeting of Owners convened under this Deed, the right to adjust and/or re-align the boundary of the Lot, and to negotiate and agree with the Government in connection therewith, and for that purpose to execute any documents in the name of the First Owner in connection therewith, without the necessity of joining in any other Owner PROVIDED THAT the exercise of this right shall not interfere with an Owner's right to hold, use, occupy, and enjoy the part of the Development which he owns, or impede the access to or from any such part of the Development PROVIDED FURTHER THAT any payment received in connection with the exercise of the aforesaid right shall be credited to the Special Fund.

- (k) The right, without the necessity of making any Owner entitled to the exclusive use, occupation, and enjoyment of any part or parts of the Lot or the Development outside the part or parts of the Lot or the Development in question, to be a party thereto to enter into Sub-Deeds in respect of any part or parts of the Lot or the Development which belong to the First Owner PROVIDED THAT such Sub-Deeds shall be subject to the prior written approval of the Director of Lands (but where, the Director of Lands is satisfied, upon submission of the draft Sub-Deeds to the Director of Lands, that the Sub-Deeds relate only to the internal subdivision of an existing House and by the Sub-Deeds there will be no alteration to Common Areas and Facilities or liability for management or other charges under this Deed, the Director of Lands may, in his absolute discretion, waive the requirement of approval of the Sub-Deeds), and shall not conflict with the provisions of this Deed or the terms and conditions of the Conditions, or affect the rights, interests, or obligations of the other Owners bound by this Deed or any other previous Sub-Deeds.
- (l) Subject to the prior written approval by a resolution of Owners at a meeting of Owners convened under this Deed, the right, with or without joining any other Owner, to enter into any deed or deeds of grant of easement with the owners and/or occupiers of any adjoining or neighbouring lands at any time or times, and on such terms and subject to such conditions as the First Owner may deem appropriate, for obtaining grant of any rights, rights of way, easements or quasi-easements over any adjoining or neighbouring lands, or to obtain any similar rights for the benefit of the Lot and the Development, and to enter into any deed or deeds, at any time or times, to vary, amend, or otherwise alter the terms, conditions, or covenants of or contained in such deed or deeds, so long as the same shall not adversely affect the right of any Owner to the exclusive use of his House and his interest in the Lot and the Development PROVIDED THAT any consideration received are for the benefit of the Owners and shall form part of the management fund.
- (m) Subject to the prior written approval by a resolution of Owners at a meeting of Owners convened under this Deed, the right and full power at all times to enter into and upon all parts of the Lot and the Development with all necessary equipment, plant and materials, and the right and privilege to install in or affix to or use or operate on (or permit or grant the right to any person to install in or affix to or use or operate on) any part of the Common Areas and Facilities to which no Owner has the exclusive right to occupy, any broadcast reception, information distribution, or communications system serving the Development, including, without limitation, satellite master antenna system, communal aerial broadcast distribution system, microwave distribution system, cable and wireless communications systems, telecommunication system, and transmission and transponder systems, together with the right to repair, maintain, service, remove, or replace the same for the use and benefit of all Owners of the Development PROVIDED THAT any money or compensation received from the exercise of such right shall form part of the Special Fund.
- (n) Subject to the approval of the relevant government authorities, at any time hereafter and from time to time, to change, amend, vary, add to, or alter the plans of any part or parts of the Development owned by the First Owner, to determine or change or alter the number of Houses to be included, constructed, or erected on such parts of the Lot owned by the First Owner, to change or alter the location and/or the areas and/or users of such part or parts of the Development owned by the First Owner without the concurrence or approval of any other Owner PROVIDED THAT the right of other Owners to the exclusive use and enjoyment

of such part or parts of the Development owned by them, shall not be adversely affected PROVIDED FURTHER THAT the exercise of the aforesaid rights by the First Owner shall not impede the access of other Owners to their Houses.

- (o) Subject to the prior approval of the Director of Lands, the right to adjust and/or allocate and/or reallocate and/or sub-allocate the number of Undivided Shares in the Lot and the Development retained by the First Owner relating thereto, and the manner in which the same shall be notionally divided and the fraction which each such Undivided Share bears to the whole, and without prejudice to the generality of the foregoing, the full and unrestricted right to allocation and/or reallocation and/or sub-allocation shall not affect the other Owners' sole and exclusive right and privilege to hold, use, and occupy their part or parts of the Development, or impede or restrict the access to or from such part or parts of the Development, and provided also that no such adjustment shall affect such other Owners' rights in the Development.
- (p) Without prejudice to any other rights of the First Owner provided in this Deed, the right with the prior approval of the Owners' Committee to add certain common facilities to any part of the Common Areas and Facilities PROVIDED ALWAYS THAT an Owner's rights and interests shall not be adversely affected, and no such addition shall give to the Owners any right of action against the First Owner and PROVIDED ALSO THAT such additional common facilities shall comply with the requirements of the Conditions, and the cost for adding in such additional common facilities and the management expenditure for these additional common facilities shall be paid by the management fund.
- (q) Subject to prior approval by a resolution of Owners at a meeting of Owners convened under this Deed, the right to construct, maintain, lay, alter, remove, re-route, and renew drains, pipes, cables, sewers, other installations, fittings, chambers, and other similar structures within the Lot and the Development or partly within the Lot and the Development and adjoining land, to supply utilities services to the Lot and the Development PROVIDED THAT the First Owner shall in the exercise of this right cause the least disturbance to the Owners and make good any damage caused thereby, and any money or compensation received shall form part of the Special Fund PROVIDED FURTHER THAT the exercise of the rights under this sub-clause shall not interfere with the other Owners' right to hold, use, occupy and enjoy their Houses or impede access to their Houses and that the exercise of the rights under this sub-clause is for the purpose of supplying utilities services to the Lot and the Development only.
- (r) Subject to prior approval by a resolution of Owners at a meeting of Owners convened under this Deed, the right and privilege to negotiate and agree with the Government to incorporate any lands as extensions to the Lot PROVIDED THAT unless the same is done at the request of or for the benefit of the Owners, all premiums and fees payable for the same shall be borne by the First Owner AND PROVIDED FURTHER THAT unless the same is done at the request of or for the benefit of the Owners, no Owner except the First Owner shall have any claim for any benefit or compensation arising therefrom AND PROVIDED FURTHER THAT as from the date of such incorporation, the relevant extension shall form part of the Lot and shall be subject to this Deed AND PROVIDED FURTHER THAT the exercise of the rights under this sub-clause shall not interfere with the other Owners' right to hold, use, occupy and enjoy their Houses or impede access to their Houses.
- (s) The right to effect surrenders to the Government whenever required by the

Government so to do for public use, of any portion of the Lot not being within the exclusive use, occupation, and enjoyment of the respective Owners, and the Owners shall renounce and release all rights, titles, interests, benefits, claims, and demands whatsoever of and in such portion of the Lot, and the First Owner shall be at liberty to surrender the same to the Government free of any claim or demand of the Owner or compensation to the Owner, whether by any agreement or otherwise howsoever. Any compensation money received in respect of the surrenders shall form part of the funds for the management of the Lot and the Development and be applied accordingly PROVIDED THAT the exercise of the rights under this sub-clause shall not interfere with the other Owners' right to hold, use, occupy and enjoy their Houses or impede access to their Houses.

- (t) At all times hereafter but subject to and with the benefit of the Conditions and this Deed insofar as they relate thereto, the full and unrestricted right without interference by the Owners to assign, mortgage, charge, lease, licence, franchise, part with possession of, or otherwise deal with the Undivided Shares retained by the First Owner (other than the Undivided Shares allocated to the Common Areas and Facilities), and the right to allocate and reallocate the Undivided Shares so retained by the First Owner within the Development PROVIDED THAT the total number of the Undivided Shares for each such part remains unchanged, and the approval of the Director of Lands, if required, is obtained, and to assign, mortgage, charge, lease, license, or franchise the full and exclusive right and privilege to hold, use, occupy, and enjoy any such premises within the Development PROVIDED THAT such dealings shall not contravene the terms and conditions of the Conditions.

Unless otherwise stated, any consideration received or receivable in the exercise by the First Owner of any of the rights and privileges reserved unto it under this Clause shall, if the First Owner deem fit, be for the own use and benefit of the First Owner, and may be on such terms and conditions as the First Owner may deem appropriate, and unless otherwise stated, any such rights and privileges may be exercised and enjoyed without the consent of any other Owner, or the necessity of joining any other Owner as parties to any documents.

- 9. (a) The Owners hereby jointly and severally and irrevocably APPOINT the First Owner as their attorney, and grant unto the First Owner the full right, power, and authority to do all acts, deeds, matters, and things, and to execute and sign, seal, and as their act and deed deliver such deed or deeds, and to sign such documents or instruments as may be necessary for the exercise of or incidental to the First Owner's rights mentioned in Clause 8 of this Deed, and the Owners hereby further jointly and severally and irrevocably undertake to do all acts, deeds, matters, and things, and to execute, sign, seal, and deliver such deed or deeds, and to sign such documents or instruments as may be necessary to give effect to the abovementioned appointment, and grant and to ratify and confirm all that the First Owner as such attorney shall lawfully do or cause to be done by virtue thereof, and that the power of attorney hereby given shall bind the executor(s) and the administrator(s) and the successor(s) and assign(s) of such Owners, and shall not be revoked by the death, incapacity, bankruptcy, or winding up (as the case may be) of any of such Owners.
- (b) Every assignment by an Owner of the Undivided Shares and the part of the Development which he owns shall include a covenant in substantially the following terms:

“The Purchaser covenants with the Vendor and its successors, assigns, and attorneys, to the intent that such covenants shall bind the Property and the owner or owners

thereof for the time being, and other person or persons deriving title under the Covenanting Purchaser (each and all of whom including the Purchaser is and are hereinafter included in the expression “the Covenanting Purchaser”), and shall enure for the benefit of the Development, and be enforceable by the Vendor and its successors and assigns, that:-

- (i) the Covenanting Purchaser confirms and acknowledges the covenants, rights, entitlements, exceptions, and reservations granted and conferred on Maxjet Company Limited (hereinafter called “the Company”, which expression shall include its successors, assigns, and attorneys) under Clause 8 of a Deed of Mutual Covenant and Management Agreement dated the 【●】 day of 【●】 (“the DMC”) and the Covenanting Purchaser shall not do or permit anything to be done which will in any way affect or hinder the exercise of the said rights by the Company;
- (ii) the Covenanting Purchaser shall, if required by the Company, do everything necessary, including giving express consents in writing, to the exercise of the said rights by the Company, and to facilitate the exercise of the said rights by the Company;
- (iii) the Covenanting Purchaser hereby expressly and irrevocably appoints the Company to be its attorney, and grants unto the Company the full right, power, and authority to give all consents, and to do all acts, deeds, matters, and things, and to execute and sign, seal, and as the acts and deeds of the Covenanting Purchaser deliver such deeds, and to sign such documents or instruments as may be necessary for the exercise of or incidental to the exercise of the rights conferred on the Company as aforesaid with the full power of delegation, and the Covenanting Purchaser hereby further covenants to do all acts, deeds, matters, and things and to execute, sign, seal, and deliver such deed or deeds, and to sign such documents or instruments as may be necessary to give effect to such appointment and grant; and
- (iv) in the event of the Covenanting Purchaser selling or otherwise disposing of the Property, the Covenanting Purchaser shall sell or otherwise dispose of the Property, upon the condition that the purchaser or assignee thereof shall enter into the same binding covenants on terms similar in scope and extent as the covenants (i), (ii) and (iii) hereinbefore contained.

PROVIDED THAT upon the Covenanting Purchaser complying with and performing the covenant (iv) hereinbefore contained, the Covenanting Purchaser shall not be liable for any breach of the covenants (i), (ii) and (iii) hereinbefore contained which may happen after the Covenanting Purchaser shall have sold or otherwise disposed of the Property in respect whereof such purchaser or assignee shall have entered into such covenants similar in scope and extent as the covenants (i), (ii) and (iii) hereinbefore contained.”

SECTION III **MANAGER AND MANAGEMENT CHARGES**

10. The parties hereto have agreed with the Manager for the Manager to undertake the management, operation, servicing, cleansing, maintenance, repair, renovation, replacement, security, and insurance of the Development (all or any of which activities where not inapplicable herein included under the word “management”) initially for a term

of two (2) years from the date of this Deed and such appointment shall continue thereafter until and unless:

- (a) terminated by the Manager upon giving to the Owners' Committee not less than three (3) months' notice in writing to terminate the appointment and, where there is no Owners' Committee, by serving such a notice on each of the Owners by delivering it personally to the Owner, sending it by post to the Owner at his last known address, or by leaving it at the Owner's House or depositing it in the letter-box for that House, and by displaying such a notice in a prominent place in the Development; or
- (b) prior to the formation of the Owners' Corporation, the Owners' Committee may at any time terminate the Manager's appointment without compensation by a resolution passed by the Owners at a meeting in accordance with **Clause 60(j)(v)** of this Deed and by giving the Manager three (3) months' notice in writing.

The appointment of the Manager shall be terminated forthwith whether before or after the said initial term if the Manager shall go into liquidation (except for the purpose of amalgamation or reconstruction). Upon termination of the appointment of the Manager, the Owners' Committee, pursuant to a resolution of the Owners in accordance with the provisions in **Clause 60** hereof, shall establish, employ, or appoint such or such type of estate management company or agency as it shall in its discretion think fit to carry out the management and maintenance of the Development in accordance with the provisions of this Deed and any Sub-Deed. Nothing herein shall restrict or prohibit the termination of the appointment of the Manager or his resignation during the said initial period of two (2) years.

11. Upon termination of the Manager's appointment in whatever manner that may occur, a meeting of the Owners shall be convened to appoint a manager to take its place, and such new manager shall, on the expiry of such notice given by or to the Manager as the case may be, henceforth become vested with all the powers and duties of the Manager hereunder. Upon the termination of its appointment as Manager, the Manager shall assign the Common Areas and Facilities together with the Undivided Shares allocated to the Common Areas and Facilities held by the Manager as trustee for the Owners free of costs or consideration, to its successor in office, or if an Owners' Corporation is formed under the Ordinance, upon its request, to assign the Common Areas and Facilities together with the Undivided Shares allocated to the Common Areas and Facilities and transfer the management responsibilities to it free of costs or consideration, in which event, the Owners' Corporation must hold them on trust for the benefit of all Owners for the time being of undivided shares in the Lot and the Development, and within 2 months of the date of its appointment ends:

- (a) prepare
 - (i) an income and expenditure account of the period beginning with the commencement of the financial year in which the Manager's appointment ends and ending on the date of the Manager's appointment ended, and
 - (ii) a balance sheet as at the date of the Manager's appointment ended, and

shall arrange for that account and balance sheet to be audited by a certified public accountant, or by some other independent auditor specified in the resolution of the meeting of the Owners, or in the absence of any such specification, by such certified public accountant or other independent auditor as may be chosen by the Manager; and

- (b) deliver to the Owners' Committee (if any) or the Manager appointed in its place any books or records of account, papers, plans, documents, and other records which are required for the purposes of sub-clause (a) above and have not been delivered as hereinafter required. The Manager shall as soon as practicable after its appointment ends, and in any event within 14 days of the date its appointment ends, deliver to the Owners' Committee (if any) or the Manager appointed in its place any movable property in respect of the control, management, and administration of the Development that is under its control, or in its custody or possession, and that belongs to the Owners' Corporation (if any) or the Owners. Notwithstanding anything hereinbefore contained, it is hereby declared and agreed that at no time shall the Development be without a duly appointed responsible manager to manage any of the Buildings after the issue of an Occupation Permit covering the same.
12. (a) The annual remuneration of the Manager for the performance of its duties hereunder shall be twenty per cent (20%) of the total annual management expenditure (excluding the Manager's remuneration and any capital management expenditure or management expenditure drawn out of the Special Fund), reasonably, necessarily, and properly incurred in the good and efficient management of the Development. The Manager shall also be entitled to charge and be paid all disbursements and out-of-pocket expenses properly incurred in the course of carrying out its duties hereunder. Payment of the Manager's remuneration hereunder shall be paid in advance by twelve equal calendar monthly instalments. The amount for such monthly payments shall be estimated by the Manager with adjustments to be made at the end of each financial year when the final annual management expenses are ascertained PROVIDED ALWAYS that by a resolution of Owners at an Owners' meeting convened under this Deed, any capital management expenditure or management expenditure drawn out of the Special Fund may be included for calculating the Manager's remuneration at the rate as provided under this Clause, or at such lower rate as the Owners may consider appropriate. No variation of the percentage of the annual remuneration of the Manager may be made except with the approval by a resolution of Owners, duly passed at a meeting of Owners convened under this Deed.
- (b) The Manager's remuneration as aforesaid shall be the net remuneration of the Manager for its services as Manager, and shall not be subject to any requirement on the part of the Manager to disburse or provide from such money, any staff, facilities, accountancy services, or other professional supervision for the Development, the cost for which shall be a direct charge upon the management fund.
13. (a) For the purpose of fixing the contributions payable by the Owners, an annual budget showing the estimated management expenditure of the Development for the ensuing year shall be prepared by the Manager. The first annual budget shall be prepared by the Manager and shall cover the period from the date of this Deed until the 31st day of December of the same year. Subsequent annual budgets shall be prepared by the Manager in consultation with the Owners' Committee (only if and when it has been established pursuant to the terms of this Deed) at least one (1) month prior to the commencement of the relevant financial year.
- (b) Such annual budget shall cover all management expenditure which in the opinion of the Manager (whose decision shall be conclusive save for manifest error) is to be expended for the benefit of all Owners as essential or required for the proper management of the Development and the Common Areas and Facilities therein,

including but without prejudice to the generality of the foregoing:

