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THIS DEED made the day of

BETWEEN :

- (1) SUNNY WAY PROPERTIES LIMITED (朝陽置業有限公司) whose registered office is situate at 22/F, Kings Wing Plaza 1, 3 On Kwan Street, Shek Mun, Shatin, New Territories, Hong Kong (hereinafter called "the Registered Owner" which expression shall where the context so admits include its successors and assigns) of the first part;
- (2) Hanison Estate Services Limited whose registered office is situate at 22/F, Kings Wing Plaza 1, 3 On Kwan Street, Shek Mun, Shatin, New Territories, Hong Kong (hereinafter called "the Manager") of the second part;
- (3) [*] (hereinafter called "the Covenanting Owner" which expression shall where the context so admits include his executors, administrators and assigns and in the case of a corporation its successors and assigns) of the third part; and

WHEREAS:

- (1) Immediately prior to the assignment to the Covenanting Owner of the premises hereinafter referred to, the Registered Owner was in exclusive possession of ALL THOSE pieces or parcels of ground registered in the Land Registry as SECTION A OF INLAND LOT NO.699 and THE REMAINING PORTION OF INLAND LOT NO.699 (hereinafter referred to as "the Land") HELD from the Government hereinafter defined for the residue of the term of years and upon such terms and conditions as are set out in the First Schedule hereto.
- (2) There is now erected on the Land the Development and an Occupation Permit in respect thereof has been issued.
- (3) For the purpose of sale, the Land and the Development have been notionally divided into 1,907 equal undivided parts or shares which are more particularly set out in the Second Schedule hereto.
- (4) For the purpose of fixing and determining the amount to be contributed by each Owner to the management expenses of the Development, Management Shares shall be allocated to the part or parts of the Development in the manner as are more particularly provided in the Third Schedule hereto.
- (5) By an Assignment bearing even date herewith and made between the Registered Owner of the one part and the Covenanting Owner of the other part, the Registered Owner assigned unto the Covenanting Owner the said premises subject to the Government Grant.
- (6) The parties hereto have agreed to enter into these presents to provide for the proper management, operation, servicing, maintenance, repair, decoration, renovation, improvement and

insurance of the Land and the Development and for the purposes of defining and regulating the rights interests and obligations of themselves and all subsequent owners in respect of the Land and the Development.

NOW THIS DEED WITNESSETH as follows:

SECTION I

DEFINITIONS

In this Deed, the following words and expressions shall have the following meanings ascribed to them except where the context otherwise requires or permits :

- “Authorized Person” Mr. Ng Chi Ho of Handi Architects Limited and this expression shall include any other authorized person or persons as defined in Section 2(1) of the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong) for the time being appointed by the Registered Owner in his place.
- “Chairman” The chairman of the Owners' Committee appointed in accordance with the provisions hereof from time to time.
- “Common Areas” Collectively the Development Common Areas and the Residential Common Areas.
- “Common Areas and Facilities” Collectively the Development Common Areas and Facilities and the Residential Common Areas and Facilities.
- “Common Facilities” Collectively the Development Common Facilities and the Residential Common Facilities.
- “Development” The whole of the development now erected on the Land and now known as “Hollywood Hill”.
- “Development Common Areas” All those areas or parts of the Land and the Development the right to the use of which is designated by the Registered Owner in accordance with the provisions of this Deed for the common use and benefit of the Owners and occupiers of the Units and is not given by this Deed or otherwise to the Registered Owner or the Owner of any individual Unit and is not otherwise specifically assigned and which include, without limiting the generality of the foregoing, the foundations and structures, structural walls and all those part or parts of the external walls of the Development including: architectural fins and features thereon but excluding glass balustrades, metal balustrades or railings of flat roofs or

specified parts of roofs which form parts of the relevant Units; parapet-walls, canopies, cladding, flat roofs (which do not form part of any Units), roofs (which do not form part of any Units), fire pump room, passages, ramps, telecommunications and broadcasting room, main distribution frame room, sump tanks for flushing, potable and fire services, water tank for flushing, water tank for potable, fire pump room, pump rooms, water tanks, air-conditioning platforms (which do not form part of any Units), fire service inlets, caretaker counter, emergency generator room, switch rooms, lift hall, staircases, lifts, pipe ducts, telephone ducts, cable ducts, hose reel, fence wall, water meter cabinet, water meter room, television antenna, concrete plinth for television antenna, yards (which do not form part of any Units), cable trench, aerial broadcast distribution or telecommunications network facilities and such areas within the meaning of “common parts” as defined in Section 2 of the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong) but EXCLUDING the Residential Common Areas. For the purpose of identification, the Development Common Areas are shown coloured green on the plans certified as to their accuracy by and on behalf of the Authorized Person annexed hereto.

“Development Common Collectively the Development Common Areas and Development Areas and Facilities” Common Facilities.

“Development Common All those installations and facilities in the Development Common Facilities” Areas used in common by or installed for the common benefit of all the Units and not for the exclusive use or benefit of any individual Unit and which, without limiting the generality of the foregoing, include drains, catchpits, channels, manholes within the Land and the Development, switches, ventilation air ducts, fresh air duct, exhaust air duct, meters, pipes, pumps, wires, cables, lights, antennae, water tanks, water tank for flushing, water tank for potable, water meter room, communal television and radio aerial systems for reception of television and radio broadcast, telecommunications and broadcasting distribution networks, wires, cables and other facilities whether ducted or otherwise which are or at any time may be in under or over or passing through the Land through which fresh or salt water, sewage, gas, telephone, electricity and other services are supplied to the Development, lighting facilities, fire prevention and fighting equipment and apparatus, security systems and apparatus, air-conditioning and ventilation system and any other mechanical systems, devices or facilities installed or provided in the Development intended for common use and benefit of the Development.