- (i) the maintenance, operation, repair, and cleansing of all Common Areas and Facilities and the lighting thereof, and the provisions and operation of emergency generators and lighting for the Common Areas and Facilities;
- (ii) the cultivation, planting, irrigation, and maintenance of the lawns, planters, landscaped areas and any trees or shrubs on the Common Areas and Facilities;
- (iii) the cost of all electricity, gas, water, telephone, and other utilities serving the Common Areas and Facilities;
- (iv) the provision of security guard services for the Development, including the costs for the maintenance of the security system installed, and the cost of employing caretakers, watchmen, cleaners, and attendants, and such other staff to manage and administer the Common Areas and Facilities;
- (v) the cost and expense of maintaining such areas or drains and channels, whether within or outside the Lot, that are required to be maintained under the Conditions;
- (vi) the costs of fuel, oil, or electricity incurred in connection with the operation of the plant, equipment, and machinery provided for the benefit of Owners of the Development as a whole;
- (vii) the remuneration of the Manager calculated in accordance with **Clause 12** of this Deed for providing its services hereunder;
- (viii) the premiums for insurance of all those parts of the Development against loss or damage by fire and/or such other perils, up to the full new reinstatement value thereof, and insurance covering third party or public liability, occupier's liability, and employer's liability in respect of employees employed in connection with the management of the Development, or any other insurance policy considered necessary by the Manager;
- (ix) a sum for contingencies;
- (x) legal and accounting fees and all other professional fees and costs properly incurred by the Manager in carrying out the services provided under this Deed;
- (xi) the costs of removal and disposal of rubbish from the Development;
- (xii) all costs incurred in connection with the Common Areas and Facilities;
- (xiii) the Government Rent and all sums (other than the premium) payable under the Conditions provided that upon the rent being apportioned by the Government amongst the Owners, the Government Rent (save and except the rent in respect of the Common Areas and Facilities) shall not be included as part of the management expenses but shall be paid directly by the Owners of the relevant Houses according to the said apportionment;

- (xiv) any fees or charges payable to the Government and/or any other entities under and pursuant to the terms of any licence agreement, wayleave agreement, deed of grant of easement and/or right of way, or any other documents of a similar nature affecting the Lot;
- (xv) the costs of decorating the Common Areas and Facilities of the Development during Christmas, Chinese New Year, and other festivals;
- (xvi) any tax payable by the Manager PROVIDED however that any tax payable on the Manager's remuneration shall be borne and paid by the Manager;
- (xvii) the cost and expenses incurred or to be incurred for the maintenance and carrying out of all works in respect of the Slopes and Retaining Walls, and/or for engaging suitable personnel to carry out such works in respect of the Slopes and Retaining Walls in Section IX of this Deed and maintaining all roads, slopes, footbridges, retaining walls (if any), and other structures on, outside, or adjacent to the Lot or forming part of the Development;
- (xviii) the costs and expenses for the carrying out of the maintenance works of the Inside Works and the Outside Works in good and substantial repair and conditions in all aspects to the satisfaction of the Director, and to ensure that the Inside Works and the Outside Works shall continue to perform their designed functions in accordance with sub-clause (f)(i) of Special Conditions No. (54) of the Conditions;
- (xix) the costs and expenses for the operation and maintenance of the CCTV Imaging Device;
- (xx) the costs of replacing, repairing, and maintaining any of the fresh or sea water mains and pipes serving any part of the Lot;
- (xxi) the costs of connecting any drains and sewers from the Lot to the Government storm-water drains and sewers when laid, required to be paid on demand of the Director of Lands;
- (xxii) any other items of management expenditure which are necessary for the administration, management, and maintenance of the Lot and the Development, including but not limited to all staff, facilities, office, accountancy, professional, supervisory and clerical expenses incurred by the Manager in respect thereof or such proportionate part thereof which are provided by the head office of the Manager for the Development as well as any other lands, developments and buildings and for such purposes, the Manager shall be entitled to apportion any such items of management expenditure which directly relate to the administration and/or management and/or maintenance of the Lot and the Development as well as any other lands, developments and buildings in such manner as shall be conclusively determined in the absolute discretion of the Manager having regard to the relevant circumstances; and
- (xxiii) the costs and expenses for the keeping and maintaining the Greenery Areas;

- (xxiv) the costs, charges and expenses incurred by the Manager in the performance of any duty or in the exercise of any power under this Deed or any Sub-Deeds.

PROVIDED THAT:-

- (1) the management expenditure for effecting any improvement to the Common Areas and Facilities by the Manager shall not exceed ten per cent (10%) of the current annual management budget, save with the prior approval by a resolution of Owners at a meeting of Owners convened under this Deed, or the Owners' Corporation (if formed); and
 - (2) management expenditure of a capital and/or improvement nature for the improvement of the Development and/or the replacement or improvement of installations, systems, equipment and apparatus within or forming part of the Common Areas and Facilities and/or for the efficient management and maintenance of the Development including the initial costs of setting up a development management office and the cost of maintaining and repairing any structures in compliance with the Conditions shall be payable out of the Special Fund mentioned in **Clause 19** of this Deed when the same is established AND THAT the budget shall also set out an estimate as to the time of any likely need to draw in the Special Fund.
14. (a) Subject to **sub-clauses (c), (e), (f) and (h)** of this Clause, the total amount of management expenditure payable by the Owners during any period of 12 months adopted by the Manager as the financial year in respect of the management of the Development shall be the total proposed management expenditure during that year as specified by the Manager, in accordance with **sub-clause (b)** of this Clause.
- (b) In respect of each financial year, the Manager shall:-
- (i) prepare a draft budget setting out the proposed management expenditure during the financial year;
 - (ii) send a copy of the draft budget to the Owners' Committee or, where there is no Owners' Committee, display a copy of the draft budget in a prominent place in the Development, and cause it to remain so displayed for at least 7 consecutive days;
 - (iii) send or display, as the case may be, with the copy of the draft budget, a notice inviting each Owner to send his comments on the draft budget to the Manager within a period of fourteen (14) days from the date the draft budget was sent or first displayed;
 - (iv) after the end of that period, prepare a budget specifying the total proposed management expenditure during the financial year;
 - (v) send a copy of the budget to the Owners' Committee or, where there is no Owners' Committee, display a copy of the budget in a prominent place in the Development, and cause it to remain so displayed for at least 7 consecutive days.
- (c) Where, in respect of a financial year, the Manager has not complied with **sub-clause (b)** of this Clause before the start of that financial year, the total amount of the management expenditure for that year shall:-

- (i) until he has so complied, be deemed to be the same as the total amount of management expenditure (if any) for the previous financial year;
 - (ii) when he has so complied, be the total proposed management expenditure specified in the budget for that financial year, and the amount that the Owners shall contribute towards the management expenditure shall be calculated and adjusted accordingly.
- (d) Where a budget has been sent or displayed in accordance with **sub-clause (b)(v)** of this Clause and the Manager wishes to revise it, he shall follow the same procedures in respect of the revised budget as apply to the draft budget and budget by virtue of **sub-clause (b)** of this Clause.
- (e) Where a revised budget is sent or displayed in accordance with **sub-clause (d)** of this Clause, the total amount of the management expenditure for that financial year shall be the total management expenditure or proposed management expenditure specified in the revised budget, and the amount that Owners shall contribute towards the management expenditure shall be calculated and adjusted accordingly.
- (f) If there is an Owners' Corporation and, within a period of one (1) month from the date that a budget or revised budget for a financial year is sent or first displayed in accordance with **sub-clause (b) or (d)** of this Clause, the Owners' Corporation decides, by a resolution of the Owners, to reject the budget or revised budget, as the case may be, the total amount of management expenditure for the financial year shall, until another budget or revised budget is sent or displayed in accordance with **sub-clause (b) or (d)** of this Clause and is not so rejected under this sub-clause, be deemed to be the same as the total amount of management expenditure (if any) for the previous financial year, together with an amount not exceeding 10% of the total amount as the Manager may determine.
- (g) If any Owner requests in writing the Manager to supply him with a copy of any draft budget, budget or revised budget, the Manager shall, on payment of a reasonable copying charge, supply a copy to that person.
- (h) For the purpose of this **Clause 14**, "management expenditure" means all expenses, costs and charges necessarily and reasonably incurred in the management of the Development to be borne by the Owners, including the remuneration of the Manager, and shall cover the management expenditure mentioned in **Clause 13(b)** above.
15. The Manager shall fix the monthly amount to be contributed to the annual budget by each Owner in respect of the Buildings managed by the Manager in accordance with the following principles:-
- (a) Each Owner shall pay for every Undivided Share allocated to any House of which he is the Owner a fraction of the total amount assessed under the annual adopted budget in which the numerator shall be one and the denominator is equal to the total number of Undivided Shares (excluding Undivided Shares allocated to the Common Areas and Facilities) in the Development PROVIDED THAT for the avoidance of doubt no contributions shall be payable in respect of the Undivided Shares allocated to the Common Areas and Facilities.
 - (b) The Owner's liability (including the First Owner's liability) to make such payment or contribution shall in no way be reduced by reason of the fact that the House or

part to which he is entitled to exclusive possession is vacant or unoccupied and whether it has been let or leased to the tenant or is occupied by the Owner himself or any other person.

- (c) Notwithstanding anything herein contained, where the Manager or the Owners' Corporation acquires Undivided Shares of and in the Lot and the Development relating to the Common Areas and Facilities as trustee for all the Owners pursuant to the provisions of the Conditions or this Deed, then such Undivided Shares and the part or parts of the Development held therewith shall be exempted from contributing to management expenses as provided in this Deed.
16. (a) In the event of the Manager finding at any time that the annual budget is insufficient to cover all management expenditure or in the event of a deficiency occurring or seeming to occur, the Manager may at any time during the financial year, subject to the provisions of **sub-clause (b)** hereunder, prepare a revised budget, and shall have the same reviewed by the Owners' Committee (only if and when it has been established pursuant to this Deed) and the provisions of **Clauses 13 to 15** of this Deed shall apply mutatis mutandis to the revised budget as to the annual budget. Any surplus shall be applied towards the management expenditure of the Development and be taken into account when calculating the relevant budget for the next ensuing year, pursuant to **Clause 13** of this Deed.
- (b) The Manager shall also have the power, in the event of a revised budget completed pursuant to and in accordance with **sub-clause (a)** hereof, to add to the amount to be contributed monthly by any Owner in accordance with the Undivided Shares such additional amount as shall be necessary to meet revised estimated management expenditure in any accounting year, to the intent that any such amount shall form part of the monthly contribution of such Owner in accordance with the Undivided Shares to the management expenditure and be recoverable accordingly.
17. Notwithstanding anything herein contained and for the avoidance of any doubt, the management expenses payable by the Owners in accordance with this Deed shall not include:-
- (a) Any sum attributable or relating to the cost of completing the construction of the Development or any part thereof all of which sums shall be borne solely by the First Owner;
 - (b) All existing and future taxes, Government rent, rates, assessments, property tax, water rates (if separately metered), and outgoings of every description for the time being, payable in respect of any House, which shall be borne by the Owner for the time being thereof.
18. (a) Subject to provisions in Schedule 7 to the Ordinance and sub-clauses (b) and (c) of this Clause, the Manager or the Owners' Committee shall not enter into any contract for the procurement of any supplies, goods, or services, the value of which exceeds or is likely to exceed the sum of HK\$200,000, or such other sum in substitution therefor as the Secretary for Home Affairs ("the Authority") may specify by notice in the Gazette unless:-
- (i) the supplies, goods or services are procured by invitation to tender; and
 - (ii) the procurement complies with the Code of Practice referred to in Section 20A(1) of the Ordinance.

- (b) Subject to sub-clause (c) of this Clause, the Manager or the Owners' Committee shall not enter into any contract for the procurement of any supplies, goods or services, the value of which exceeds or is likely to exceed a sum which is equivalent to 20% of the annual budget, or such other percentage in substitution therefor as the Authority may specify by notice in the Gazette, unless:-
- (i) if there is an Owners' Corporation:-
 - (1) the supplies, goods or services are procured by invitation to tender;
 - (2) the procurement complies with the Code of Practice referred to in Section 20A(1) of the Ordinance; and
 - (3) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the Owners passed at a general meeting of the Owners' Corporation and the contract is entered into with the successful tenderer; or
 - (ii) if there is no Owners' Corporation:-
 - (1) the supplies, goods or services are procured by invitation to tender;
 - (2) the procurement complies with the Code of Practice referred to in Section 20A(1) of the Ordinance; and
 - (3) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the Owners passed at a meeting of Owners convened and conducted in accordance with this Deed, and the contract is entered into with the successful tenderer.
- (c) Sub-clauses (a) and (b) of this Clause do not apply to any supplies, goods or services which but for this sub-clause would be required to be procured by invitation to tender (referred to in this sub-clause as "relevant supplies, goods or services"):-
- (i) where there is an Owners' Corporation, if:-
 - (1) the relevant supplies, goods or services are of the same type as any supplies, goods or services which are for the time being supplied to the Owners' Corporation by a supplier; and
 - (2) the Owners' Corporation decides by a resolution of the Owners passed at a general meeting of the Owners' Corporation that the relevant supplies, goods or services shall be procured from that supplier on such terms and conditions as specified in the resolution, instead of by invitation to tender; or
 - (ii) where there is no Owners' Corporation, if:-
 - (1) the relevant supplies, goods or services are of the same type as any supplies, goods or services which are for the time being supplied to the Owners by a supplier; and
 - (2) the Owners decide by a resolution of the Owners passed at a meeting of Owners convened and conducted in accordance with this Deed that the relevant supplies, goods or services shall be procured from that supplier on such terms and conditions as specified in the resolution, instead of by invitation to tender.
19. (a) Subject to **Clause 31** of this Deed, there shall be established and maintained and prepared by the Manager as trustee for and on behalf of all the Owners, one Special

Fund towards payment of expenses of a capital nature or of a kind not expected to be incurred annually, which includes, but is not limited to, expenses for the renovation, improvement, and repair of the Common Areas and Facilities, the purchase, setting up, replacement, improvement, and addition of installations, systems, equipment, tools, plant, and machinery for the Common Areas and Facilities, and the costs of the relevant investigation works and professional services, and such fund shall not be refundable by the Manager or transferable to any new Owner. If the Owners' Corporation is formed, the Owners' Corporation shall determine, by a resolution of the Owners, the amount to be contributed to the Special Fund by the Owners in any financial year, and the time when those contribution shall be payable.

- (b) The Manager shall open and maintain at a bank within the meaning of section 2 of the Banking Ordinance (Cap. 155) an interest-bearing account, the title of which shall refer to the Special Fund for the Development, and shall use that account exclusively for the purpose referred to in paragraph 19(a), and that the Manager shall without delay pay all money received by it in respect of the Special Fund into that account. Without prejudice to the generality of the aforesaid, if the Owners' Corporation is formed, the Manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a trust account or client account, for holding money received by it from or on behalf of the Owners' Corporation in respect of the Special Fund, and that the Manager shall without delay pay all money received by it in respect of the Special Fund into that account or accounts. The Manager shall display a document showing evidence of any account so opened and maintained in a prominent place of the Development. Except in a situation considered by the Manager to be an emergency, no money shall be paid out of the Special Fund unless it is for a purpose approved by a resolution of the Owners' Committee (if formed). For the avoidance of doubt, the Manager shall not use the Special Fund or any part or parts thereof for the payment of any outstanding management expenses arising from or in connection with the day-to-day management of the Development.
 - (c) Each Owner shall also on demand pay to the Manager such further sum (as included in the monthly management contribution) payable in respect of the House of which he is the Owner, based on the annual budget as determined in the Annual General Meeting of the Owners, to maintain the Special Fund at such level as the Manager shall recommend PROVIDED THAT such contribution to the further annual sum shall be in proportion to the Undivided Shares (excluding the Undivided Shares allocated to the Common Areas and Facilities) as provided in the First Schedule hereto.
 - (d) Each Owner shall make further periodic contributions to the Special Fund (as included in the monthly management contribution) payable in respect of the House of which he is the Owner, and the amount to be contributed in each financial year and the time when those contributions will be payable, will be determined by a resolution of the Owners at an Owners' meeting convened under this Deed.
20. (a) Subject to **Clause 31** hereof, each Owner (excluding the First Owner but subject to **sub-clause (b)** of this clause), on completion of the assignment of his House, shall:-
- (i) pay to the Manager a sum equivalent to two (2) months of such Owner's required contribution towards the first year's budgeted management expenditure ("monthly contribution") as payment in advance;
 - (ii) deposit with the Manager as security for the due payment of all amounts

which may be or become payable by him under this Deed, a sum equal to three (3) times the monthly contribution payable by him in respect of the House of which he is the Owner, which deposit shall be non-interest bearing and non-refundable but transferable, and shall not be set off against any contribution payable by him under this Deed PROVIDED THAT such deposit shall not be more than 25% of the first year budgeted management expenditure and PROVIDED FURTHER THAT in the event that there is an increase in the monthly contribution payable by the Owner as determined by the Manager under this Deed, the Manager shall have the right at its absolute discretion to require the Owners to pay to the Manager by way of an increase in the said deposit a sum proportional thereto in order that such deposit shall always be equal to three (3) times the then monthly contribution;

- (iii) pay to the Manager a sum equivalent to two (2) months of his monthly contribution as an initial contribution to the Special Fund referred to in **Clause 19** above and such payment shall not be refundable by the Manager or transferable to any new Owner;
- (iv) pay to the Manager a debris removal fee of not more than one (1) month of his monthly contribution for the removal of debris arising from decoration works carried out in his House and which sum shall not be refundable PROVIDED THAT any such sum received by the Manager which is not so used for removal of debris shall form part of the Special Fund; and
- (v) pay to the Manager the whole or a due proportion (being the same proportion as the proportion which the number of Undivided Shares allocated to the House or part of the Development of which he is the Owner bears to the total number of Undivided Shares (excluding the Undivided Shares allocated to the Common Areas and Facilities) into which the Lot and the Development have been notionally divided) of all public water meter deposits and public electricity meter deposits which have already been paid in respect of the Common Areas and Facilities and such water meter and electricity meter deposits which have already been paid in respect of his House.

Notwithstanding the foregoing (and without prejudice to the rights of the Manager generally under this Deed) the Manager shall have the right to set off the deposit under (ii) of this sub-clause against any sums payable by an Owner under this Deed; the Manager shall be under no obligation to exercise such right of set off and, in any proceedings by the Manager against an Owner in respect of a payment default, such Owner shall have no right to require the Manager to mitigate its loss by exercising its right of set-off prior to its exercising its other rights under this Deed in respect of such default. If the Manager has exercised its right of set-off under this Clause, it shall have the right to require the relevant Owner or its successor in title to replenish the deposit to an amount equivalent to three (3) times the then current monthly management contribution payable in respect of each Undivided Share allocated to the relevant House.

- (b) The First Owner shall in respect of any Unsold Houses:-
 - (i) deposit with the Manager the deposit as mentioned in **Clause 20(a)(ii)** of this Deed;
 - (ii) pay to the Manager a sum equivalent to two (2) months of its monthly

contribution as an initial contribution to the Special Fund in respect of the Unsold Houses as mentioned in **Clause 20(a)(iii)** of this Deed;

- (iii) pay to the Manager the debris removal fee as mentioned in **Clause 20(a)(iv)** of this Deed; and
 - (iv) pay to the Manager for those expenses which are of a recurrent nature.
- (c) All outgoings (including Government rent, rates, and contribution to the management expenditure) up to and inclusive of the date of the first assignment by the First Owner of each House shall be paid by the First Owner and no Owner shall be required to make any payment or reimburse the First Owner for such outgoings.
21. Contributions and payments to be made by each Owner under this Deed shall normally be made in advance on the first day of each calendar month but this shall not interfere with the Manager's discretion to call for any particular payment or contribution to be made on any other day or days it may deem necessary or desirable.
22. Notwithstanding anything contained in this Deed, the Manager shall be entitled in its discretion:-
- (a) With the agreement of the Owner concerned to levy and to retain an additional charge against such Owner in respect of services rendered by the Manager to the Owner beyond what is provided for in this Deed, provided that such charge shall form part of the management fund;
 - (b) To charge the Owner concerned a reasonable administrative fee for granting and processing any consent required from the Manager pursuant to this Deed provided that such administrative fee shall be credited to the Special Fund

PROVIDED THAT the rights conferred on the Manager under this Clause 22 shall not contravene any provisions of the Conditions.

23. (a) The Manager may collect from licensees, tenants and other occupiers of the Common Areas and Facilities or any part thereof, such sum or sums as the Manager shall in its absolute discretion determine and such sum or sums collected shall form part of the management fund.
- (b) All moneys, income, fees, charges, penalties or other consideration received by the Manager in respect of the grant of franchises, leases, tenancy agreement, licenses or permission for the use of any part of the Common Areas and Facilities or enforcement of the provisions of this Deed or any House Rules shall form part of the management fund.
24. If any Owner shall fail to pay the Manager any amount payable hereunder within thirty (30) days of demand, the Manager may impose on such Owner:-
- (a) Interest calculated from the due date at the rate of 2% per annum above the prime rate from time to time specified by The Hongkong and Shanghai Banking Corporation Limited in respect of any payment in arrears and such interest shall be payable from the due date until payment; and
 - (b) A collection charges not exceeding ten per cent (10%) of any payment in arrears of the extra work occasioned by the default.

PROVIDED THAT such interest and collection charges received shall be credited to the Special Fund.

25. All amounts which become payable by any Owner in accordance with the provisions of this Deed or any relevant Sub-Deed together with interest thereon as aforesaid and the said collection charge and all damages claimed for breach of any of the provisions of this Deed and any relevant Sub-Deed and legal costs and all other expenses incurred in or in connection with recovering or attempting to recover the same shall be recoverable by civil action at the suit of the Manager (and the claim in any such action may include a claim for the costs of the Manager in such action on a solicitor and own client basis and such defaulting Owner shall in addition to the amount claimed in such action be liable for such costs). In any such action the Manager shall conclusively be deemed to be acting as the agent for and on behalf of the other Owners as a whole and no Owner sued under the provisions of this Deed or any relevant Sub-Deed shall raise or be entitled to raise any defence of want of authority or take objection to the right of the Manager as plaintiff to sue or to recover such amounts as may be found to be due.
26. In the event of any Owner failing to pay any sum due and payable by him in accordance with the provisions of this Deed or any relevant Sub-Deed or failing to pay any damages awarded by any court for breach of any of the terms or conditions of this Deed or any relevant Sub-Deed within thirty (30) days from the date on which the same become payable, the amount thereof together with interest and the collection charge at the rate and for the amount as specified in **Clause 24** hereof together with all costs and expenses which may be incurred in recovering or attempting to recover the same including the legal expenses referred to in **Clause 25** hereof and in registering the charge hereinafter referred to shall stand charged on the Undivided Share or Shares of such defaulting Owner and the Manager shall be entitled without prejudice to any other remedy hereunder to register a memorial of such charge in the Land Registry against the Undivided Share or Shares of such defaulting Owner. Such charge shall remain valid and enforceable as hereinafter mentioned notwithstanding that judgment has been obtained for the amount thereof unless and until such judgment has been satisfied in full.
27. Any charge registered in accordance with the last preceding Clause shall be enforceable as an equitable charge by action at the suit of the Manager for an order for sale of the Undivided Share or Shares of such defaulting Owner together with the right to the exclusive use, occupation and enjoyment of the part of the Development held therewith and the provisions of **Clause 25** of this Deed shall apply equally to any such action.
28. The Manager shall without prejudice to anything herein mentioned further have power to commence proceedings for the purpose of enforcing the observance and performance by any Owner and any person occupying any part of the Lot and the Development through, under or with the consent of any such Owner, of the covenants, conditions and provisions of this Deed or any relevant Sub-Deed and of the House Rules so far as the same are binding on such Owner and of recovering damages for the breach, non-observance or non-performance thereof. The provisions of **Clause 25** of this Deed shall apply to all such proceedings.
29. Subject to **Clause 61** of this Deed all insurance money, compensation or damages recovered by the Manager in respect of any damage or loss suffered in respect of any part of the Development shall be expended by the Manager in the repair, rebuilding or reinstatement of that part of the Development and any surplus thereof shall form part of the management fund.
30. Subject to **Clauses 19 and 24** of this Deed, all money paid to the Manager including but not limited to those sums collected pursuant to **Clause 20** hereof shall be held on trust for

all the Owners for the time being and shall be paid into an interest bearing account or accounts maintained with a licensed bank in accordance with the provisions of this Deed.

31. Any person ceasing to be the Owner of any Undivided Share or Shares in the Development shall in respect of the Undivided Share or Shares of which he ceases to be the Owner thereupon cease to have any interest in the funds held by the Manager including the deposit paid under **Clause 20** of this Deed and his contribution(s) towards the Special Fund paid under **Clause 19** of this Deed to the intent that all such funds shall be held and applied for the management of the Development irrespective of changes in ownership of the Undivided Shares in the Development PROVIDED THAT the deposits paid under **Clause 20(a)(ii) and (v)** of this Deed may be transferred into the name of the new Owner of such Undivided Shares but the contribution(s) towards the Special Fund shall be neither refundable to any Owner by the Manager nor transferable to any new Owner PROVIDED THAT upon the Lot reverting to the Government and no further Government Lease being obtainable, any balance of the said funds, or in the case of extinguishment of rights and obligations as provided in **Clause 61** hereof, an appropriate part of the said funds, shall be divided proportionately between the Owners contributing the management expenditure immediately prior to such reversion or, in the case of extinguishment of rights and obligations as aforesaid, between the Owners whose rights and obligations are extinguished.
32. The financial year for the purpose of management of the Development or any part or parts thereof shall commence on the date of this Deed and shall terminate on the 31st day of December of the same year but thereafter the financial year shall commence on the 1st day of January and shall terminate on the 31st day of December of that year PROVIDED THAT the Manager shall have the right to change the financial year at any time but the financial year may not be changed more than once in every five (5) years unless that change is previously approved by a resolution of the Owners' Committee (if formed).
33. (a) Subject to **Clauses 19 and 20** of this Deed,
 - (i) the Manager shall open and maintain an interest-bearing account and shall use that account exclusively in respect of the management of the Development;
 - (ii) without prejudice to the generality of sub-clause (i) of this Clause, if there is an Owners' Corporation, the Manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a trust account or client account, for holding money received by it from or on behalf of the Owners' Corporation in respect of the management of the Development;
 - (iii) the Manager shall display a document showing evidence of any account opened and maintained under sub-clause (i) or (ii) of this Clause in a prominent place of the Development;
 - (iv) subject to sub-clauses (v) and (vi) of this Clause, the Manager shall without delay pay all money received by it in respect of the management of the Development into the account opened and maintained under sub-clause (i) of this Clause or, if there is an Owners' Corporation, the account or accounts opened and maintained under sub-clause (ii) of this Clause;
 - (v) subject to sub-clause (vi) of this Clause, the Manager may, out of money received by it in respect of the management of the Development, retain or pay into a current account a reasonable amount to cover expenditure of a

minor nature, but that amount shall not exceed such figure as is determined from time to time by a resolution of the Owners' Committee (if any);

- (vi) the retention of a reasonable amount of money under sub-clause (v) of this Clause or the payment of that amount into a current account in accordance with that sub-clause and any other arrangement for dealing with money received by the Manager shall be subject to such conditions as may be approved by a resolution of the Owners' Committee (if any).
 - (vii) any reference in this Clause to an account is a reference to an account opened with a bank within the meaning of section 2 of the Banking Ordinance (Cap.155), the title of which refers to the management of the Development.
- (b) The Manager shall maintain proper books or records of account and other financial records and all management expenditure incurred by the Manager in the exercise of its powers hereunder and shall keep all bills, invoices, vouchers, receipts and other documents referred to in those books and records for at least six (6) years. The Manager shall within one (1) month after each consecutive period of three (3) months or such shorter period as the Manager may select, prepare a summary of income and expenditure and a balance sheet in respect of its management of the Development of that period and shall display a copy of the summary and balance sheet in a prominent place of the Development, and cause it to remain so displayed for at least 7 consecutive days.
34. Within two (2) months after the close of each financial year, the Manager shall prepare income and expenditure account and balance sheet for that preceding financial year, display a copy of the income and expenditure account and balance sheet in a prominent place of the Development, and cause it to remain so displayed for at least 7 consecutive days. Each income and expenditure account and balance sheet shall be audited and certified by a firm of certified public accountants appointed by the Manager (subject to the Owners' annual general meeting appointing a different firm of certified public accountants) and shall provide an accurate summary of all items of income and expenditure during that preceding financial year including details of the Special Fund and an estimate of the time when there will be a need to draw on the Special Fund and the amount of money that will be then needed. The amount to be contributed to the Special Fund for the ensuing year shall be decided by the Owners in their annual general meetings.
35. (a) The Manager shall permit any Owner at any reasonable time to inspect the books or records of account and any income and expenditure account or balance sheet and on payment of a reasonable copying charge supply any Owner with a copy of any record or document requested by him and such charge shall be put in the management fund;
- (b) Prior to the formation of the Owners' Corporation, the Owners at an Owners' meeting convened under this Deed shall have power to require the annual accounts to be audited by an independent auditor of their choice, or if the Owners' Corporation is formed and the Owners' Corporation decides, by a resolution of the Owners, that any income and expenditure account and balance sheet should be audited by an accountant or by some other independent auditor as may be specified in that resolution, the Manager shall without delay arrange for such an audit to be carried out by that person and:-
- (i) permit any Owner, at any reasonable time, to inspect the audited income and expenditure account and balance sheet and the report made by the

accountant or auditor in respect of the income and expenditure account and the balance sheet; and

- (ii) on payment of a reasonable copying charge, supply any Owner with a copy of the audited income and expenditure account and balance sheet, or the report made by the accountant or auditor in respect of the income and expenditure account and balance sheet, or both, as requested by the Owner.

36. The management of the Development shall subject to **Clause 10** of this Deed be undertaken by the Manager and subject to the provisions of the Ordinance, the Manager shall have the authority to do all such acts and things as may be necessary or expedient for the management of the Development for and on behalf of all Owners in accordance with the provisions of this Deed and each Owner irrevocably APPOINTS the Manager as agent in respect of any matter concerning the Common Areas and Facilities and all other matters duly authorized under this Deed with full power of delegation to any person or company to enforce the provisions of this Deed against the other Owner or Owners provided that the Manager shall not assign or transfer any of its duties and obligations under this Deed to such person or company who shall remain answerable to the Manager and the Manager shall at all times be responsible for the management and control of the whole Development (including any part thereof). Without prejudice to the foregoing and in addition to the other powers expressly provided in this Deed, the Manager shall have full and unrestricted authority to do and to delegate all such acts and things as may be necessary or expedient for or in connection with the Development and the management thereof including in particular the following powers and duties but without in any way limiting the generality of the foregoing:-

- (a) to demand, collect and receive all amounts payable by Owners under the provisions of this Deed or any relevant Sub-Deed;
- (b) to manage, maintain and control the vehicles traffic on the Lot and in the Development and to impound and/or remove any cars, pedal bicycles, motorcycles and other vehicles or things parked without prior consent of the Manager in any area not reserved for parking or which shall cause or be an obstruction to any part or parts of the Common Areas and Facilities and to impose and recover charges or penalties for such impoundment and/or removal and to exercise a lien on the vehicle concerned for such charges and penalties and the Manager shall in no way be responsible or accountable for any damage caused to such vehicle arising out of such impoundment and/or removal or lien and, if the Manager shall deem fit for the purpose of controlling the parking and traffic on the Lot and the Development, to exercise the powers under the Road Traffic (Parking on Private Roads) Regulations (Cap.374O) in relation to any private road on the Lot and the Development as owner or authorized officer thereof;
- (c) to prevent so far as is possible any sewage, waste water or effluent containing sand, cement, silt or any other suspended or dissolved material to flow from the Lot onto any adjoining land and to prevent any waste matter which is not part of the final product from waste processing plants to be deposited anywhere within the Lot and to have all such matter removed from the Lot or any building erected thereon in a proper manner to the satisfaction of the Director of Environmental Protection;
- (d) to prevent and to avoid so far as is possible (and to conduct such proper search and enquiry for such prevention) causing any damage, disturbance or obstruction to any Government or other existing drain, waterway or

watercourse, water main, road, footpath, street furniture, sewer, nullah, pipe, cable, wire, utility service or any other works or installations being or running upon, over, under or adjacent to the Lot or any Government lands or any part of any of them by reason of any maintenance or other works carried out by the Manager as herein provided and to make good any such damage;