“Government”	The Government of The Hong Kong Special Administrative Region for the time being entrusted with the rule and administration of The Hong Kong Special Administrative Region including any government department(s) and/or any other persons acting with the authority of the Government of The Hong Kong Special Administrative Region.
“Government Grant”	The document of title setting forth the rights and entitlements granted by the Government in respect of the Land as more particularly described in the First Schedule hereto as modified by any subsequent extensions or variations or modifications thereto or renewals thereof (if any).
“Hong Kong”	The Hong Kong Special Administrative Region.
“House Rules”	The rules which have been or may be made in accordance with the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong) and pursuant to these presents by the Manager relating to the use, operation and maintenance of the Development from time to time.
“maintain”	Operate, service, repair, uphold, support, rebuild, overhaul, pave, purge, scour, cleanse, empty, amend, replace, renovate, improve and decorate or any of such of the foregoing as may be applicable in the circumstances and are in the interest of good estate management.
“management”	All duties and obligations to be performed and observed by the Manager pursuant to the provisions of this Deed.
“Management Budget”	The annual budgets prepared by the Manager in accordance with Subsection D of Section VI of this Deed.
“management expenditure” or “management expenses”	All costs, expenses and charges reasonably and necessarily incurred or to be incurred for the management of the Land and the Development.
“management fund”	All monies received, recovered or held by the Manager pursuant to this Deed except only the Manager’s Remuneration and the Special Fund.
“Management Shares”	The shares allocated or to be allocated to the Units of the Development as set out in the Third Schedule hereto for the purpose of determining the due proportion of the management

expenses payable by each Owner.

“Manager”	The Manager or any other manager for the time being appointed under the provisions in these presents to manage the Land and the Development pursuant to the provisions of this Deed.
“Manager's Remuneration”	The remuneration payable to the Manager pursuant to the provisions of this Deed.
“Occupation Permit”	An Occupation Permit (including a temporary Occupation Permit) relating to the Development issued by the Building Authority.
“Owner or Owners”	The person or persons who for the time being appear(s) from the record(s) at the Land Registry to be the owner(s) of the undivided share(s) and shall include the registered mortgagee (as defined in the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong)) in possession of the undivided share(s).
“Owners' Committee”	The Owners' Committee formed under the provisions of this Deed.
“Owners' Corporation”	The Owners' Corporation of the Development incorporated under the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong).
“person”	A natural person, a legal person, a body corporate or unincorporated or other judicial person, partnership, firm, joint venture or trust.
“Plans”	The plans for the Development of the Land approved by the Building Authority under Reference No. [] including any approved amendments thereto.
“Residential Accommodation”	Such parts of the Development comprising the Residential Units and the Residential Common Areas and Facilities.
“Residential Areas”	Common All those areas or parts of the Residential Accommodation the right to the use of which is designated by the Registered Owner in accordance with the provisions of this Deed for the common use and benefit of the Owners and occupiers of the Residential Units and is not given by this Deed or otherwise to the Registered Owner or the Owner of any individual Residential Unit and is not otherwise specifically assigned and which, without limiting the generality of the foregoing, include passages, entrances, landings, lift hall, entrance lobbies, lift lobbies, fireman's lift lobby, protected lobby to a required staircase, lift shafts, lift machine

room, structural walls, external walls and surfaces of the Residential Accommodation, stairways, roofs and flat roofs (which do not form part of any Residential Units), meter rooms and roof thereof. For the purpose of identification, the Residential Common Areas are shown coloured indigo on the plans certified as to their accuracy by the Authorized Person annexed hereto.

“Residential Common Areas and Facilities” Common Collectively the Residential Common Areas and Residential Common Facilities.

“Residential Common Facilities” Common All those installations and facilities in the Residential Common Areas used in common by or installed for the common benefit of all the Residential Units and not for the exclusive use or benefit of any individual Residential Unit and which, without limiting the generality of the foregoing, include drains, switches, channels, ventilation air ducts, fresh air duct, exhaust air duct, meters, pipes, pumps, wires, cables, lights, antennae, lifts, lift shafts, installations and facilities in the lift machine rooms, lighting facilities, fire prevention and fighting equipment and apparatus, security systems and apparatus, air-conditioning and ventilation system and any other mechanical systems, devices or facilities installed or provided in the Development intended for common use and benefit of the Residential Accommodation.

“Residential Unit” A unit in the Residential Accommodation to which undivided shares is allocated including its bay window (if any), flat roof (if any) and air-conditioning platform (if any) including the supporting frames thereof (if any).

“Shop” Any one of the six (6) shops on the Ground Floor and/or the 1st Floor of the Development intended to be used for commercial purpose to which undivided shares is allocated including its yard (if any), flat roof (if any) and air-conditioning platform (if any) including the supporting frames thereof (if any).

“Special Fund” A fund to be established and maintained by the Manager in accordance with Clause 10 of Subsection D of Section VI of this Deed for payment of expenses of a capital nature. Such expenses of capital nature shall be of a kind not expected to be incurred annually and shall include, inter alia, expenses for the establishment, improvement and replacement of installations, systems, facilities, equipment and apparatus within the Common Areas and Facilities.

“undivided share or shares” Any equal undivided share(s) of and in the Land and the Development.

“Unit”

A Residential Unit or a Shop or any part or parts of the Development in respect of which a specific number of undivided share is allocated in accordance with this Deed and is intended for separate and exclusive use and occupation by the Owner thereof and shall have the same definition as “flat” under the Building Management Ordinance (Cap.344).

“Works and Installations”

The major works and installations in the Development which require regular maintenance on a recurrent basis, a schedule of which as at the date hereof is included in the Fourth Schedule to this Deed.