- (e) unless otherwise directed by the Owners' Committee, to insure and keep insured to the full reinstatement value in respect of all those parts of the Development as reasonably possible and in particular against loss or damage by fire or such other perils as the Manager shall deem fit, and in respect of third party or public liability and/or occupier's liability and liability as employer of the employees employed in connection with the management of the Development with some reputable insurance company or companies in the name of the Manager for and on behalf of the Owners for the time being of the Development according to their respective interests and in such sum or sums as the Manager shall deem fit and to pay all premia required to keep such insurance policies in force;
- (f) to arrange for refuse collection and disposal from the Common Areas and Facilities and from areas designated as refuse collection area in the Development;
- (g) to repair, maintain, clean, paint or otherwise treat as appropriate, the structure and fabric of the Common Areas and Facilities of the Development and the boundary wall, elevations and facade thereof;
- (h) to repair, maintain, upkeep, improve, control, operate and manage the Common Areas and Facilities together with all structures, sewers, street furniture and plants constructed, installed and provided thereon or therein;
- (i) to keep all the sewers, drains, watercourses and pipes forming part of the Common Areas and Facilities free and clear from obstructions;
- (j) to keep all the Common Areas and Facilities in good condition and working order and to extend or provide additional facilities as the Manager shall at its absolute discretion deem necessary or desirable (provided that any improvement or provision of additional facilities or services which involves management expenditure in excess of ten per cent (10%) of the current annual management budget shall require the prior approval by a resolution of Owners at a meeting of Owners convened under this Deed or the Owners' Corporation, if formed) and to keep the firefighting equipment in accordance with any laws and regulations applicable thereto and whenever it shall be necessary or convenient so to do at the Manager's discretion to enter into contracts with third parties for the maintenance of any such facilities;
- (k) to prevent so far as is possible any refuse or other matter being deposited, washed, eroded or falling from the Development onto any part of any public roads or any road-culverts, sewers, drains, nullahs or other Government property or land owned by the First Owner and to remove any such matter therefrom and to ensure that no damage is done to any drains, waterways, watercourses, footpaths, sewers, nullahs, pipes, cables, wires, utility services or other works being in, under, over or adjacent to the Lot or any part thereof by reason of any maintenance or other works carried out by the Manager as herein provided and to make good any such damage;
- (l) to paint, tile or otherwise treat as may be appropriate the fence wall, planter

wall and boundary wall of the Development (excluding those that form part of the Houses) and the Common Areas and Facilities, at such intervals as the same may reasonably require to be done;

- (m) to replace any glass in the Common Areas and Facilities that has been or is likely to be broken;
- (n) to keep in good order and repair the ventilation of the enclosed part or parts of the Common Areas and Facilities;
- (o) to prevent refuse from being deposited on the Development or any part thereof not designated for refuse collection and to remove all refuse from all parts of the Development and arrange for its disposal at such regular intervals and to maintain either on or off the Development refuse collection facilities to the satisfaction of the Director of Food and Environmental Hygiene;
- (p) to prevent unauthorized obstruction of the Common Areas and Facilities and to remove and impound any structure article or thing causing the obstruction;
- (q) to make suitable arrangements for the supply of fresh and flushing water, gas and electricity and any other utility or service to or for the Development or any part thereof;
- (r) to provide and maintain as the Manager deems necessary security force, watchmen, porters, caretakers, closed circuit T.V. system and burglar alarms and other security measures in the Development at all times;
- (s) to lease, license, install, maintain and operate or contract for the leasing, licensing, installation, maintenance and operation of or connection to the communal radio and/or television aerials and/or satellite dishes and/or satellite master antenna television system and/or cable television system and/or any aerial broadcast distribution or telecommunications network facilities (if any) which serve the Development and to enter into any contract or arrangement with any communication service provider for the provision of any communication services to and for the Development or any part thereof subject to the following terms and conditions:-
 - (i) the term of such contract shall not exceed three (3) years;
 - (ii) the right to be granted to any service provider under such contract shall be non-exclusive and shall provide for sharing the use of the facilities and network with other service providers; and
 - (iii) no Owner is required to make any payment in any form attributable to the installation or provision of the facilities or services, unless he is a subscriber to the relevant service;
- (t) to remove any structure or installation, signboard, advertisement, sunshade, bracket, fitting, obstruction, device, aerial or anything in or on the Common Areas and Facilities or any part thereof which is illegal, unauthorized or which contravenes the terms herein contained or any of the provisions of the Conditions and this Deed and to demand and recover on a full indemnity basis from the Owner or person by whom such structure or other thing as aforesaid was erected or installed the costs and expenses of such removal and the making good of any damage caused thereby to the satisfaction of the Manager;

- (u) to appoint a solicitor or other appropriate legal counsel to advise upon any point which arises in the management of the Development necessitating professional legal advice and with authority to accept service on behalf of all the Owners for the time being of the Development of all legal proceedings relating to the Development (except proceedings relating to the rights or obligations of individual Owners) and, in particular but without limiting the foregoing, in all proceedings in which the Government shall be a party and at all times within seven (7) days of being requested so to do by the Director of Lands or other competent authority or officer, to appoint a solicitor who shall undertake to accept service on behalf of all such Owners whether for the purpose of Order 10 Rule 1 of the Rules of the High Court (or any provision amending or in substitution for the same) or otherwise;
- (v) to prevent (by legal action if necessary) any person including an Owner from occupying or using any part of the Development in any manner in contravention of the Conditions or this Deed;
- (w) to prevent (by legal action if necessary) and to remedy any breach by any Owner or other person resident in or visiting the Development any provisions of the Conditions or this Deed;
- (x) to prevent any person from detrimentally altering or injuring any part or parts of the Development or any of the Common Areas and Facilities thereof;
- (y) to prevent any person from overloading any of the electrical installations and circuits or any of the mains or wiring in the Buildings and/or the floors of the Buildings or any part or parts thereof;
- (z) to have the sole right to represent all the Owners in all matters and dealings with Government or any statutory body or any utility or other competent authority or any other person whomsoever in any way touching or concerning the management of the Development as a whole or the Common Areas and Facilities with power to bind all Owners as to any policy adopted or decision reached or action taken in relation to any such dealings;
- (aa) to enter contracts and to engage, employ, remunerate and dismiss solicitors, architects, accountants, agents, contractors or sub-managers (including professional property management companies) and other professional advisers and consultants, workmen, servants, agents, watchmen, caretakers and other building staff and attendants to carry out various aspects of the management works or management works in respect of certain area(s) of the Development and to commence, conduct, carry on and defend in its own name legal and other proceedings touching or concerning the management of the Development subject to Clause 18 hereof PROVIDED THAT the Manager shall not transfer or assign its duties or obligations hereunder to any such third parties who shall remain responsible to the Manager. For the avoidance of doubt, the Manager shall at all times be responsible for the management and control of the Development in accordance with the provisions of this Deed and no provisions in this Deed shall operate to take away or reduce, or shall be construed to have the effect of taking away or reducing, such responsibility;
- (bb) to enforce the due observance and performance by the Owners of the terms and conditions of the Conditions and this Deed and any relevant Sub-Deed and the House Rules and to take action in respect of any breach thereof including the

commencement, conduct and defence of legal proceedings and the registration and enforcement of charges as herein mentioned;

- (cc) to enforce the obligation of all Owners or Occupiers of the Houses to maintain the Houses owned or occupied by them in a proper manner and if there be any default on the part of any such Owners or occupiers, to put in hand any necessary maintenance and to take all possible steps to recover the cost therefor from the defaulting Owner or Occupiers;
- (dd) subject to the prior approval by a resolution of Owners at a meeting of Owners convened under this Deed, to grant such easements, quasi-easements, rights, privileges, license and informal arrangements as it shall in its absolute discretion consider necessary to ensure the efficient management or for the benefit of the Development and/or to obtain the grant of any rights, rights of way or easements or quasi-easements over the adjacent land or any adjoining or neighbouring lands or to obtain any similar rights by licence for the benefit of the Lot and the Development on such terms and conditions and from such persons as the Manager shall deem fit and all expenses shall be paid out of the management fund PROVIDED THAT the exercise of the rights under this sub-clause shall not contravene any provisions of the Conditions or interfere with the other Owners' right to hold, use, occupy and enjoy their Houses or impede access to their Houses and that any money received shall be paid into the Special Fund.
- (ee) to recruit and employ such staff as may from time to time be necessary to enable the Manager to perform any of its powers in accordance with this Deed on such terms as the Manager shall in its absolute discretion decide and to provide accommodation within the Lot, uniforms, working clothes, tools, appliances, cleaning and other materials and all equipment necessary therefor;
- (ff) to deal with all enquiries, complaints, reports and correspondence relating to the Development as a whole;
- (gg) to remove any dogs or other animals or fowls from the Development if such dogs, animals or fowls has been the cause of reasonable complaint in writing by at least two (2) Owners owning different Houses of the Development;
- (hh) to provide such Christmas, Chinese New Year, festive and other decorations and to organize such celebrations or activities for the Development as the Manager shall in its sole discretion consider desirable;
- (ii) subject as otherwise provided in this Deed to give or withhold its written consent or approval to anything which the Owners are required to obtain its written consent or approval pursuant to this Deed or any relevant Sub-Deed or the House Rules and to impose conditions thereto PROVIDED THAT the Manager shall not unreasonably withhold its consent or approval and that the Manager shall not charge any fee other than a reasonable administrative fee for issuing the consent and such fees shall be paid into the Special Fund;
- (jj) to convene such meetings of the Owners or meetings of the Owners' Committee as may be necessary or requisite and to act as secretary to keep the minutes of such meetings;
- (kk) in the event that the Government agreeing to take over or resume any part or parts of the Common Areas and Facilities vested in the Manager to surrender

the same or any part thereof to the Government and the Manager is HEREBY APPOINTED the lawful attorney to execute and sign all relevant documents on behalf of all the Owners for such purpose including matters relating to payment of compensation (if any) and in the event of any land being resumed by the Government, to execute any necessary document in relation to such reversion PROVIDED ALWAYS that in the event that any land being surrendered covers any private streets, roads or lanes, to make payment (if any) to the Government as required for the surfacing, kerbing, draining (both foul and storm water sewers) and channelling thereof carried out by the Government in respect of such streets, roads and lanes surrendered;

- (ll) to manage, repair and maintain the drains and channels and drainage system whether within or outside the Lot serving the Development which are required to be maintained pursuant to the Conditions;
- (mm) to make payment to the Government on demand of the cost incurred by the Government in connecting the drains and sewers from the Lot to the Government storm water drains and sewers;
- (nn) subject to having obtained the relevant Government authority's approval (if required) and having given prior reasonable notice to Owners affected by the relevant works (except in case of emergency), to erect or place on the external walls, any flat roof, upper roof, balcony, and/or any part of the House scaffolding and/or other equipment necessary for proper repair and maintenance of any facilities forming part of the Common Areas and Facilities PROVIDED THAT the Manager shall make good any damage caused thereby and shall ensure that the least disturbance is caused;
- (oo) to carry out regular maintenance and regular monitoring of the prestressed ground anchors (if any) installed in the Lot throughout their service life to the satisfaction of the Director of Lands in accordance with the Conditions;
- (pp) to take all steps necessary or expedient for complying with the Conditions and any government requirements concerning the Development or any part thereof;
- (qq) to engage qualified personnel to inspect or carry out a structural survey of the Development or any part thereof including the drains and channels within or outside the Lot serving the Development as and when the Manager deems necessary or desirable;
- (rr) without prejudice to the generality of **Clause 36(dd)** above and subject to the prior approval by a resolution of Owners at a meeting of Owners convened under this Deed, with or without joining any other Owner, to enter into any deed or deeds of grant of easement with the owners and/or occupiers of adjoining or neighbouring land at any time or times and on such terms and subject to such conditions as the Manager may deem appropriate and to enter into any deed or deeds, at any time or times, to vary, amend or otherwise alter the terms, conditions or covenants of such deed or deeds PROVIDED THAT the exercise of the rights under this sub-clause shall not contravene any provisions of the Conditions or interfere with the other Owners' right to hold, use, occupy and enjoy their Houses or impede access to their Houses and that any money received shall be paid into the Special Fund;
- (ss) to impose restrictions, regulations and conditions for the use of the Common Areas and Facilities, to remove any person thereon who fails to comply with

or is in breach of any House Rules from the use of such facilities and to exclude any person who has been in persistent breach of such House Rules from the use of such facilities for such period as the Manager shall in its discretion deem appropriate;

- (tt) subject to the prior approval of the Owners' Committee (if and when it is formed) or when the Owners' Corporation is formed, the prior approval of the Owners' Corporation, to grant franchises, leases, tenancy agreements and licences to other persons to use such of the Common Areas and Facilities and on such terms and conditions and for such consideration as the Manager shall in its reasonable discretion consider appropriate Subject Always to the provisions of the Conditions and this Deed PROVIDED THAT all income arising therefrom shall form part of the management fund and be dealt with in accordance with the provisions of this Deed and any relevant Sub-Deed and PROVIDED FURTHER THAT the grant of such franchises, leases, tenancy agreements and licences shall not interfere with an Owner's exclusive right to hold, use, occupy and enjoy the part of the Development which he is entitled or unreasonably impede or restrict the access to and from any such part of the Development;
 - (uu) to keep and maintain the landscape works in the Development and all the trees, plants or shrubs thereon in a clean, neat, tidy, functional and healthy condition all to the satisfaction of the Director of Lands;
 - (vv) to maintain the fire hydrants, firefighting appliances, water pumping connections and such other fire service installations and equipment in good condition and to the satisfaction of the Director of Fire Services;
 - (ww) to deal with enquiries, complaints, reports and correspondence relating to the Development as a whole;
 - (xx) to provide the CCTV Imaging Device and trained personnel to operate the CCTV Imaging Device, or secure a contract with a service provider for conducting inspection of the concealed drainage pipes by the CCTV Imaging Device;
 - (yy) to conduct regular inspection of the pipework on a specified interval as proposed by the Authorized Person to alert any early signs of water leakage and pipe joint/pipe brackets conditions;
 - (zz) to keep and maintain the Greenery Areas;
 - (aaa) to keep the Common Areas and Facilities well lighted and in a tidy condition; and
 - (bbb) to do all such other things as are reasonably incidental to the management of the Development.
37. Without limiting the generality of the other express powers of the Manager herein contained, the Manager shall have power:-
- (a) To ban vehicles or motor cycles or any particular category of vehicles or motor cycles from the Development or any particular parts thereof either generally or during certain hours of the day or night PROVIDED ALWAYS that the right of the Owners to the proper use and enjoyment of the carports which form part of the

Houses shall not be affected;

- (b) To remove any vehicle parked on the Common Areas and Facilities and any damage caused to such vehicles during or as a consequence of such removal shall be the sole responsibility of the owner thereof;
 - (c) To impose charges for any such removal and to exercise a lien on the vehicle concerned for such charges, penalties and parking fees.
38. Without limiting the generality of the other express powers of the Manager herein contained, the Manager shall have power:-
- (a) to charge the Owners for the temporary use of electricity, water or other utilities supplied by the Manager and/or for the use of water supplied otherwise than through the individual meters of the Owners at such rates as are from time to time determined by the Manager PROVIDED THAT such charges shall form part of the management fund; and to charge the Owners for the collection and removal of fitting out or decoration debris (if any) at such rates as are from time to time determined by the Manager PROVIDED THAT such charges shall form part of the Special Fund;
 - (b) to charge the Owners for all costs and consultant's fees incurred in approving their fitting out, decoration or construction plans submitted for approval by the Manager in accordance with the provisions of this Deed or any relevant Sub-Deed or the House Rules;
 - (c) from time to time to make rules and regulations governing the supply and use of fresh and sea water to all parts of the Development, the payment and recovery of charges for installation, disconnection, reconnection and reading of meters, damage to meters and default interest to a like extent as are from time to time made by Government;
 - (d) to enter with or without workmen at all reasonable times on prior written reasonable notice (except in the case of emergency) upon all and any parts of the Development including any House necessary for the purpose of replacing, repairing and maintaining any of the fresh or sea water mains and pipes serving any part of the Lot whether or not the same belong exclusively to any House PROVIDED THAT the Manager shall make good any damage caused thereby and ensure that the least disturbance is caused;
 - (e) to enter with or without workmen at all reasonable times on prior written reasonable notice (except in case of emergency) upon any House necessary for the purpose of replacing, repairing, maintaining and checking any of the Common Areas and Facilities PROVIDED THAT the Manager shall make good any damage caused thereby and ensure that the least disturbance is caused;
 - (f) to engage qualified personnel to inspect keep and maintain the Slopes and Retaining Walls in compliance with Special Condition No. (55) of the Conditions or under this Deed and in accordance with the Slope Maintenance Guidelines and the Maintenance Manual and the Maintenance Manual for the Works and Installations and all guidelines issued from time to time by the appropriate government department regarding the maintenance of slopes, slope treatment works, retaining walls and related structures and to collect from the Owners all costs lawfully incurred or to be incurred by the Manager in carrying out such maintenance Provided that the Manager shall not be made personally liable for

carrying out any such requirements of Special Condition No. (55) of the Conditions or under this Deed or otherwise which shall remain the responsibility of the Owners if, having used all reasonable endeavours, the Manager is unable to collect the costs of the required works from all Owners pursuant to the terms of this Deed;

- (g) to manage and maintain such areas or drains and channels whether within or outside the Lot that are required to be maintained under the Conditions;
 - (h) to construct and maintain such drains and channels, whether within the boundaries of the Lot or on the Government land, as the Director of Lands may consider necessary to intercept and convey into the nearest stream-course, catchpit, channel or storm-water drain all storm-water or rain-water falling or flowing on to the Lot in accordance with Special Condition No. (36) of the Conditions;
 - (i) to maintain the Inside Works and the Outside Works in good and substantial repair and conditions in all respects to the satisfaction of the Director of Lands to ensure that the Inside Works and the Outside Works shall continue to perform their designed functions in accordance with Special Condition No. 54(f) of the Conditions which maintenance works shall include but not be limited to clearance of landslide debris or boulders fallen onto the Inside Works or the Outside Works or onto the areas of the Lot or the Government land shown on the Natural Terrain Hazard Mitigation and Stabilization Works Plan; to carry out such maintenance works to the Inside Works and the Outside Works within such period as the Director of Lands shall in his absolute discretion deem fit; to carry out such other works under Special Condition No. (54) of the Conditions (other than those works which is required to be carried out by the First Owner for the purpose of the issuance of the Certificate of Compliance) and to make good any damage to any Government land as a result of or arising out of maintaining the Inside Works or the Outside Works, within such time limit as shall be determined by the Director of Lands at his absolute discretion and in all respects to the satisfaction of the Director of Lands.
 - (j) to provide fire hydrants, firefighting appliances, water pumping connections and such other fire service installations and equipment as the Director of Fire Services shall require and to maintain the same to the satisfaction of the Director of Fire Services, and to comply with all requirements of the Fire Services Department.
39. (a) The Manager shall have power to enter with or without workmen at all reasonable times on prior written reasonable notice (except in the case of emergency) into all and parts of the Development including any House for the purposes of rebuilding, repairing, renewing, maintaining, cleaning, painting or decorating any part or parts of the Common Areas and Facilities of the Development or for the exercise and carrying out of any of its powers and duties under the provisions of this Deed and any relevant Sub-Deed PROVIDED THAT the Manager shall make good any damage caused thereby and shall be liable for any loss and damage arising out of the negligent or wilful or criminal acts of the Manager or its workmen contractors and cause the least disturbance;
- (b) The Common Areas and Facilities shall be under the exclusive control of the Manager who may make rules or regulations or impose conditions regulating the use and management thereof subject to the provisions of the Conditions and this Deed and any relevant Sub-Deed PROVIDED THAT the exercise of this right shall

not interfere with the Owners' right to hold, use, occupy and enjoy their Houses or impede or restrict the access to and from their Houses AND PROVIDED FURTHER that no Manager will have the right to re-convert or re-designate the common areas to its own use or benefit.

40. All acts and decisions of the Manager arrived at in accordance with the provisions of this Deed in respect of any of the matters aforesaid shall be binding in all respects on all the Owners for the time being.
41. (a) The Manager shall have power, subject to the prior approval of the Owners' Committee (if and when it is formed), from time to time to make, revoke and amend the House Rules, regulating the use, occupation, maintenance and environmental control of the Lot and the Development and the Common Areas and Facilities or any part or parts thereof and the conduct of persons occupying, visiting or using the same and the conditions regarding such occupation, visit or use including the payment of charges (if any) and to protect the environment of the Development and to implement waste reduction and recycling measures with reference to the guidelines of the property management issued from time to time by the Director of Environmental Protection. Such House Rules shall be binding on all the Owners, their tenants, licensees, servants, agents, invitees or guests. A copy of the House Rules from time to time in force shall be posted on the public notice boards of the Development and a copy thereof shall be supplied to each Owner on request on payment of reasonable copying charges and such charges so received shall be put in the management fund;
- (b) Such House Rules shall be supplementary to the terms and conditions contained in this Deed and any Sub-Deed and shall not in any way conflict with such terms and conditions. In case of inconsistency between such House Rules and the terms and conditions of this Deed and any Sub-Deed the terms and conditions of this Deed and the Sub-Deed shall prevail. The House Rules and any amendments thereto must not be inconsistent with or contravene the Ordinance or the Conditions;
- (c) Neither the Manager nor the Owners' Committee shall be held liable for any loss or damage however caused arising from any non-enforcement of such House Rules or non-observance thereof by any third party.
42. To enable and facilitate the Manager to carry out its duties and exercise its powers hereunder, the Manager may delegate on such terms and conditions as it shall in its absolute discretion deem fit any or all of its powers, rights and responsibilities under this Deed to any person or company and in case of such delegation, all acts and deeds done or caused to be done by the person or company to whom delegation has been made shall be deemed to be done by the Manager. For the avoidance of doubt, the Manager shall not transfer or assign its duties or obligations hereunder to any such person or company who shall remain responsible to the Manager.

SECTION IV **EXCLUSIONS AND INDEMNITIES**

43. The Manager, its servants, agents or contractors shall not be liable to the Owners or any of them or to any person or persons whomsoever whether claiming through, under or in trust for any Owner or otherwise, for or in respect of any act, deed, matter or thing done or omitted in pursuance or purported pursuance of the provisions of this Deed or any Sub-Deed not being an act or omission involving criminal liability or dishonesty or negligence and the Owners shall fully and effectually indemnify the Manager, its servants, agents, or

contractors from and against all actions, proceedings, claims and demands whatsoever arising directly or indirectly out of or in connection with any such act, deed, matter or thing done or omitted as aforesaid and all costs and expenses in connection therewith. Without in any way limiting the generality of the foregoing, the Manager, its servants, agents or contractors shall not be held liable for any damage, loss or injury caused by or in any way arising out of:-

- (a) any defect in or failure or breakdown of any of the Common Areas and Facilities; or
- (b) any failure, malfunction or suspension of the supply of water, electricity or other utility or service to the Development; or
- (c) fire or flooding or the overflow or leakage of water from anywhere whether within or outside the Development; or
- (d) the activity of termites, cockroaches, rats, mice or other pests or vermin; or
- (e) theft, burglary or robbery within the Development.

UNLESS it can be shown that such damage, loss or injury was caused by an act or omission of the Manager, its servants, agents or contractors involving criminal liability or dishonesty or negligence and no Owner will be required to indemnify the Manager, its servants, agents or contractors from and against any actions, proceedings, claims and demands arising out of any such act or omission and PROVIDED THAT the management contribution or any other charges payable under this Deed or any part thereof shall not be abated or cease to be payable on account thereof.

- 44. Each Owner shall be responsible for and shall indemnify the Manager and the other Owners and Occupiers for the time being against all actions, proceedings, claims and demands whatsoever arising out of or in respect of any loss or damage to any person or property caused by or as the result of the act or negligence of any Occupier of any House of which he has the exclusive use or any person using such House with his consent express or implied or by, or through, or in any way owing to the overflow of water or spread of fire therefrom.
- 45. Each Owner shall be responsible for and shall indemnify the Manager and the other Owners and Occupiers for the time being against the acts and omissions of all persons occupying any House of which he has the exclusive use with his consent, express or implied, and to pay all costs, charges and expenses incurred in repairing or making good any loss or damage to the Development or any part or parts thereof or any of the Common Areas and Facilities therein or thereon caused by the act, neglect or default of all such persons. In the case of loss or damage which the Manager is empowered by this Deed or any relevant Sub-Deed to make good or repair, such costs, charges and expenses shall be recoverable by the Manager and in the case of loss or damage suffered by other Owners or Occupiers for which the Manager is not empowered by this Deed or any relevant Sub-Deed or for which the Manager has elected not to repair or make good, such costs, charges and expenses together with all other damages recoverable by law shall be recoverable by the person or persons sustaining the loss or damage.

SECTION V **OWNERS' COMMITTEE**

- 46. The Manager shall convene the first meeting of the Owners as soon as possible but in any

event not later than nine months after the date of this Deed (and to convene further and subsequent meetings if required) to (a) appoint an Owners' Committee and the chairman thereof; or (b) appoint a management committee for the purpose of forming an Owners' Corporation under the Ordinance. For the time being and unless and until otherwise determined by a meeting of the Owners, the Owners' Committee shall consist of not less than three (3) members whom shall be elected by resolution of the Owners as hereinafter provided at a meeting of the Owners. The members of the Owners' Committee shall be (i) the chairman; (ii) the secretary; and (iii) such other officer(s) as the Owners' Committee may from time to time elect.

47. The Owners' Committee shall meet at such time and as occasion shall require and in any event not less than once for a period of three (3) months and the functions of the Owners' Committee shall be limited to the following:-

- (a) the representing of the Owners in all dealings with the Manager;
- (b) the undertaking of such other duties as the Manager may, with their approval, delegate to them;
- (c) to make suggestions on the House Rules to the Manager;
- (d) the exercise of all other powers and duties conferred on the Owners' Committee by virtue of this Deed;
- (e) to liaise with the Manager in respect of all matters concerning the management of the Development;
- (f) to review the management budget; and
- (g) to convene meetings of all Owners.

48. The following persons shall be eligible for membership of the Owners' Committee:-

- (a) any Owner and, in the event of an Owner being a corporate body, any representative appointed by such Owner. The appointment of a representative by a corporate body shall be in writing addressed to the Owners' Committee and may be revoked at any time on notice in writing being given to the Owners' Committee;
- (b) the husband or wife of any Owner or any adult member of the family of any Owner duly authorised by the Owner which authorization shall be in writing addressed to the Owners' Committee and may be revoked at any time on notice in writing being given to the Owners' Committee PROVIDED THAT such husband, wife or adult member of the family resides in the Development.

49. A member of the Owners' Committee shall retire from office at every alternate annual meeting following his appointment but shall be eligible for re-election but subject to this he shall hold office until:-

- (a) he resigns by notice in writing to the Owners' Committee; or
- (b) he ceases to be eligible or is not re-elected at the meeting of Owners at which he stands for re-election; or
- (c) he becomes bankrupt or insolvent or enters into a composition with his creditors or is convicted of a criminal offence other than a summary offence not involving his

honesty or integrity; or

- (d) he becomes incapacitated by physical or mental illness or death; or
- (e) he is removed from office by resolution of a duly convened meeting of Owners; or
- (f) he resides aboard.

In any of the above event provided for in **sub-clauses (a), (c), or (d)** of this Clause, the Owners' Committee shall convene the meeting of the Owners' Committee to fill the causal vacancy thereby created.

- 50. The Owners' Committee shall meet at the request of the chairman, or any two members of the Owners' Committee or whenever requested by the Manager.
- 51. (a) Notice of the meeting of the Owners' Committee shall be given in writing by the Manager or the person or persons convening the meeting upon each member of the Owners' Committee at least seven (7) days before the date of the meeting specifying the date, time and place of the meeting and the resolutions to be proposed at the meeting.
- (b) Service of the said notice of meeting of the Owners' Committee may be effected:-
 - (i) personally deliver upon the member of the Owners' Committee;
 - (ii) by post addressed to the member of the Owners' Committee at his last known address; or
 - (iii) by leaving the notice at the member's House or depositing the notice in the letter-box of that House.
- 52. No business shall be transacted at any time by the Owners' Committee unless a quorum is present when the meeting proceeds to business and not less than one half of the total number of the members of the Owners' Committee (rounded up to the nearest whole number) or three (3) such members, whichever is the greater shall be a quorum. If within half an hour for the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members of the Owners' Committee present shall be a quorum.
- 53. A meeting of the Owners' Committee shall be presided over by the chairman. In the absence of the chairman, the members present at any meeting duly convened shall choose one of their members to be the chairman of that meeting.
- 54. (a) The procedure at meetings of the Owners' Committee shall be as is determined by the Owners' Committee.
- (b) The Owners' Committee shall have full power to make rules and regulations governing:
 - (i) the convening, conduct and procedure of meetings of the Owners' Committee and any sub-committees thereof;
 - (ii) the establishment, appointment and constitution of sub-committees of the

Owners' Committee;

- (iii) the conduct of the ballot for the election or re-election of Owners as members of the Owners' Committee,

PROVIDED that no such rules or regulations shall be contrary to or inconsistent with the provisions of this Deed or of any Sub-Deed.

- (c) The Manager shall send a secretary upon request of the Owners' Committee to the meetings of the Owners' Committee, who shall cause a record of the persons present at such meetings and of the proceedings thereof to be kept.

55. The following provisions shall apply in all meetings of the Owners' Committee:-

- (a) Subject to **sub-clause (d)** below, all resolutions passed by a simple majority of votes at such meeting shall be binding on all the Owners but no such resolution shall be valid if it concerns any other matter not being the subjects contained in the notice convening the meeting or if it is contrary to the provisions of this Deed or any Sub-Deed;
- (b) A resolution put to the vote of the meeting shall be decided on a show of hands only;
- (c) On a show of hands every member of the Owners' Committee present at the meeting shall have one vote;
- (d) In the case of an equality of votes the chairman shall have, in addition to a deliberative vote, a second or casting vote.

56. The Owners' Committee and the members thereof shall not be liable to the Owners or any of them or to any person or persons whomsoever whether claiming through, under or in trust for any Owner or otherwise, for or in respect of any act, deed, matter or thing done or omitted in pursuance or in purported pursuance of the provisions of this Deed or any Sub-Deed not being anything involving criminal liability or dishonesty or negligence by or on the part of any or all of the members of the Owners' Committee, and the Owners shall fully and effectually indemnify the Owners' Committee from and against all actions, proceedings, claims and demands whatsoever arising directly or indirectly out of or in connection with any act, deeds, matter or thing done or omitted as aforesaid which does not involve criminal liability, dishonesty or negligence on the part of the Owners' Committee or the members thereof and all costs and expenses in connection therewith.

57. No remuneration shall be payable to the Owners' Committee or any member thereof but such members shall be entitled to be reimbursed for all out-of-pocket expenses necessarily incurred in carrying out their duties.

58. (a) The Owners' Committee shall cause to be kept records and minutes of:-

- (i) the appointment and vacation of appointments of all its members and all changes therein;
- (ii) all resolutions and notes of proceedings of the Owners' Committee;
- (iii) the members present at all meetings.

(b) Such records and minutes shall be kept in such place as the Owners' Committee

may from time to time determine and shall be made available for inspection by any Owner on reasonable notice being given and such Owner shall also be entitled to extracts thereof on paying the reasonable charges therefor and such charges shall be put in the management fund.

59. Nothing herein contained shall prevent the Owners' Committee from forming sub-committees for the recreation and welfare of the residents of the Development or to co-opt members who are not members of the Owners' Committee to serve on such sub-committees.

SECTION VI **MEETING OF OWNERS**

60. From time to time as occasion may require there shall be meetings of the Owners for the time being of the Undivided Shares to discuss and decide matters concerning the Development and in regard to such meetings the following provisions shall apply:-

- (a) (i) the first meeting of Owners shall be convened by the Manager as soon as possible but not later than nine (9) months from the execution of this Deed (and to call further and subsequent meetings, if required), the business of which shall include the appointment of members of the Owners' Committee and the chairman thereof or appointment of a management committee for the purpose of forming an Owners' Corporation;
- (ii) a meeting may be validly convened by (I) the Manager, or (II) the Owners' Committee, or (III) an Owner appointed to convene such a meeting by those Owners who in the aggregate have vested in them for the time being not less than five per cent (5%) of the number of Undivided Shares in the Development in aggregate.
- (b) (i) The procedure at a meeting of Owners shall be determined by the Owners. The person convening the meeting of Owners shall, at least fourteen (14) days before the date of the meeting, give notice in writing of the meeting to each Owner specifying therein the date, time and place of the meeting and the resolutions to be proposed at the meeting.
- (ii) Service of the said notice of the meeting of Owners may be effected:-
 - (1) by delivering it personally on the Owner;
 - (2) by sending it by post addressed to the Owner at his last known address; or
 - (3) by leaving the notice at the Owner's House or depositing the notice in the letter-box for that House.

A copy of such notice shall be posted on the public notice boards of the Development.

- (c) No business shall be transacted at any meeting unless a quorum is present when the meeting proceeds to business and the quorum at a meeting shall be ten per cent (10%) of the Owners. For the purpose of this **sub-clause(c)**, the reference to "10% of the Owners" shall:-
 - (i) be construed as reference to 10% of the number of persons who are Owners without regard to their ownership of any particular percentage of the total

- number of Undivided Shares into which the Development is divided; and
- (ii) not be construed as the Owners of 10% of the Undivided Shares in aggregate.
 - (d) A meeting of the Owners shall be presided over by the chairman of the Owners' Committee or, if the meeting is convened under **clause 60(a)(ii)(I) or (III)** of this Deed, the person convening the meeting.
 - (e) The chairman shall cause a record to be kept of the persons present at the meeting and the proceedings thereof.
 - (f) The Manager shall consult (either generally or in any particular case) the Owners' Corporation at a general meeting of the Owners' Corporation and adopt the approach decided by the Owners' Corporation on the channels of communication among Owners on any business relating to the management of the Development.
 - (g) Every Owner shall have one vote for each Undivided Share vested in him and where 2 or more persons are the co-owners of an Undivided Share, the vote in respect of the Undivided Share may be cast:-
 - (i) by a proxy jointly appointed by the co-owners;
 - (ii) by a person appointed by the co-owners from amongst themselves; or
 - (iii) if no appointment is made under sub-sub clause (i) or (ii) hereof, either by one of the co-owners personally or by a proxy appointed by one of the co-owners;

PROVIDED THAT where 2 or more persons are the co-owners of an Undivided Share and more than one of the co-owners seeks to cast a vote in respect of the Undivided Share, only the vote that is cast, whether personally or by proxy, by the co-owner whose name, in order of priority, stands highest in relation to that Undivided Share in the register kept at the Land Registry shall be treated as valid;

PROVIDED FURTHER THAT subject to the provisions of any mortgage or charge, the voting rights conferred on the Owner of such Undivided Share by the provisions of this Deed shall be exercisable only by the mortgagor or chargor unless the mortgagee or chargee is in possession or is in receipt of the rents and profits of such Undivided Share.