SECTION II

EXCLUSIVE RIGHTS OF REGISTERED OWNER AND COVENANTING OWNER

1. The Registered Owner shall at all times hereafter subject to and with the benefit of the Government Grant and this Deed have the sole and exclusive right and privilege to hold, use, occupy and enjoy to the exclusion of the Covenanting Owner the whole of the Land and the Development together with the appurtenances thereto and the entire rents and profits thereof save and except All That the said premises and save and except the Common Areas and Facilities.
2. The Covenanting Owner shall at all times hereafter subject to and with the benefit of the Government Grant and this Deed have the full and exclusive right and privilege to hold, use, occupy and enjoy to the exclusion of the Registered Owner All That the said premises together with the appurtenances thereto and the entire rents and profits thereof.
3. Subject to Section VIII hereof, the respective grants hereinbefore contained shall in each case be for the residue of the term of years set out in the First Schedule hereto.
4. Each undivided share of and in the Land and the Development and the full and exclusive right and privilege to hold use occupy and enjoy any part of the Development shall be held by the person or persons from time to time entitled thereto subject to and with the benefit of the easements rights privileges and obligations contained herein.
5. The Owners and the Manager shall at all times hereafter be bound by and shall observe and perform the covenants provisions and restrictions set out in the Government Grant and this Deed and the benefit and burden thereof shall be annexed to every part of the Land and the Development and the undivided share or shares held therewith. The Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong) and any statutory amendments modifications or re-enactments thereof for the time being in force shall apply to these presents.
6. Subject to the provisions of the Government Grant, every Owner for the time being of any undivided share shall have the full right and liberty without reference to the other Owners or other persons who may be interested in any other undivided share or shares in any way whatsoever and without the necessity of making such other Owners or other persons a party to the transaction to sell assign mortgage lease licence or otherwise dispose of or deal with his undivided share or interest in the Land and the Development together with the exclusive right and privilege to hold use occupy and enjoy such part or parts of the Development which may be held therewith but any such sale assignment mortgage lease licence or other disposal shall be expressly subject to and with the benefit of this Deed.
7. (a) The right to the exclusive use occupation and enjoyment of any part of the Land or 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 shall not extend to leases or tenancies the terms of which shall not exceed ten years (including any renewal thereof) at any one time.

- (b) The right to the exclusive use occupation and enjoyment of any yard (if any), air-conditioning platform (if any), bay window (if any) and/or flat roof (if any) shall not be sold assigned mortgaged charged leased or otherwise dealt with separately from the Unit with which the yard, air-conditioning platform, bay window and/or flat roof is/are held.

8. Each and every Owner covenants with the Registered Owner with the intent that the covenants, rights, entitlements, exceptions and reservations herein conferred upon the Registered Owner shall bind each and every Owner and their respective successors and assigns and are intended to run and shall run with the Land and the Development and any interest therein that the Registered Owner shall for as long as it remains the beneficial owner of any undivided share of and in the Land and the Development 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 which are hereby expressly excepted and reserved unto the Registered Owner without the concurrence or approval of any other Owner, the Manager or any other person interested in the Land and the Development except otherwise provided in the following sub-clauses:

- (a) The full and unrestricted right privilege and power at all reasonable times hereafter to enter into and upon all parts of the Land (excluding those parts of the Development already assigned or exclusively owned by the other Owners) with all necessary equipment plant and materials for the purposes of completing (which includes but not limited to, rectification, touch up and repair works) the Development or any part thereof in accordance with the Plans and for such purposes to carry out all such works in under or over the Land as it may from time to time see fit provided that nothing herein shall absolve the Registered Owner from obtaining any Government approval which may be required for the same. The rights of the Registered Owner to enter the Land to carry out such works shall extend equally to all contractors agents workers and other persons authorized by the Registered Owner. The Registered Owner in pursuance of such work may from time to time issue in writing to the Owners instructions as to the areas or parts of the Land that the Owners his/their servants agents or licensees may or may not use or have access to or over while such works are being carried out Provided that:
 - (i) the Registered Owner shall at its own expense make good all damage caused to other Owners as a result of its acts in the course of the exercise of the rights under this sub-clause;
 - (ii) the Registered Owner shall ensure that the least disturbance and inconvenience will be caused to any Owner or any occupier of a Unit; and
 - (iii) the Registered Owner shall ensure that an Owner's sole and exclusive right and privilege to hold use and enjoy his Unit and the unimpeded access to and from his Unit shall not be affected.
- (b) Subject to the prior written approval of the Owners' Committee or the Owners' Corporation (if formed), the right to change, amend, vary, add to or alter the Plans in respect of such part(s) of the Development owned by the Registered Owner or any

part thereof existing at the date hereof without the concurrence or approval of the Owners or any of the parties hereto But nothing herein shall absolve the Registered Owner from the requirements of obtaining the prior written consent of the Director of Buildings and any other statutory Government authorities pursuant to the Government Grant provided that any such change amendment variation addition or alteration shall not interfere with an Owner's right to hold use occupy and enjoy the part of the Development which he owns or impede or restrict the access to and from any such part of the Development.

- (c) The right to enter into a sub-deed or sub-deeds of mutual covenant in respect of any part or parts of the Land and the Development owned by the Registered Owner Provided that such sub-deed or sub-deeds of mutual covenant shall not conflict with the provisions of the Government Grant or this Deed or any other sub-deed of mutual covenant and Provided Further That all sub-deed or sub-deeds of mutual covenant shall be drafted in accordance with the Guidelines for Deeds of Mutual Covenant issued by the Law Society (as amended from time to time) (“DMC Guidelines”) (save and except those DMC Guidelines already incorporated herein and remain applicable to matters to be governed by such sub-deed or sub-deeds of mutual covenant).
- (d) The exclusive, full and unrestricted right and privilege from time to time to designate and/or re-designate the floor numbering, tower numbering and unit numbering of any part of the Development vested in the Registered Owner Provided that such designation and/or re-designation must be in accord with the Plans and shall conform with the numbering system as specified in the relevant Practice Note(s) issued by the Building Authority from time to time.
- (e) Subject to the approval by a resolution of the Owners at an Owners’ meeting, the authority and right for the Registered Owner to negotiate and agree with the Government any amendment, alteration, variation or addition to the terms and conditions of the Government Grant (including the plan(s) annexed thereto) or any conditions thereof or for installing on government land pipes, sewers, subways or other facilities whether serving exclusively the Development or any part thereof in such manner as the Registered Owner may deem fit without the concurrence or approval of any Owner and to execute any documents in the name of the Registered Owner only and/or on behalf and in the name of all or some Owners in connection therewith without the necessity of joining in any other Owner, provided that such amendment, alteration, variation or addition or such documents shall not in any way affect an Owner’s sole and exclusive right and privilege to hold, use, occupy and enjoy his Unit or unreasonably impede or restrict the access to or from any part of the Development. Any benefit, payment or compensation received in relation to or incidental to such amendments, alteration, variation or addition or document shall be credited to the Special Fund.
- (f) The full right and power to designate and declare by deed or in writing any area or part or parts of the Land or the Development the sole and exclusive right to hold, use, occupy and enjoy of which and to receive the rents and profits therefrom is for the

time being owned by the Registered Owner to be additional Common Areas whereupon with effect from and for the duration of such designation or declaration such area or part or parts shall form part of the Common Areas and the Owners or relevant Owners shall contribute to the maintenance and upkeep of the same as if they were part of the Common Areas Provided that :

- (i) such designation are for the benefit of all Owners or the relevant Owners and the approval by a resolution of Owners at an Owners' meeting convened under this Deed has been obtained;
- (ii) the exercise of the rights of the Registered Owner under this sub-clause (f) shall not in any way interfere with any other Owner's exclusive right to hold, use, occupy and enjoy the Unit which such other Owner owns and his rights and interests under this Deed in respect of such Unit and shall not restrict or impede such other Owner's right of access to and from the Unit which such other Owner owns; and
- (iii) all the undivided shares allocated to the additional Common Areas shall be assigned to and vested in the Manager in accordance with the provisions of this Deed by a separate deed.