In case of any equality of votes, the person presiding over the meeting shall have, in addition to a deliberative vote, a second or casting vote.

- (h) Votes may be given either personally or by proxy and in regard to the election, re-election, removal from office of a member of the Owners' Committee or of the chairman of the meeting, votes shall be cast by means of a secret ballot supervised by the Manager.
- (i) (i) The instrument appointing a proxy shall be in writing signed by the Owner or if the Owner is a body corporate shall, notwithstanding anything to the contrary in its constitution, be impressed with the seal or chop of that body corporate and signed by a person authorized by that body corporate in that behalf;

- (ii) The appointment of a proxy shall have no effect unless the instrument is in the prescribed form as set out in **Form 1 in Schedule 1A** of the Ordinance and is lodged with the chairman of the Owners' Committee or if the meeting is convened under Clause (60)(a)(ii)(I) or (III) of this Deed, the person who convened the meeting not less than 48 hours before the time for holding the meeting at which the proxy proposes to vote.
 - (iii) A proxy appointed by an Owner to attend and vote on behalf of the Owner shall, for the purposes of the meeting, be treated as being the Owner present at the meeting.
- (j) Save as otherwise herein provided any resolution on any matter concerning the Development passed by a simple majority of votes at a duly convened meeting by the Owners present in person or by proxy and voting shall be binding on all the Owners of the Development Provided as follows:-
- (i) The notice convening the meeting shall have been duly given and shall have specified the intention to propose a resolution or resolutions concerning such matters.
 - (ii) No resolution purporting to be passed at any such meeting concerning any matter not mentioned in such notice shall be valid.
 - (iii) No resolution shall be valid to the extent that it purports to alter or amend the provisions of or is otherwise contrary to this Deed or any relevant Sub-Deed.
 - (iv) A resolution may be passed as to the manner in which the powers hereby conferred on the Manager are to be exercised or carried out but no such resolution shall be valid to the extent that it purports to take away or abrogate or prevent the exercise of any of the powers and duties of the Manager conferred on the Manager under this Deed.
 - (v) Subject to sub-sub clause (viii), a resolution may be passed to terminate the Manager's service without compensation by giving to the Manager not less than three (3) months' notice of termination in writing pursuant to a resolution passed by a majority of the votes of the Owners voting either personally or by proxy in an Owners' meeting and supported by the Owners of not less than fifty per cent (50%) of the Undivided Shares in aggregate (excluding the Undivided Shares allocated to the Common Areas and Facilities) passed at a general meeting convened for that purpose.
 - (vi) A resolution under sub-sub clause (v) above, shall have effect only if:-
 - (1) the notice of termination of appointment is in writing;
 - (2) provision is made in the resolution for a period of not less than 3 months' notice or, in lieu of notice, provision is made for an agreement to be made with the Manager for the payment to him of a sum equal to the amount of remuneration which would have accrued to him during that period;
 - (3) the notice is accompanied by a copy of the resolution terminating the Manager's appointment; and
 - (4) the notice and the copy of the resolution is given to the Manager within 14 days after the date of meeting.

- (vii) The notice and the copy of the resolution referred to in sub-sub clause (vi) (4) may be given:-
 - (1) by delivering them personally to the Manager; or
 - (2) by sending them by post to the Manager at his last known address.
- (viii) For the purposes of sub-sub clause (v):-
 - (1) only the Owners of Undivided Shares who pay or who are liable to pay the management expenditure relating to those Undivided shares shall be entitled to vote;
 - (2) the reference in sub-sub clause (v) to “the Owners of not less than fifty per cent (50%) of the Undivided Shares in aggregate” shall be construed as a reference to the Owners of not less than 50% of the Undivided shares in aggregate who are entitled to vote.
- (ix) If a contract for the appointment of any Manager contains no provision for the termination of the Manager’s appointment, sub-sub clauses (v), (vi), (vii) and (viii) apply to the termination of that Manager’s appointment.
- (x) Sub-sub clause (ix) operates without prejudice to any other power there may be in a contract for the appointment of any Manager to terminate the appointment of the Manager.
- (xi) If a notice to terminate a Manager’s appointment is given under sub-sub clauses (v), (vi), (vii), (viii), (ix) and (x):-
 - (1) no appointment of a new Manager shall take effect unless the appointment is approved by a resolution of the Owners’ Committee (if any); and
 - (2) if no such appointment is approved under Clause 60(j)(xi)(1) of this Deed by the time the notice expires, the Owners’ Corporation may appoint another Manager and, if it does so, the Owners’ Corporation shall have exclusive power to appoint any subsequent Manager.
- (xii) If any person has given an undertaking in writing to, or has entered into an agreement with, the Government to manage or be responsible for the management of the Development, and the Owners’ Corporation has appointed a Manager under sub-sub clause (xi)(2), the Owners’ Corporation shall be deemed to have given to that person an instrument of indemnity under which the Owners’ Corporation shall be liable to indemnify that person in respect of any act or omission by the Manager appointed under that sub-sub clause that may otherwise render that person liable for a breach of that undertaking or agreement.
- (k) The accidental omission to give notice as aforesaid to any Owner shall not invalidate the proceedings at any meeting or any resolution passed thereat.

For the avoidance of doubt, the Manager or the Owners’ Corporation (as the case may be) shall have no voting right in the meetings of the Owners in respect of the Undivided Shares allocated to the Common Areas and Facilities and vested in him as trustee for all the Owners. The Undivided Shares allocated to the Common Areas and Facilities shall not carry any voting rights at any meeting whether under this Deed, the Ordinance or otherwise or liability to pay any fees or charges under this Deed. Such Undivided Shares

shall not be taken into account for the purpose of calculating the quorum of any meeting under this Deed, the Ordinance or otherwise.

SECTION VII
EXTINGUISHMENT OF RIGHTS

61. In the event of the whole or any part of the Development being so damaged by fire, typhoon, earthquake, subsidence or other causes so as to render a substantial part of the same unfit for the use or habitation or occupation or the purposes for which it was intended, the Manager or the Owners' Committee or those Owners who in aggregate have vested in them for the time being not less than seventy-five per cent (75%) of the total number of Undivided Shares of the part thereof so affected (excluding the number of Undivided Shares allocated to the Common Areas and Facilities) shall convene a meeting of the Owners in whom the right to exclusive use, occupation, and enjoyment of such part of the Development is vested, and such meeting may resolve by a not less than seventy-five per cent (75%) majority of such Owners present in person or by proxy voting in proportion to the number of Undivided Shares held at such meeting, that by reason of insufficiency of insurance money or changes in building law and/or regulations or any other circumstances whatsoever, it is not practicable to reinstate or rebuild such part of the Development, then in such event the Undivided Shares representing such part of the Development so affected shall be acquired by the Manager, and the Owners of such Undivided Shares shall in such event be obliged to assign the same and all rights and appurtenances thereto to the Manager upon trust, to forthwith dispose of the same by public auction or private treaty, and to distribute the net proceeds of sale amongst the Owners of such Undivided Shares in proportion to the respective number of Undivided Shares previously held by such former Owners. All insurance money received in respect of any policy of insurance on such part of the Development shall likewise be distributed amongst such former Owners. In such event all the rights, privileges, obligations and covenants of such former Owners under this Deed shall be extinguished so far as the same relate to such former Owners of such part of the Development PROVIDED ALWAYS THAT if it is resolved to reinstate or rebuild such part of the Development, the Owners of such part of the Development shall pay the excess of the cost of reinstatement or rebuilding of the relevant part of the Development damaged as aforesaid over and above the money recoverable from the insurance of such part of the Development, in proportion to the respective number of Undivided Shares held by them, and that until such payment of the same will become a charge upon their respective Undivided Shares allocated to the relevant part of the Development and be recoverable as a civil debt.
62. The following provisions shall apply to a meeting convened under **Clause 61** hereof:-
- (a) Every such meeting shall be convened by at least seven (7) days' notice in writing served on the relevant Owners, specifying the date, time and place of the meeting and the resolutions that are to be proposed at the meeting;
 - (b) Service of the said notice of the meeting of Owners shall be sufficiently served if addressed to the Owner and sent by either one of the following manners: -
 - (i) by delivering it personally on the Owner;
 - (ii) by sending it by post addressed to the Owner at his last known address;
 - (iii) by leaving the notice at the Owner's House or depositing the notice in the letter-box of that House; or

- (iv) by displaying the notice in the public notice boards of the Development (if existing but if not then posted on an appropriate part of the site of the Development and published in an English and a Chinese language newspaper circulating in Hong Kong).
- (c) No business shall be transacted at any meeting unless a quorum is present. A quorum shall consist of the Owners present in person or by proxy, in whom not less than seventy-five per cent (75%) of the total number of Undivided Shares in the part of the Development in question (but excluding any Undivided Shares allocated to the Common Areas and Facilities) are vested;
- (d) The Manager shall be the chairman of the meeting;
- (e) The chairman shall cause a record to be kept of the persons present at the meeting and notes of the proceedings thereof;
- (f) Every Owner shall have one vote for each Undivided Share vested in him and where 2 or more persons are the co-owners of an Undivided Share, the vote in respect of the Undivided Share may be cast:-
 - (i) by a proxy jointly appointed by the co-owners;
 - (ii) by a person appointed by the co-owners from amongst themselves; or
 - (iii) if no appointment is made under sub-sub clause (i) or (ii), either by one of the co-owners personally or by a proxy appointed by one of the co-owners;

PROVIDED THAT where 2 or more persons are the co-owners of an Undivided Share and more than one of the co-owners seeks to cast a vote in respect of the Undivided Share, only the vote that is cast, whether personally or by proxy, by the co-owner whose name, in order of priority, stands highest in relation to that Undivided Share in the Register kept at the Land Registry shall be treated as valid.

PROVIDED FURTHER THAT subject to the provisions of any mortgage or charge, the voting rights conferred on the Owner of such Undivided Share by the provisions of this Deed shall be exercisable only by the mortgagor or chargor unless the mortgagee or chargee is in possession or is in receipt of the rents and profits of such Undivided Share.

In case of any equality of votes, the person presiding over the meeting shall have, in addition to a deliberative vote, a second or casting vote.

- (g) Votes may be given either personally or by proxy;
- (h) The instrument appointing a proxy in the prescribed form as set out in **Form 1 in Schedule 1A** of the Ordinance shall be deposited with the chairman of the meeting at least 48 hours before the time for holding of the meeting;
- (i) A resolution passed at a duly convened meeting by a seventy-five (75%) majority of the Owners present in person or by proxy shall be binding on all the Owners of the relevant part of the Development PROVIDED as follows:-
 - (i) the notice convening the meeting shall specify the intention to propose a resolution concerning such matter;

- (ii) any resolution purported to be passed at any such meeting concerning any other matter shall not be valid;
- (iii) no resolution shall be valid if it is contrary to the provisions of this Deed.
- (j) A resolution in writing signed by Owners who in the aggregate have vested in them for the time being more than seventy-five (75%) of the Undivided Shares allocated to the part of the Development in question shall be as valid and effectual as if it had been passed at a duly convened meeting of such Owners;
- (k) The accidental omission to give notice as aforesaid to any Owner shall not invalidate the meeting or any resolution passed thereat.

SECTION VIII
MISCELLANEOUS PROVISIONS

- 63. Each Owner shall, on ceasing to be the Owner of any Undivided Share and the premises enjoyed therewith, notify the Manager or (in the event where there is no Manager) the Owners' Committee of such cessation, and of the name and address of the new Owner who shall be liable for all sums due and payable, and performance and observance of the terms and conditions, by the Owners from whom he purchased under the terms of this Deed.
- 64. Subject to **Clause 63** above and without prejudice to any provisions contained in this Deed, no person shall, after ceasing to be the Owner of any Undivided Share, be liable for any debts, liabilities or obligations under the covenants and provisions of this Deed in respect of such Undivided Share and the part of the Development held therewith except in respect of any breach, non-observance or non-performance by such person of any such covenants or provisions prior to his ceasing to be the Owner thereof.
- 65. There shall be public notice boards at such places in the Development as the Manager may from time to time determine. There shall be exhibited on each of such public notice boards, a copy of the House Rules from time to time in force, and all notices which under this Deed are required to be exhibited thereon, and such other notices and announcements as the Manager may from time to time decide to exhibit or approve for exhibition thereon. Except in the case of a notice required by this Deed or by law to be served personally or in any other manner, the exhibition of a notice on such public notice boards for seven (7) consecutive days shall be due notice of the contents thereof to each Owner and his tenants, licensees, servants, and agents.
- 66. Each Owner shall notify the Manager of the name and address in Hong Kong of the person authorized by him to accept service of process under the provisions of this Deed and any relevant Sub-Deed. Any Owner not occupying or using his House shall provide the Manager with an address in Hong Kong for service of notices under the provisions of this Deed, failing which the address of such House is deemed to be his address for service.
- 67. Except in the case of a notice required under this Deed or by law to be served personally or by other manner, all notices or demands required to be served hereunder, shall be sufficiently served if addressed to the party to whom the notices or demands are given and sent by prepaid post to, or left at the House or the letter-box thereof, of which the party to be served is the Owner, notwithstanding that such party shall not personally occupy the same PROVIDED HOWEVER THAT where notice is to be given to an Owner who is a mortgagor, such notice may also be served on the mortgagee, if a Company, at

its registered office or last known place of business in Hong Kong, and, if an individual, at his last known residence. All notices required to be given to the Manager shall be sufficiently served if sent by prepaid post addressed to or by hand left at or delivered to the management office of the Development or such other address as may be specified by the Manager from time to time.

68. The First Owner shall at its own costs and expenses provide a direct translation in Chinese of this Deed and deposit a copy of this Deed and its Chinese translation at the management office of the Development within one (1) month after the date of this Deed. Copies of this Deed and its Chinese translation shall be made available for inspection by all Owners free of costs at the management office of the Development. A copy of this Deed or its Chinese translation or both shall be supplied by the Manager to an Owner on request and upon payment of a reasonable charge. All charges received shall be credited to the Special Fund. In the event of any dispute as to the effect or construction of this Deed and its Chinese translation, the English text of this Deed shall prevail.
69. Where any Undivided Share has been assigned or charged by way of mortgage, the voting rights conferred on the Owner of such Undivided Share by the provision of this Deed shall, subject to the provision of the mortgage, be exercisable only by the mortgagor, unless the mortgagee is in possession of such Undivided Share and has duly served written notice of such fact on the Manager PROVIDED THAT once the mortgagee has taken possession of such Undivided Shares he shall become fully liable for the payment of all the management fees, expenses and contributions payable in respect of the relevant House under this Deed, including any arrears thereof.
70. The covenants and provisions of this Deed shall be binding on the parties hereto and their respective executors, administrators, successors in title and assigns, and the benefit and burden thereof shall be annexed to the Houses, the Common Areas and Facilities and to the Undivided Share or Shares held therewith.
71. A set of plans annexed hereto showing the Common Areas and Facilities shall be kept at the management office of the Development for inspection by the Owners during normal office hours free of costs and charges.
72. No provisions contained in this Deed shall contradict, overrule, fail to comply with or prejudice in any way the operation of the Ordinance and any amendment or amendments thereof or any substitutions thereof. The Owners' Corporation may require the Manager to assign the Common Areas and Facilities together with the Undivided Shares allocated to the Common Areas and Facilities to it, free of costs or consideration, in which event, the Owners' Corporation shall hold them on trust for the benefit of all Owners. At any time after the formation and during the existence of the Owners' Corporation under the Ordinance, the Owners' meeting convened under this Deed shall be replaced and substituted by the general meeting of the Owners' Corporation and the Owners' Committee formed under this Deed shall be replaced and substituted by the management committee of the Owners' Corporation, and that the provisions contained in the Schedule 2 of the Ordinance shall apply to the management committee of the Owners' Corporation which shall take the place of the Owners' Committee formed under this Deed, and the provisions contained in the **Schedule 3 to the Ordinance** shall apply to all general meetings of the Owners' Corporation which shall take the place of the Owners' meetings provided herein, and all references to the Owners' Committee throughout this Deed shall be construed and read as referring to the management committee of the Owners' Corporation.
73. The First Owner shall deposit a copy of the **Schedule 7 and the Schedule 8 to the Ordinance** (English and Chinese versions) in the management office for the reference by

all Owners free of costs, and for taking copies at their own expense upon payment of a reasonable charge. All charges received shall be credited to the Special Fund.

74. Nothing in this Deed conflicts with or is in breach of the conditions of the Conditions. If any provision contained in this Deed conflicts with the Conditions, the Conditions shall prevail. All Owners (including the First Owner) and the Manager covenant with each other to comply with the conditions of the Conditions so long as they remain as Owners or (as the case may be) the Manager. The covenants and provisions of this Deed are binding on all Owners and the benefit and burden thereof are annexed to the Lot and the Development and to the Undivided Share(s) in respect thereof.
75. The First Owner shall upon execution of this Deed, assign the Common Areas and Facilities, together with the Undivided Shares allocated to the Common Areas and Facilities, to the Manager free of costs or consideration, to be held on trust for all the Owners, and for the general amenity of the Owners and other occupants of the Development, subject to the Conditions and to this Deed. If an Owners' Corporation is formed under the Ordinance, it may require the Manager to assign the Common Areas and Facilities, together with the Undivided Shares allocated to the Common Areas and Facilities and transfer the management responsibilities to it free of costs or consideration, in which event, the Owners' Corporation must hold them on trust for the benefit of all Owners for the time being of Undivided Shares of the Lot and the Development.

SECTION IX

SLOPE MAINTENANCE

76. (a) The Owners shall at their own costs and expenses maintain in good substantial repair and condition to the satisfaction of the Director of Lands and carry out all works in respect of the Slopes and Retaining Walls as required by Special Condition No. (55) of the Conditions or this Deed in accordance with the Slope Maintenance Guidelines and the Maintenance Manual. The Manager shall have full authority of the Owners to engage suitable qualified personnel to inspect, keep and maintain in good substantial repair and condition, and carry out any necessary works in respect of, the Slopes and Retaining Walls in compliance with Special Condition No. (55) of the Conditions or this Deed, and in accordance with the Slope Maintenance Guidelines and the Maintenance Manual, and all guidelines issued from time to time by the appropriate Government departments regarding the maintenance of Slopes and Retaining Walls. For the purpose of this sub-clause, the reference to "the Manager" includes the Owners' Corporation, if formed. All Owners shall pay the Manager all costs lawfully incurred or to be incurred by the Manager in carrying out maintenance, repair and any other works in respect of the Slopes and Retaining Walls. The Manager shall not be made personally liable for carrying out any requirements in respect of the Slopes and Retaining Walls under Special Condition No. (55) of the Conditions or this Deed or otherwise, which shall remain the responsibility of the Owners, if, having used all reasonable endeavours, the Manager has not been able to collect the costs of the required works from all Owners.
- (b) The First Owner shall, at its own cost, deposit a full copy of the slope maintenance manual prepared in accordance with the Slope Maintenance Guidelines and the Maintenance Manual, and which is incorporated in the Maintenance Manual for the Works and Installations (if applicable), in the management office of the Development within one (1) month after the date of this Deed for inspection by all Owners free of charge and taking copies upon payment of a reasonable charge.

All charges received shall be credited to the Special Fund.

- (c) Where any cutting away, removal, or setting back of any land, or any building up or filling in, or any slope treatment works of any kind whatsoever is or has been required, for the purpose of or in connection with the formation levelling or development of the Lot or any part thereof, or any other works required to be done by the Owners under the Conditions or otherwise, the Owners shall, at their own expense, carry out, construct, and maintain such slope treatment works, retaining walls or other support, protection, drainage or ancillary or other works, as shall or may at any time be necessary to protect and support such land within the Lot and also any adjacent or adjoining Government or leased land, and to obviate or prevent any falling away, landslip, or subsidence occurring thereafter.

SECTION X
GREEN AND INNOVATIVE FEATURES

- 77. The Green and Innovative Features have been constructed in accordance with the JPN1 and JPN2, and the Owners shall observe the following covenants in relation to the Green and Innovative Features:
 - a. The Balconies and the Covered Areas must not be enclosed above safe parapet height other than as under the Buildings Plans.
 - b. The Non-Structural Prefabricated External Walls shall be non-loading bearing and shall not project beyond the boundary of the Lot.
 - c. The Owner in whom an Undivided Share of the House of the Development is vested has the full and exclusive right and privilege to hold, use, occupy, and enjoy the Balconies and the Non-Structural Prefabricated External Walls, subject to and with the benefit of the rights and privileges and the express covenants and provisions herein contained, the JPN1 and JPN2, the House Rules, and the rights of the Manager.
 - d. Each Owner of the Balconies and the Non-Structural Prefabricated External Walls shall, at his own cost and expense, keep the Balconies and the Non-Structural Prefabricated External Walls or any part thereof in good and substantial repair and condition, and shall preserve and maintain the Balconies and the Non-Structural Prefabricated External Walls in accordance with the JPN1 and JPN2 or the instructions of the Manager.
 - e. Upon any breach of the Conditions, this Deed, the JPN1 and JPN2 and/or the relevant ordinances, the Manager, without prejudice to the right of the other Owners, shall have authority to do all acts and things as may be necessary or expedient, including but not limited to inspecting the Balconies, the Covered Area and the Non-Structural Prefabricated External Walls or any part thereof at any time upon prior written notice (save and except emergencies) and the right without prejudice to any other right or remedy hereunder to regularise the Balconies, the Covered Area and the Non-Structural Prefabricated External Walls occasioned by the default cause or to be caused by the defaulting Owner in accordance with the JPN1 and/or JPN2 and/or the Deed and recover from the said defaulting Owner all costs and expenses which may be incurred in making good any damage cause thereby on in regularising the same and in registering the charge on the Undivided Share or Undivided Shares of the said defaulting Owner. The defaulting Owner shall pay the Manager all costs incurred by the Manager for or in relation to the

steps taken by the Manager for the aforesaid purpose.

- f. The Owners for the time being of the Balconies, the Covered Area and the Non-Structural Prefabricated External Walls shall at all times hereafter be bound by and shall observe and perform the covenants, provisions, and restrictions contained herein, the JPN1 and JPN2, and/or such practice notes or guidelines together with any amendments thereto as shall from time to time be issued or made by the Buildings Department, Lands Department, Planning Department or other competent authorities as the case may be.

SECTION XI
MAINTENANCE OF WORKS AND INSTALLATIONS

78. The Owners shall at their own costs and expense inspect, maintain and carry out all necessary works for the maintenance of the Development and such parts of the Development the sole and exclusive right and privilege to hold, use, occupy and enjoy the same as may be held by the respective Owners including the Works and Installations (subject to revision as provided for in Clause 80 hereof) and in accordance with the Maintenance Manual for the Works and Installations compiled by the First Owner in accordance with Clause 79 hereof. The First Owner shall deposit a full copy of the Maintenance Manual for the Works and Installations in the management office of the Development within one (1) month after the date of this Deed for inspection by the Owners free of charge, and taking copies on payment of a reasonable charge during the normal office hours of the Manager. All charges received shall be credited to the Special Fund.
79. The First Owner shall at its own costs and expenses prepare and compile for the reference of the Owners and the Manager the Maintenance Manual for the Works and Installations (subject to revision as provided for in Clause 80 hereof) for the Works and Installations setting out the following details :-
 - (a) As-built record plans of the building and services installations together with the necessary technical information (such as specifications of materials and design standard) for maintenance of all facilities and equipment comprised in the Works and Installations;
 - (b) All warranties and guarantees provided by contractors (together with the names of the companies providing the warranty and the contact telephone numbers) in respect of all facilities and equipment comprised in the Works and Installations;
 - (c) Recommended maintenance strategy and procedures;
 - (d) A list of items of the Works and Installations requiring routine maintenance;
 - (e) Recommended frequency of routine maintenance inspection;
 - (f) Checklist and typical inspection record sheets for routine maintenance inspection; and
 - (g) Recommended maintenance cycle of the Works and Installations.
80. The Works and Installations and the Maintenance Manual for the Works and Installations referred to in Clause 79 hereof may be revised in future to take into account any necessary changes, including but not limited to addition of works and installations in the Development and the updating of maintenance strategies in step with changing

requirements. The Owners may, by a resolution of the Owners at an Owners' meeting convened under this Deed, decide on revisions to be made to the Works and Installations and the Maintenance Manual for the Works and Installations, in which event the Manager shall procure from a qualified professional or consultant the revised Works and Installations and the revised Maintenance Manual for the Works and Installations within such time as may be prescribed by the Owners in an Owners' meeting convened under this Deed or by the Owners' Corporation, if formed, and such revised Works and Installations and revised Maintenance Manual for the Works and Installations shall take effect and be binding on all the Owners as may be specified in such resolution passed by the Owners or by the Owners' Corporation, if formed as aforesaid. All costs incidental to the preparation of the revised Works and Installations and the revised Maintenance Manual for the Works and Installations shall be paid out of the Special Fund. The Manager shall deposit the revised Maintenance Manual for the Works and Installations in the management office of the Development within one (1) month after the date of its preparation for inspection by all Owners free of charge and taking copies on payment of a reasonable charge during the normal office hours of the Manager. All charges received shall be credited to the Special Fund.

IN WITNESS whereof the parties to this Deed have caused their respective Common Seals to be hereunto affixed and the First Assignee has hereunto set his hand and seal the day and year first above written.

THE FIRST SCHEDULE ABOVE REFERRED TO

Part I

Allocation of Undivided Shares & Management Shares

(A)	Houses	No. of Units	No. of Undivided Shares	No. of Management Shares
	House 1	1	1645	1645
	House 2	1	1533	1533
	House 3	1	1532	1532
	House 5	1	1531	1531
	House 6	1	1539	1539
	Sub-Total:	5	7780	7780 =====
(B)	Common Areas and Facilities		100	0
		Total: A+B	7880 =====	7780 =====
	Note: House No. 4 is omitted			

THE SECOND SCHEDULE ABOVE REFERRED TO

1. The Owner of each Undivided Share together with the full and exclusive right to hold use occupy and enjoy any part of the Development (in this Schedule referred to as “**his premises**”) shall have the benefit of the following rights and privileges subject to the provisions of the Conditions and of this Deed and of, the Sub-Deed (if any), the House Rules and the rights of the Manager and the First Owner as provided in this Deed:-
 - (a) Full right and liberty for the Owner for the time being, his tenants, servants, agents, lawful occupants, and licensees (in common with all persons having the like right), to go, pass, or repass over or along, or to use or to receive the benefit of the Common Areas and Facilities for all purposes connected with the proper use and enjoyment of his premises subject as aforesaid;
 - (b) The right to subjacent and lateral support, and to shelter and protection from the other parts of the Development subject as aforesaid;
 - (c) The free and uninterrupted passage and running of water, sewage, gas, electricity, ventilation, air-conditioning, telephone, and various other services (if any) from and to his premises through the gutters, sewers, drains, flues, conduits, ducts, watercourses, cables, pipes, wires, and other conducting media serving his premises, and which now are or may at any time hereafter be in, under, or passing through his premises or the Development or any part or parts thereof, for the proper use and enjoyment of his premises subject as aforesaid;
 - (d) The right for any Owner with or without workmen, plant, equipment, and materials, at all reasonable times upon prior notice (except in the case of emergency), to enter upon other parts of the Development including the other Houses, for the purpose of carrying out any works for the maintenance and repair of his premises (such work not being the responsibility of the Manager under this Deed and which cannot practically be carried out without such access), causing as little disturbance as possible and forthwith making good any damage caused thereby subject as aforesaid.

THE THIRD SCHEDULE ABOVE REFERRED TO

1. Subject to the provisions of this Deed, no Owner shall make any structural alteration to any part of the Development owned by him (including but not limited to the external walls of the House, fence walls of the gardens of the House, and the walls of the filtration plant area of the House, structure or facade of the Buildings or any installation or fixture therein), which may damage, affect, or interfere with the use and enjoyment of any other part or parts of the Development, whether in separate or common occupation (in particular the supply of water, electricity or gas), or interfere with or affect the rights of other Owners, nor shall any Owner cut, injure, damage, alter, or interfere with any part or parts of the Common Areas and Facilities, or any equipment or apparatus on it or upon the Lot, not being equipment or apparatus for the exclusive use and benefit of any such Owner.
2. Every Owner shall observe and comply with all the terms and provisions of the Conditions and this Deed, and no Owner shall permit or suffer to be done any act or thing in contravention of the terms and conditions of the Conditions or this Deed, or whereby any insurance on the Development or any part thereof may become void or voidable. or whereby the premiums for any such insurance may be increased, and in the event of any breach of this Clause by any Owner, in addition to any other liability incurred thereby, such Owner shall pay to the Manager the amount of any increase in premium caused by or on account of such breach.
3. No Owner shall, without the prior written consent of the First Owner or the Manager, at any time exercise or attempt to exercise any statutory or common law right to partition the Lot or the Development.
4. Subject to the rights of the First Owner under this Deed, no Owner shall do or permit or suffer to be done by his tenants, occupiers, or licensees any act, deed, matter, or thing which in any way interferes with, affects, or which is likely to interfere with or affect the construction and/or management and the maintenance of the Development.
5. No Owner shall use or permit or suffer the part of the Development owned by him to be used for any illegal or immoral purpose, nor shall he do, cause, or permit or suffer to be done any act or thing which may be or become a nuisance or annoyance to, or to which may cause damage or inconvenience to the other Owners and Occupiers for the time being of the Development and/or any neighbouring premises, or to the Government, or to the owners or occupiers of any adjoining or neighbouring lot or lots or premises.
6. No Owner shall use or permit or suffer any part of the Development owned by him to be used except in accordance with the Conditions, this Deed, the House Rules and any ordinances and regulations from time to time applicable thereto.
7. No part of the Common Areas and Facilities shall be obstructed save with the license of the Manager (who shall not grant the license should the obstruction be in contravention of any ordinances or regulations of Hong Kong or of this Deed or of the Conditions or of any Sub-Deed), nor shall any refuse or other matter or things be placed or left thereon, and no Owner shall do or suffer or permit to be done anything in such areas as may be or become a nuisance to any other Owners or Occupiers of any other part of the Development.
8. No Owner shall cut, maim, alter, affix, interfere with, damage, or in any other way affect or permit or suffer to be cut, maimed, altered, affixed, interfered with, damaged, or in any way affected any pipes, valves, ducts, lightning conductors, communal

television and radio aerial system, fixtures or any other installation within any portion of the roof tops provided in the Development as part of the Common Areas and Facilities.

9. No clothing or laundry shall be hung outside the House or any part thereof (other than in the spaces specifically provided therefor) or in the Common Areas and Facilities.
10. No Owner shall construct or install any drainage or other pipe works outside the external wall of the Houses or fence wall of gardens of the Houses, other than in spaces specifically provided by the Manager therefor.
11. No Owner shall do or suffer or permit to be done anything whereby the flush or drainage system of the Development may be clogged or efficient working thereof may be impaired, and to pay the Manager on demand the cost of any breakage, blockage, or damage resulting from a breach of this provision.
12. No air-conditioning or other units shall, without the prior written consent of the Manager, be installed through any window or external walls of the Houses other than at places designated for such purpose, and all possible measures shall be taken to prevent excessive noise, condensation, or dripping on to any part of the Development. Every Owner shall also at his own cost and expense keep and maintain the air-conditioning or other units or plants (if any) serving exclusively his part of the Development in good repair and condition.
13. No Owner shall use or cause or permit any House to be used for industrial or godown purposes, or for the purpose of mah-jong school, funeral parlour, coffin shop, temple, Buddhist hall, or for the performance of the ceremony known as “Tai Chai (打齋)” or any similar ceremony, or as a boarding house, apartment house, dance hall, music hall, or for any noisy or offensive trade or business.
14. No Owner shall make or cause or permit any disturbing noise in the House, or do or cause or permit anything to be done which will interfere with the rights, comforts and convenience of other occupants of the Development.
15. Subject to the rights of the First Owner under this Deed, no Owner shall without the prior written consent of the Manager, erect or build or suffer to be erected or built on or upon the flat roofs, upper roofs, or balconies forming part of a House, any structure (including iron bars) whatsoever either of a permanent or temporary nature. The Manager shall have the right to enter and remove from such flat roofs, upper roofs, or balconies such unauthorized structure (including iron bars) at the cost and expense of the defaulting Owner.
16. No Owner shall erect or build or suffer to be erected or built on or upon the garden forming part of a House, any structure whatsoever either of a permanent or temporary nature and shall use the garden only as a garden. The Manager shall have the right to enter and remove from such garden any such unauthorized structure at the cost and expense of the defaulting Owner.
17. No Owner shall change, alter, damage, or relocate the trenches (if any) at the garden area, nor shall the trenches be covered by any materials or structures so as to block the access by the Manager to the trenches to carry out necessary repairs to the pipes and/or utilities laid down at the trenches.
18. Subject to the rights of the First Owner under this Deed, no Owner (except the First Owner) shall be entitled to connect any installation to the communal television, radio

aerial system, satellite and/or cable television system (if any) installed by the First Owner or the Manager in or for the Development or any part thereof except with the prior written permission of the Manager and in accordance with any House Rules relating to the same. No Owner shall affix or install his own private aerial outside any part of his House or erect or place or cause or permit to be erected or placed any satellite dish(es), antenna(s) or other structure on the garden, flat roof or upper roof or any part of his House or any part of the Development.