9. In connection with the exercise of or incidental to the Registered Owner's rights mentioned in the preceding Clause 8 of Section II of this Deed, each Owner agrees that the Registered Owner may without joining the Owners sign and/or seal and execute such deed(s) or document(s) as it consider(s) necessary or desirable and each Owner do hereby irrevocably appoint the Registered Owner as his attorney to exercise effect and perform and/or to sign and/or seal and execute any deed(s) and document(s) on his behalf and as his act and deed to deliver such deed(s) and document(s) as shall be required in connection with the exercise of such rights by the Registered Owner to effectuate any of the aforesaid purposes and such Owner hereby covenants that he will ratify and confirm all that the Registered Owner as such attorney as aforesaid shall lawfully do or cause to be done by virtue of this Deed and that the power of attorney hereby given shall bind the executor or executors and the administrator or administrators and the successor or successors and assign or assigns of such Owner and shall not be revoked by the death incapacity or the winding up (as the case may be) of such Owner.

10. An Owner shall not assign alienate transfer or otherwise dispose of his Unit unless the relevant assignments, instrument in writing or document includes the following covenants:

“The Purchaser hereby covenants with the Vendor for itself and, if applicable, as agent for Sunny Way Properties Limited (“Sunny Way”) to the intent that these covenants shall run with the Property and be binding on the Purchaser his executors administrators successors in title and assigns and the owner or owners thereof for the time being and any other person or persons deriving title under the 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 undivided share(s) of and in the Land and the Development held by the Vendor and/or (as the case may be) Sunny Way and be enforceable by the Vendor and/or (as

the case may be) Sunny Way that :

- (i) the Covenanting Purchaser grants confirms and acknowledges the rights liberty and privileges conferred on Sunny Way as the Registered Owner under Clause 8 of Section II of the Deed of Mutual Covenant incorporating Management Agreement dated [] and the Covenanting Purchaser shall not do or permit anything to be done which will affect the exercise of the said rights liberty and privileges by Sunny Way.
- (ii) the Covenanting Purchaser hereby appoints Sunny Way acting singly to be its attorney and grants unto Sunny Way the full right power and authority to do all acts matters and things and to execute and sign seal and as the act of the Covenanting Purchaser deliver such deed and to sign such documents or instruments as may be necessary for the exercise of or incidental to the exercise of the rights liberty and privileges conferred on Sunny Way as the Registered Owner under Clause 8 of Section II of the Deed of Mutual Covenant incorporating Management Agreement as aforesaid and that the Covenanting Purchaser will ratify and confirm all that Sunny Way shall lawfully do or cause to be done and that the power of attorney hereby given shall bind the executor(s) and the administrator(s) and the successor(s) and the assigns of the Covenanting Purchaser and shall not be revoked by the Covenanting Purchaser or by the death incapacity or the winding up (as the case may be) of the Covenanting Purchaser.
- (iii) the Covenanting Purchaser shall abide by the provisions in the Deed of Mutual Covenant incorporating Management Agreement as if the same terms and covenants on the part of the Covenanting Owner set out therein are made directly by the Covenanting Purchaser.
- (iv) The Covenanting Purchaser shall not assign alienate transfer or otherwise dispose of the Property unless the relevant assignment, instrument in writing or document includes the same binding covenants as the covenants (i), (ii), (iii) and (iv) herein 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), (iii) and (iv) hereinbefore contained.”

SECTION III

EASEMENTS, RIGHTS AND PRIVILEGES THE BENEFIT OF WHICH IS HELD WITH EACH UNIT

1. The Owner of a Unit shall have the benefit of the following easements, rights and privileges subject to the provisions of this Deed, the House Rules and subject to the rights of the Registered Owner and the Manager:

- (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 and along the Development Common Areas and Facilities for all purposes connected with the proper use and enjoyment of such Unit.
- (b) The right to subjacent and lateral support and to shelter and protection from the other parts of the Development.
- (c) The free and uninterrupted passage and running of water, sewage, gas, electricity, ventilation, telephone and various other services from and to the Unit owned by the Owner through the sewers, drains, watercourses, cables, pipes and wires which now are or may at any time hereafter be, in, under or passing through such Unit or the Development or any part or parts thereof for the proper use and enjoyment of the Unit owned by the Owner.
- (d) The right for any Owner with or without workmen plant equipment and materials at all reasonable times after obtaining (except in the case of emergency) the consent of the Manager or (as the case may be) the Owner of the relevant Unit (which consent shall not be unreasonably withheld) to enter upon other parts of the Land and the Development as may be necessary for the purpose of carrying out any works for the maintenance and repair of his Unit (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.

2. In addition to the above easements, rights and privileges, the Owner of each Residential Unit shall have the full right and liberty (subject to the provisions of this Deed, the House Rules and subject to the rights of the Registered Owner and the Manager) 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 and along the Residential Common Areas and to use the Residential Common Facilities for all purposes connected with the proper use and enjoyment of such Residential Unit.

3. The Owners of the Units shall have no right to enter upon any part of the Land and the Development save as expressly herein provided, it being understood that all work necessary for the maintenance and repair of the Land and the Development as a whole shall be carried out by the Manager who shall have the right to enter in or upon any part of the Land and/or the Development

for that purpose as herein provided.

SECTION IV

EASEMENTS, RIGHTS AND PRIVILEGES SUBJECT TO WHICH EACH UNIT IS HELD

The following are the easements rights and privileges subject to which each undivided share and the exclusive right to hold use occupy and enjoy each Unit is held:

- (a) The Manager shall have full right and privilege at all reasonable times subject to reasonable prior written notice (except in the case of emergency) with or without agents, surveyors, workmen and others to enter into go pass or repass over along and upon each Unit for the purposes of effecting necessary repairs to the Development and installing, inspecting, examining and maintaining the Common Areas or the Common Facilities of in under adjacent or adjoining to such Unit or any other apparatus and equipment used or installed for the benefit of the Land and 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 the Common Facilities or other Owners Provided that the Manager shall in the exercise of such right ensure that the least disturbance is caused to the Units and shall at his own costs and expense make good any damage caused thereby and shall be liable for negligence or wilful or criminal acts of the Manager, his staff and contractors.
- (b) Without prejudice to the generality of the provisions under Clause (a) above, the Manager shall have the right at all reasonable times subject to reasonable prior written notice (except in the case of emergency) with or without agents, surveyors, workmen and others to access into those Units consisting of flat roof(s) and/or yard and to enter into the flat roof(s) and/or yard thereof to gain access to the Common Areas and Facilities for the purposes of rebuilding, repairing, renewing, cleansing, painting, decorating, inspecting, examining or maintaining any of the Common Areas and Facilities or any other apparatus and equipment used or installed thereon for the benefit of the Lot or the Development or any part or parts thereof.
- (c) Easements, rights and privileges of the Owners of other Units under Clause 1 of Section III hereof.
- (d) Easements, rights and privileges of the Owners of other Residential Units under Clause 2 of Section III hereof.
- (e) Easements, rights and privileges of the Registered Owner under Clause 8 of Section II hereof.
- (f) The Manager shall have full right and authority to control and manage the Common Areas and Facilities or any part thereof.

SECTION V

COVENANTS PROVISIONS AND RESTRICTIONS TO BE OBSERVED AND PERFORMED BY THE OWNERS

1. Every Owner on ceasing to be the Owner of any Unit of the Development shall forthwith notify the Manager in writing of such cessation and of the name and address of the new Owner and without prejudice to the liability of the new Owner, every such Owner shall remain liable for all sums payable in accordance with the provisions of this Deed and for the observance and performance of the terms and conditions hereof up to the date of such cessation.
2. Each Owner shall promptly pay and discharge all existing and future taxes rates assessments and outgoings of every kind and description for the time being assessed or payable in respect of the Unit owned by him and shall indemnify the other Owners from and against all liability therefor. Without limiting the generality of the foregoing, if any Unit shall have its own separate government water meter, then the water charges for the supply of water to such Unit shall be paid by the Owner thereof, but if two or more Units share the same government water meter, the water charges for the supply of water to such group of Units shall be shared and paid by the Owners thereof in proportion to the number of such Units for the time being owned by such Owners.
3. Each Owner shall pay to the Manager on the due date his due proportion of the management expenditure and Special Fund as hereinafter provided.
4. No Owner shall make or allow to make any structural alterations or additions to the Unit owned by him which may damage or affect the rights of other Owners or interfere with the use and enjoyment of any other part or parts of the Development whether in separate or common occupation nor shall the Manager make any structural alterations to any part of the Development which will interfere with or adversely affect the rights of Owners. No Owner shall use cut injure alter or interfere with any part or parts of the Common Areas or any of the Common Facilities or any equipment or apparatus on in or upon the Land or the Development not being equipment or apparatus for the exclusive use and benefit of any individual Owner. An Owner shall not be prevented from taking legal action against another Owner in respect of a breach of this Clause.
5. No Owner shall permit or suffer to be done any act or thing in contravention of the covenants and conditions in the Government Grant under which the Land is held from the Government or whereby any insurance on the Development or any part thereof may become void or voidable or whereby the premium for any such insurance may be increased and in the event of any breach of this Clause by an Owner in addition to any other liability incurred thereby such Owner shall pay the amount of any increase in premium caused by or on account of such breach. In the event of the Development or any part thereof being damaged or destroyed by fire or other perils at any time and the insurance money under any insurance against fire or such perils effected thereon being wholly or partially irrecoverable by reason solely or in part of any act or default of such Owner as aforesaid, then and in such event, such Owner shall pay to the other Owners the whole or (as the case may be) a fair proportion of the cost of completely rebuilding or reinstating the same.
6. Each Owner shall be responsible for and shall indemnify the Manager all other

Owners and occupiers of any part of the Development 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 such Owner or any occupier of any part of the Development owned by him or any person using such part of the Development with his consent express or implied or by or through or in any way owing to the overflow of water gas or other effluent therefrom.

7. Each Owner shall be responsible to the Manager and the other Owners for the time being for the acts and omissions of all persons occupying with his consent express or implied the Unit owned by him and shall pay all costs charges and expenses incurred in repairing or making good any loss or damage caused by the act neglect or default of any such person. In the case of loss or damage which the Manager is responsible to make good or repair, such costs charges and expenses shall be recoverable by the Manager as hereinafter provided and in the case of loss or damage suffered by other Owners or occupiers of any part of the Development which the Manager is not responsible 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.

8. No Owner shall at any time exercise or attempt to exercise any statutory or common law right to partition the Land and the Development.

9. No Owner shall do or permit or suffer to be done and each Owner shall take all possible steps to prevent his tenants occupiers or licensees 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 maintenance of the Development.

10. Each Owner shall notwithstanding the obligations of the Manager to maintain the Development keep the Unit in respect of which he is entitled to exclusive possession use and/or enjoyment and those fixtures fittings services or facilities which exclusively serve the same whether or not they are located inside his Unit in good repair and condition and shall be responsible for the financial support and maintenance of the same to the satisfaction of the Manager and in a manner so as to avoid any loss damage nuisance or annoyance to the Owners or occupiers of any other part or parts of the Development. The expenses of keeping in good and tenantable repair and condition the interior of each Unit and all the fixtures and fittings and all plumbing and other utility fittings and services therein or appertaining thereto (whether or not they are located inside or outside the Unit) and all the windows and doors thereof shall be borne by such Owner who is entitled to the sole and exclusive use occupation and enjoyment thereof.

11. No partitioning shall be erected or installed which does not leave clear access for fire exits and no windows shall be wholly or partially blocked or the light and air therefrom in any way obstructed.