19. Subject to the rights of the First Owner under this Deed, no external signs, signboards, notices, advertisements, flags, banners, poles, cages, shades, or other projections or structures whatsoever extending outside the exterior of the Houses or any part of the Development shall be erected, installed, or otherwise affixed to or projected from the Houses or the Development or any part thereof save as otherwise provided in this Deed or except with the written consent of the Manager and (if required) also consent of the Director of Lands in accordance with the Conditions.
20. Subject to the rights of the First Owner under this Deed, no Owner or Occupier (except the First Owner) shall, save as otherwise provided in this Deed, paint the outside of the Houses, the outer surface of the walls of the filtration plant area of his House which is facing the Common Areas and Facilities, the fence wall of the gardens of his House, or any part of the Development, or change or alter or modify the external wall finishes of the Houses, the outer surface of the walls of the filtration plant area of his House which is facing the Common Areas and Facilities, or the fence wall of gardens of his House, or do or permit to be done any act or thing which may or will alter the facade or external appearance of the Houses or the Development, or change or alter or modify the appearance of any windows or doors of his House or do or permit to be done any act or thing which, in the opinion of the Manager, may or will damage the unity of the external appearance of the Houses or the Development without the prior consent in writing of the Manager.
21. Subject to the rights of the First Owner under this Deed, no external shades, awnings, fences, metal grilles, partitions, terraces, decks or any other structure or thing shall be placed, installed, exhibited, affixed, erected or attached or caused or permitted to remain in or about or on or at any part of the external walls or flat roofs or top roofs of the Houses or in the gardens or open spaces within the boundaries of the House without the prior consent in writing of the Manager and the relevant Government authorities.
22. No Owner shall throw out or discard or permit or suffer to be thrown out or discarded from any part of the House and/or the Development owned by him any refuse, rubbish, litter or other article or thing whatsoever except using the services or facilities provided for the disposal thereof.
23. No Owner of a House shall make or permit any disturbing noise in his House especially outside normal working or business hours or to do or permit anything to be done which will interfere with the rights, comforts and convenience of the occupants of other Houses.
24. No Owner shall permit the playing of mah-jong in his House between mid-night and 7:00 a.m. so as to cause disturbance to the Owners or occupiers of any other part of the Development.
25. No dogs, cats, birds, pets or other animals shall be permitted in the Common Areas and Facilities unless carried or on leash, nor shall they be permitted to foul at any part of the Common Areas and Facilities.

26. Not to allow children, save with the licence of the Manager, to play in the Common Areas and Facilities and any damage to or discolouration to decorations in such areas caused by children shall be paid for by the Owner or Occupier of the House in which the child or children concerned reside.
27. Not to use water closets and other water apparatus in any of the Buildings for any purpose other than those for which they were constructed, nor shall any sweeping, rubbish, rags, or any other articles be thrown into the same. Any damage resulting from misuse of any water closets or apparatus shall be paid for by the Owner or Occupier in whose part of the Development it shall have been caused.
28. Not to allow any bicycles, baby carriages or similar vehicles to obstruct any Common Areas and Facilities.
29. No Owner shall perform installation or repair works to the electrical wiring from the main switch room to any part or parts of the Development save with the written approval of the Manager and such works shall be carried out by the Manager or any contractor appointed or approved by the Manager at the expense of the Owner or Owners concerned and in such manner as the Manager shall in its absolute discretion think fit.
30. No Owner shall make any alteration to or interfere with any firefighting equipment or suffer to be done anything to such firefighting equipment which would constitute a breach of the Fire Services Ordinance (Cap.95) or any by-laws or regulations made thereunder. If any alteration to the firefighting equipment shall be required by any Owner then such works, subject to the prior approval of the Manager, shall be carried out by the Manager or any contractor appointed or approved by the Manager at the expense of such Owner and in such manner as the Manager shall in its absolute discretion think fit.
31. No Owner or its agents, licensees, or contractors shall place on any part of the Lot or any part of the floors of any of the Buildings any vehicle, article, machinery, goods or merchandise which may cause the maximum floor loading-bearing capacity thereof (as specified on such part) to be exceeded and in the event of breach of this covenant the Owner in default shall make good any damage caused thereby to that part of the Lot or Buildings or any fixtures and fittings therein.
32. Subject to the rights of the First Owner under this Deed, no Owner shall without the prior written consent of the Manager erect or place or caused or permit to be erected or placed any sign or other structure on the roof or flat roof or any part of his House or any part of the Development.
33. No Owner shall erect or permit or suffer to be erected any radio or television aerial or advertising sign or keep, hang or exhibit or permit or suffer to be kept, hung or exhibited any washing cloth, clothing or any unsightly objects or store or permit or suffer to be stored any utensils or other articles upon the gardens, flat roofs, upper roofs, balconies, external walls of the House or fence wall of his gardens of the House or any other areas which in the opinion of the Manager shall be undesirable or constitute a nuisance to other Owners or Occupiers of the Houses and the Manager shall have the right to remove such articles without notice but after warning has been given to such Owner and such Owner has failed to heed the warning within a reasonable period of time at the cost of the offending Owner.
34. No House shall be used for any purpose other than for private residential purpose for one single family and in particular shall not be used for any form of commercial letting

in bed spaces or cubicles SAVE AND EXCEPT that the First Owner may use any such Houses as show house(s) for such period or periods as it shall in its discretion consider appropriate and the carports of each House shall only be used for parking of private motor vehicles licensed under the Road Traffic Ordinance (Cap.374) and belonging to the Owners/Occupiers of that House and their bona fide visitors or invitees and in particular the carports of each House shall not be used for the storage, display or exhibiting of motor vehicles for sale or otherwise.

35. The carparking spaces in the carports of the Houses shall not be used for any purpose other than for the purpose of parking licensed motor vehicles belonging to the residents of the Houses and their bona fide guests, visitors or invitees only subject to the provisions of the Conditions and no structure or partitioning shall be erected thereon and no carparking spaces in the carports shall be used for storage, display or exhibiting of motor vehicles for sale or otherwise.
36. The swimming pool of the Houses shall not be used for any purpose other than for the purpose of a swimming pool and the Owners shall keep and maintain the swimming pool in a good and proper condition.
37. No carport of any House shall be sold, assigned, mortgaged, charged leased or otherwise dealt with independently or separately from the House of which it forms part.
38. Each Owner shall keep and maintain the turf, planting and landscaping within the boundaries of this House in good condition in accordance with any tree preservation and landscaping proposals approved by the Director of Lands and/or other relevant Government departments under any ordinance and regulations from time to time applicable thereto and/or any requirements of the relevant Government or other competent authorities. A copy of each of such approved tree preservation and landscaping proposals shall be kept at the Manager's office and may be inspected by the Owners free of charge.
39. No partitioning shall be erected or installed in any part of the Development which does not have clear access for fire exits and save with the prior consent in writing of the Manager no windows shall be wholly or partially blocked or the light and air therefrom in any way obstructed.
40. No Owner shall permit or suffer to be erected, affixed, installed or attached in or on or at the window or windows or door or doors or entrance or entrances of any part of the Development any metal grille or shutter or gate which shall in any way contravene the regulations of the Fire Services Ordinance (Cap.95) or other competent authority concerned from time to time in force and/or which may in any way impede the free and uninterrupted passage over, through and along any of the Common Areas and Facilities and the design of any metal grille or shutter or gate shall, prior to the installation thereof, first be submitted to the Manager for its approval in writing and the subsequent installation shall follow strictly the approved design and any conditions that may be imposed.
41. No Owner shall store or permit to be stored in any House any hazardous, dangerous, combustible or explosive goods or materials except such as may be reasonably required for the purpose of domestic cooking and heating.
42. No House or any part thereof shall be used for the storage of goods or merchandise other than the personal and household possession of the Owner or Occupier.
43. No Owner shall use any House for carrying on any business or trade.

44. No Owner including the First Owner shall have the right to convert the Common Areas and Facilities or any part thereof to his own use or for his own benefit unless with the approval by a resolution of the Owners' Committee. Any payment received for the granting of such approval shall be credited to the Special Fund. No Owner (including the First Owner) shall have the right to convert or designate as Common Areas and Facilities such part(s) of the Development the sole and exclusive right and privilege to hold, use, occupy and enjoy the same as may be held by him unless the approval by a resolution of the Owners at an Owners' meeting convened under this Deed has been obtained. Neither the Owners (including the First Owner) nor the Manager shall have the right to re-convert or re-designate the Common Areas and Facilities to his own use or for his own benefit.
45. Every Owner shall pay and discharge all existing and future Government rent, taxes, rates, assessments and outgoings payable in respect of his House and to indemnify the other Owners from and against all liability thereof.
46. Every Owner shall keep and maintain all wirings and piping of his House which do not form part of the Common Areas and Facilities and all electrical and sanitary appliances of his House in good repair and condition.
47. Every Owner shall keep and maintain any lift within his House which serve exclusively for his House in good repair and condition and in all respects, comply with the requirements of the Lifts and Escalators (Safety) Ordinance, Cap. 327, Laws of Hong Kong. The Owner shall only use or engage the service of such qualified contractor(s) as nominated or approved by the Manager for the maintenance of the lift in his House. The Owner shall pay his own costs and expenses for the engagement of such contractor and the maintenance of the lift.
48. Every Owner shall protect any common facilities within his House including but not limited to the sprinkler system of the Development against any reasonable and foreseeable risks of damage.
49. Every Owner shall observe and comply with all terms and provisions of the Conditions, this Deed, any Sub-Deed and the House Rules so long as he remains an Owner of an Undivided Share.
50. The Owners of Houses which have a common wall adjoining their respective Houses or gardens or filtration plant area shall each have the right to the use of the interior surface of the common walls on his side subject to an obligation to maintain repair and reinstate such interior surface. Neither Owner shall use any portion of the common walls so as to interfere with the use and enjoyment of the other Owner. Neither Owner shall erect any fence or any structure (including but not limited to spikes or wires) on top of the common walls without the written consent of the other Owner. Neither Owner shall put structures of any kind so near to the common walls as to cause leakage of water to the other side of the common walls or likely to cause it to collapse. The common walls shall be maintained, repaired or rebuilt at the joint costs and expenses of the Owners concerned with each Owner bearing half of such cost and expenses PROVIDED THAT if any of the common walls or any part thereof is damaged or injured as a result of the act or negligence of the Owner of one of the two Houses concerned, such Owner shall at his own cost and expense repair or rebuild the common walls to the reasonable satisfaction of the other Owner.
51. No grave or columbarium shall be erected or made on the Lot nor shall any human remains or animal remains whether in earthenware jars, cinerary urns or otherwise be

interred therein or deposited thereon.

52. No Owner shall do or permit or suffer to be done and each Owner will take all possible steps to prevent the occupiers of his House from doing any act, deed, matter or thing which in any way interferes with or affects or which is likely to interfere with or affect the construction of any part of the Development at any time in the course of construction or the management and maintenance of the Development as herein contained.
53. Children shall not play in the staircases or driveways. Any damage to any part of the Common Areas and Facilities or discolouration to decorations caused thereto by children shall be paid for by the Owner or residents of the House(s) in which the child or children concerned reside or visit.
54. There shall be no storage of excessive or unreasonable amounts of private commodities allowed at the garden(s) of any House.
55. The Manager shall have power to revoke at any time any consent or approval previously given by it to any Owner hereunder by giving to such Owner not less than fourteen (14) days' written notice to that effect except in cases of emergency. On the expiry of such notice, such consent or approval shall be deemed to be revoked.
56. Each Owner shall at his own expense and to the satisfaction of the Director of Fire Services provide fire hydrants, firefighting appliances, water pumping connections and such other fire service installations and equipment as the Director of Fire Services in his sole discretion shall require within the House. The Owner shall maintain at his own expenses the aforesaid fire hydrants, firefighting appliances, water pumping connections and such other fire services installations and equipment in a good condition and to the satisfaction of the Director of Fire Services.
57.
 - a. The Owners shall, at all times throughout the term of the Conditions, maintain at their own expenses the Inside Works and the Outside Works in good and substantial repair and conditions in all respects to the satisfaction of the Director of Lands to ensure that the Inside Works and the Outside Works shall continue to perform their designed functions in accordance with Special Condition No. (54)(f) of the Conditions which maintenance works shall include but not be limited to clearance of landslide debris or boulders fallen onto the Inside Works or the Outside Works or onto the areas of the Lot or the Government land shown on the Natural Terrain Hazard Mitigation and Stabilization Works Plan; to carry out such maintenance works to the Inside Works and the Outside Works within such period as the Director of Lands shall in his absolute discretion deem fit; to carry out such other works under Special Condition No. (54) of the Conditions (other than those works which is required to be carried out by the First Owner for the purpose of the issuance of the Certificate of Compliance) and to make good any damage to any Government land as a result of or arising out of maintaining the Inside Works or the Outside Works, within such time limit as shall be determined by the Director of Lands at his absolute discretion and in all respects to the satisfaction of the Director of Lands.
 - b. The Owners shall permit the Director of Lands, his officers, contractors, and agents and any other persons authorized by him with or without tools, equipment, plant, machinery or motor vehicles, the right of ingress, egress and regress to, from and through the Lot or any part of the House for the purpose of checking and supervising any maintenance works required to be carried out by the Owners as mentioned in sub-clause (a) above.

58. The Owners shall not use any fuel in the Houses or any part of the Development other than town gas, liquefied petroleum gas, natural gas, kerosene or other conventional liquid fuel with a sulphur content not exceeding 0.5% by weight and a viscosity of not more than 6 centistokes at 40C, or a conventional solid fuel with a sulphur content not exceeding 1% by weight.
59. The Owners shall not build or erect any building, structure, support for any building or buildings or any structure or structures, or projection except with the existing sewage treatment plant room shall be erected or constructed within the area shown coloured pink stippled black on the plan marked "PLAN No. SKM8443b" annexed to the Conditions at the ground level or levels or within the air space extending upwards from the ground level or levels of the aforesaid area to a height of 15 meters in accordance with Special Condition No. (56) of the Conditions.
60. Each Owner shall comply with and observe all ordinances, bye-laws, regulations and rules for the time being in force in Hong Kong governing the control of any form of pollution, including air, noise, water and waste pollution, and for the protection of the environment.
61. No Owner shall do any act or permit or suffered any act to be done which will cause any damage to any Government or other existing drain, waterway or water course (including water main), footpath, sewer, nullah, pipe, cable, wire, utility service or any other works or installations being or running upon, over, under or adjacent to the Lot or any part of the Development PROVIDED THAT any Owner before carrying out any such work as aforesaid shall seek prior approval from (a) the Manager; and (b) cause to be made such proper search and enquiry as may be necessary to ascertain the present position and levels of any of the works above mentioned and shall submit his proposals for dealing with any of the works in writing to the Director of Lands for his approval in all respects, and shall not carry out any work whatsoever until the Director of Lands shall have given his written approval to the works and to such proposals aforesaid and shall comply with any requirement of the Director of Lands in respect of the works and any other terms and conditions as imposed by the Director of Lands. Any payment received for the approval shall be credited to the Special Fund.
62. Each Owner shall keep and maintain his House (both interior and exterior condition) including gardens and carports, external walls of the House, fence walls of gardens of the House, walls of the filtration plant area and all other areas the exclusive possession of which he is entitled in good maintenance repair and condition and shall maintain the same to the satisfaction of the Manager and in a manner so as to avoid any loss damage nuisance or annoyance to the other Owners or occupiers of any other part or parts of the Development. The expenses of keeping and maintaining in good and tenantable repair and condition the interior and exterior and the external walls of the House, and fence walls of the gardens of the House, the walls of the filtration plant area and such part of the interior of the boundary wall and all the fixtures and fittings and all plumbing, cables, wiring, drains and pipes, water tank, air-conditioning system, gas and electricity supply system and all the windows and doors thereof and all installations serving the House of such Owner exclusively shall be borne by such Owner who is entitled to the sole and exclusive use occupation and enjoyment thereof.
63. The Owners shall keep and maintain the walls of the filtration plant area of his House which is facing the Common Areas and Facilities in a good clean and tenantable repair and condition, and if any Owner fails to keep and maintain the walls of the filtration plant area of his House which is facing the Common Areas and Facilities, the Manager shall have the right to keep and maintain such walls at the cost and expense of the

defaulting Owner.

64. The Owners shall not use the Greenery Areas for any purpose other than as a greenery area without the prior written consent of the Building Authority.

THE FOURTH SCHEDULE ABOVE REFERRED TO

The following are the rights and privileges subject to which the Owner of each Undivided Share together with the full and exclusive right to hold use occupy and enjoy any part of the Development (in this schedule referred to as “his premises”) is held:-

- (a) The full right and privilege of the Manager at all reasonable times upon reasonable notice (except in the case of emergency) with or without agents, surveyors, workmen and others to enter into and upon his premises for the purposes of adding, rebuilding, repairing, renewing, cleansing, painting, decoration, inspection, examining or maintaining the Development or any part or parts thereof or any of the Common Areas and Facilities therein or any other apparatus and equipment used or installed for the benefit of the Development or any part or parts thereof as part of the amenities thereof or to abate any hazard or nuisance which does or may affect the common areas or other owners PROVIDED THAT the Manager shall at his own expense make good any damage caused to his premises and reinstate the same causing the least disturbance of this Deed.
- (b) Rights and privileges equivalent to those set forth in **sub-clauses (b), (c) and (d)** of **Clause 1** of the Second Schedule to this Deed.

SEALED with the Common Seal of the)
First Owner and signed by)
)
)
duly authorised by Resolution of its Board)
of Directors whose signature(s) is/are)
verified by :-)

SIGNED SEALED and DELIVERED by)
the **First Assignee** (who having been)
previously identified by identification)
document(s) as specified above) in the)
presence of :-)

INTERPRETED to the First Assignee by :-

SEALED with the Common Seal of)
and signed by)
)
duly authorised by Resolution of its Board of)
Directors whose signature(s) is/are verified)
by :-)
)
)