12. No Owner shall use or permit or suffer his Unit to be used for any illegal or immoral purpose and no Owner shall use or permit or suffer the Unit owned by him to be used for any purpose other than that permitted by the Government Grant and the Building Authority and in accordance with any applicable ordinance or other regulations or any Government or other permit consent or requirement from time to time applicable thereto or cause or permit or suffer to be done

any act or thing in his Unit which may be in contravention of the terms and conditions in the Government Grant or become a nuisance or annoyance to or cause danger to the other Owners or occupiers for the time being of any other part or parts of the Development.

13. No part of the Common Areas shall be obstructed or incumbered nor shall any articles boxes material refuse or any other matter or things be placed or left thereon nor shall any part of such Common Areas be used for any business or private purpose and no Owner will do or suffer or permit to be done anything in such Common Areas as may be or become a nuisance or cause annoyance to any other Owners or occupiers of the Development.

14. The refuse storage and material recovery chamber and/or garbage disposal areas (if any) shall be used only in the manner prescribed by and subject to the House Rules.

15. No Owner shall have the right to enter into any areas housing the Common Facilities or to alter repair connect to or in any other way interfere with or affect the working of the Common Facilities without the prior written consent of the Manager and Provided that prior written notice is given to the Manager and the least disturbance is caused and any damage caused thereby shall be made good by the Manager at the expense of such Owner.

16. No Owner shall be entitled to connect to any aerial or other antenna installed by the Manager except with the 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 or antenna outside any part of the Development.

17. No Owner shall do or permit to be done any act or thing which may or will alter the external appearance or facade of the Development or any part thereof and in particular no external shades, awnings, fences, metal grilles, metal gates, partitions or any other structure or thing shall be placed, installed, exhibited, affixed, erected or attached or caused or permitted to remain in, about, on or at any part of the external wall, flat roofs, roofs or upper roofs of the Development or any part thereof.

18. No external signs signboards notices advertisements flags banners poles cages brackets flowers shelves or other projections or structures whatsoever extending outside the exterior of the Development shall be erected installed or otherwise affixed or projected from the Development or any part thereof without the prior written consent of the Manager and (if necessary) other relevant Government authorities and no Owner shall erect affix install or attach or permit or suffer to be erected affixed installed or attached in or on external part of or to be displayed from any Unit any advertising or other sign of any description without the prior written approval of the Manager and (if necessary) other relevant Government authorities.

19. No Owner shall throw out or discard or permit or suffer to be thrown out or discarded from any part of the Development owned by him any refuse rubbish litter or other article or thing whatsoever except in the course of the proper disposal thereof and in using the facilities for such disposal provided by the Manager while the handling of the said disposal other than reasonable domestic garbage would be subject to additional charge at the expense of the Owner(s) concerned.

20. All Owners (including the Registered Owner) as long as they remain Owners shall at

all times observe and perform the House Rules and comply with the terms and conditions of the Government Grant.

21. Each Owner may at his own expenses install in the Unit owned by him additions improvements fixtures fittings and decoration and may remove the same Provided however that no such installation or removal shall cause any structural damage or interfere with the proper enjoyment and use of any other part of the Development.

22. No Owner shall do or suffer or permit to be done anything whereby the flushing or drainage system of the Development may be clogged or the efficient working thereof may be impaired or the supply of water, electricity or gas shall be affected or likely to be affected.

23. No Owner shall store or permit or suffer to be stored in the part of the Development owned by him or in any other area any hazardous dangerous explosive or combustible goods or materials except such as may be permitted by licence issued by the Fire Services Department under the Dangerous Goods Ordinance (Chapter 295 of the Laws of Hong Kong) or other competent authority concerned and in any event only with the prior written approval of the Manager.

24. No Owner shall obstruct the access to the means of escape in any flat roofs, upper roofs, roofs, staircases, entrance lobbies, lift lobbies or any other areas, be those Common Areas or not, which shall at all times remain open and unobstructed in compliance with the Fire Services Ordinance (Chapter 95 of the Laws of Hong Kong), the Code of Practice for the Provision of Means of Escape in case of fire, the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong) or other relevant Government ordinances or regulations (collectively "Relevant Regulations"). In case the access is being obstructed, the Manager shall have the power to restore the access to the condition required to comply with Relevant Regulations at the expense of the Owner in default. Without prejudice to any other provisions in this Deed, the Owner(s) for the time being of any flat roof(s) or roof(s) shall not erect affix or install or cause or allow to be erected affixed or installed any structure on such flat roof(s) or roof(s).

25. No Owner shall permit or suffer to be erected affixed installed or attached in or on or at the door or doors or entrance or entrances of any Unit any additional door or metal grille or shutter or gate. No Owner shall change or alter the design and appearance of the door of any Unit as it may affect the uniform appearance of the Development.

26. No Owner shall cause any damage to or interfere in any way with the Common Areas and/or the Common Facilities.

27. No Owner shall do anything in the Development whereby excessive noise vibration or resonance or other form of disturbance is created to the detriment of the Development or other persons in or outside the Land Provided that the determination of the Manager as to whether any such noise vibration or resonance or other form of disturbance is excessive shall be conclusive and Provided Further that in the event of a breach hereof by the Owner the defaulting Owner shall make good any damage caused thereby to the Development or any part or parts thereof or to the occupants thereof.

28. No Owner shall alter or permit or suffer to be altered any part of the sprinkler system,

the fire fighting equipment or the fire prevention system installed in any part of the Development except that such alteration shall be carried out by the Manager or a registered contractor appointed or approved by the Manager at the expense of such Owner causing the alteration in accordance with the Fire Service (Installation Contractors) Regulations (Chapter 95A of the Laws of Hong Kong) and with the prior approval of the Manager and the Fire Services Department.

29. (a) No Owner shall install any air-conditioning unit fitting or plant or any other fitting or fixture through the windows or external walls of the Development (other than at places designated for such purpose) without the prior written consent of the Manager and (if necessary) other relevant Government authorities to any such installations and the conditions of such consent having been complied with 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 Unit in good repair and condition.

(b) No Owner shall store or place without the prior written consent of the Manager any air-conditioning units in respect of his Unit in any other part(s) of the Common Areas and Facilities than that designated or reserved (if applicable) by the Manager for storing or placing such air-conditioning units and each defaulting Owner concerned shall be responsible for all the charges or expenses for the removal of his air-conditioning units and other things or structures as mentioned in sub-clauses (ae)(i) and (ii) of Clause 1 of Sub-section B of Section VI of this Deed but without prejudice to any other rights and remedies the Manager or other Owners or any other third party may have against him by reason of or as a result of his failure to comply with the covenants herein contained relating to the storage or placing of his air-conditioning units in the designated/reserved part of the Common Areas and Facilities.

30. No Owner shall use the Common Areas or any part thereof for the purpose of drying laundry or hanging or placing or storing any dustbins garbage cans furniture machinery goods or chattels or other things thereon or therein.

31. No Owner shall install any furnace boiler or other plant or equipment or use any fuel in any part of the Development that might in any circumstance produce smoke, gas, liquid, solid or otherwise or that may constitute a breach of the provisions of the Government Grant or any ordinance or any amendment thereof.

32. Each Owner shall comply with and observe all ordinances, by-laws, regulations and rules for the time being in force in Hong Kong, including but not limited to those governing the control of any form of pollution (including noise and water pollution), whether aerial or otherwise, and for the protection of the environment.

33. No Owner shall discharge or permit or suffer to be discharged unto any public sewer, storm-water drain or channel without the prior written consent of the Manager and (if necessary) the relevant Government authorities.

34. Each Owner shall at his own expense and (if necessary) to the satisfaction of the relevant Government authorities provide access for fire appliances and fire personnel to the Land and the Development and shall permit access thereof for such purposes and at such time or times as the said Government authorities may require. Each Owner shall throughout the term of the Government Grant maintain the said access at his own expense and to the satisfaction for the said Government authorities.

35. Each Owner shall observe and perform all the covenants agreements and conditions contained in the Government Grant and on the part of the Owner to be observed and performed so far as the same relate to the undivided shares of the Land and the part of the Development owned by such Owner and such Owner shall from time to time and at all times keep the other Owners of the Development fully indemnified from and against all proceedings costs claims and expenses on account of any failure to perform and observe any of the said covenants agreements and conditions so far as they relate as aforesaid.

36. All complaints touching or concerning the Land and the Development shall be made in writing to the Manager.

37. The Owners shall at their own expenses inspect, maintain and carry out all necessary works for the maintenance of their own Units and the Development including the Works and Installations.

38. No Owner (including the Registered Owner) may convert any of the Common Areas to his own use or for his own benefit unless the approval of the Owners' Committee has been obtained. Any payment received for the approval shall be credited to the Special Fund.

39. No Owner (including the Registered Owner) may convert or designate any of his own areas as Common Areas unless the approval by a resolution of Owners at an Owners' meeting convened under this Deed has been obtained. No Owner (including the Registered Owner) and no Manager may re-convert or re-designate the Common Areas to his own use or benefit save as otherwise provided for when the area in question was so converted or designated. Notwithstanding the above, an Owner (including the Registered Owner) may convert or designate any of his own areas as common areas for the common use or benefit of some but not all the Owners ("the affected Owners"); and in that event, only the approval of the affected Owners will be required Provided That no expenses for the maintenance or management of such common areas shall be borne or paid by any other Owners who do not share in the common use or benefit thereof. The affected Owners may not reconvert or re-designate any such common areas to the own use or benefit of one or more of them unless it is so provided for when the area in question was so converted or designated.

40. No grave or columbarium shall be erected or made on the Land, nor shall any human remains or animal remains whether in earthenware jars, cinerary urns or otherwise be interred therein or deposited thereon.

41. Without prejudice to the other provisions of this Deed, no Residential Unit shall be used for any purpose other than for domestic use. No partitioning shall be erected or installed which does not leave clear access for fire exits and no windows shall be wholly or partially blocked

or the light and air therefrom in any way obstructed.

42. No Owner shall erect or place or cause or permit to be erected or placed any advertising sign or structure on the yards, air-conditioning platforms, flat roofs or roofs or upper roofs (if any) of the Development or any part thereof and the Manager shall have the right to enter and to remove anything erected or placed on the yards, air-conditioning platforms, flat roofs or roofs or upper roofs (if any) of the Development or any part thereof in contravention of this provision at the cost and expenses of the Owner.

43. No Owner shall erect, affix, install or attach or permit or suffer to be erected, affixed, installed or attached in or on or to be displayed from any Unit or any part thereof any advertising or other sign of any description (except a small name plate outside the entrance door of a Residential Unit giving the Owner's or occupier's name or a name plate or board at the designated place of a Shop giving the name of the Shop) without the previous written approval of the Manager. Any such approval may be given subject to such conditions as the Manager may specify and shall be subject to revocation on reasonable notice.

44. Water closets and other water apparatus in the Development shall not be used for any purpose other than those for which they were constructed, nor shall any 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 Unit it shall have been caused.

45. No Unit 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.

46. Bicycles, baby carriages or similar vehicles shall not be allowed to stand in any passageways or the Common Areas.

47. Dogs, birds, cats or pets or other animals or fowls can only be kept or harboured in any Unit or any part thereof (excluding the Shops) subject to and in accordance with the House Rules. No dogs, birds, cats, pets, other animals or fowls shall be kept in any Unit (excluding the Shops) if Owners or occupiers of at least 2 Units have lodged their reasonable complaints to the Manager.

48. No Owner shall construct illegal structure(s) on any yard, air-conditioning platforms, flat roof(s) or roofs of the Development of whatsoever nature that contravene any ordinances, by-laws or regulations promulgated by the Government from time to time.

49. No Owner shall keep, hang or exhibit or permit or suffer to be kept, hung or exhibited any clothing, laundry or object(s) in the Common Areas or outside his Unit or within such part(s) of his Unit including (without limitation) on or in or upon or above the door, window or bay window that may be visible from the exterior of the Development.

50. No Owner shall make or allow to make any alterations or additions to the lift lobby nor cut injure alter or interfere with any facilities, equipment or apparatus on in or upon such lift lobby.

51. No Owner shall permit or suffer to be erected, affixed, installed or attached in or on or at the windows of any part of his Unit any window grille except with the permission of the Manager and in accordance with the material and design as approved by the Manager.

52. The caretaker counter shall only be used as a counter for caretakers.

SECTION VI

MANAGEMENT OF THE DEVELOPMENT

A. Appointment of Manager

1. The management of the Land and the Development shall be undertaken by the Manager.
2. (a) Subject to the provisions of the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong), the Manager, [*], is hereby appointed as the first manager to manage the Land and the Development for the initial term of TWO years from the date hereof and thereafter shall continue to manage the Development until its appointment is terminated in accordance with the provisions of this Deed.
 - (b) The appointment of the Manager shall be terminated:
 - (i) by resignation from such appointment by the Manager and no resignation of the Manager shall take effect unless it has previously given not less than three months' notice in writing of its intention to resign by sending such a notice to the Owners' Committee or where there is no Owners' Committee, by giving such a notice to each of the Owners and by displaying such a notice in a prominent place in the Development. Such notice may be given by delivering it personally to the Owner; or by sending it by post to the Owner at his last known address; or by leaving it at the Owner's Unit or by depositing it in the letter box for his Unit Provided that no such notice shall be given by the Manager before the expiry of two years from the date hereof; or
 - (ii) prior to the formation of the Owners' Corporation, by removal (without compensation) by the Owners' Committee at any time by a resolution passed by a majority of votes of Owners voting either personally or by proxy at a meeting of the Owners of the Development and supported by Owners of not less than 50% of the undivided shares in aggregate (excluding the undivided shares allocated to the Common Areas and Facilities) and the giving of three months' notice in writing to the Manager; or
 - (iii) if the Manager is wound up or has a receiving order made against it.
 - (c)
 - (i) Subject to sub-clause (c)(v) of this Clause 2, at a general meeting convened for the purpose, an Owners' Corporation may, by a resolution passed by a majority of the votes of the Owners voting either personally or by proxy and supported by the Owners of not less than 50% of the undivided shares in aggregate, terminate by notice the Manager's appointment without compensation.
 - (ii) A resolution under sub-clause (c)(i) of this Clause 2 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 the Manager of a sum equal to the amount of the Manager's Remuneration which would have accrued to the Manager 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 the meeting.
- (iii) The notice and the copy of the resolution referred to in sub-clause (c)(ii)(4) of this Clause 2 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.
- (iv) If a notice to terminate a manager's appointment is given under this sub-clause (c):
- (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 sub-clause (c)(iv)(1) of this Clause 2 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.
- (v) For the purposes of sub-clause (c)(i)
- (1) only the Owners of undivided shares who pay or who are liable to pay the management expenses relating to those undivided shares shall be entitled to vote;
 - (2) the reference in sub-clause (c)(i) to the "Owners of not less than 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.

- (vi) If a contract for the appointment of a manager other than the Manager contains no provision for the termination of the manager's appointment, sub-clauses (c)(i), (c)(ii), (c)(iii) and (c)(v) of this Clause 2 apply to the termination of the manager's appointment as they apply to the termination of the Manager's appointment.
 - (vii) Sub-clause (c)(vi) of this Clause 2 operates without prejudice to any other power there may be in a contract for the appointment of a manager other than the Manager to terminate the appointment of the manager.
 - (viii) 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-clause (c)(iv)(2) of this Clause 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-clause that may otherwise render that person liable for a breach of that undertaking or agreement.
 - (ix) This sub-clause (c) is subject to any notice relating to the Development that may be published by the Secretary for Home Affairs under Section 34E(4) of the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong) but does not apply to any single manager referred to in that Section.
- (d) Upon termination of the Manager's employment in whatever manner that may occur, the Owners' Committee shall immediately thereafter appoint another service company or agent in its stead and on appointment thereof, the Owners' Committee shall on behalf of the Owners enter into a management agreement with such service company or agent defining the rights duties and obligations of the Manager which rights duties and obligations shall be consistent with those set out in this Deed.

3. Subject to the provisions of the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong), the Manager shall have the authority to act as agent for and on behalf of all Owners duly authorized in accordance with the provisions of this Deed in respect of any matters concerning the Common Areas and Facilities and each Owner hereby appoints the Manager irrevocably as agent in respect of any matter concerning the Common Areas and Facilities duly authorized in accordance with the provisions of this Deed and to enforce the provisions of this Deed and to execute and sign all deeds and documents for and on behalf of all the Owners as shall be required or may be deemed proper for or in relation to all or any of the purposes of this Deed.

4. The Manager shall be bound by and shall observe and perform all of the conditions duties and obligations herein provided and shall have all of the rights and privileges herein granted to the Manager.

B. Powers and duties of Manager

1. The Manager will manage the Land and the Development in a proper manner and in accordance with this Deed and except as otherwise herein expressly provided the Manager shall be responsible for and shall have full and unrestricted authority to do all such acts and things as may be necessary or requisite for the proper management of the Land and the Development. Without in any way limiting the generality of the foregoing, the Manager shall have the following duties and powers namely :

- (a) To employ a qualified architect or professional to inspect the Development (save only the interior of the Units) including the Common Areas and Facilities at such time or times as the Manager shall deem necessary and to prepare a report of such inspection which report will be kept at the Manager's office in the Development and will be open to inspection by all Owners and occupiers of any part of the Development and the Manager will furnish upon request to any such Owner or occupier a copy of the report at a reasonable charge PROVIDED THAT any charges or fees collected hereunder shall be credited to the Special Fund.
- (b) To put in hand and ensure the satisfactory completion of works necessary to maintain any Common Areas and Facilities so as to ensure that the same are maintained in a good clean and safe condition at all times and for this purpose to employ reputable and competent contractors and workmen.
- (c) To ensure that all the Owners or occupiers maintain the Units owned or occupied by them and if there shall 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 occupier.
- (d) To paint wash tile or otherwise treat as may be appropriate the Common Areas at such intervals as the same may in the opinion of the Manager be reasonably required to be done.
- (e) To replace any glass in the Common Areas that has been broken.
- (f) To keep all the Common Areas properly lighted and ventilated when necessary.
- (g) To keep in good order and repair the ventilation of the enclosed Common Areas.
- (h) To keep the Common Areas and all parts thereof in a clean sanitary and tidy condition.
- (i) To prevent any decaying noxious excrementitious or other refuse matter from being deposited on the Development or any part thereof and to remove all refuse from such 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 relevant Government authorities.
- (j) To prevent the obstruction of all the Common Areas and to remove any article or thing causing obstruction. If and whenever any article or thing shall be placed or

stored on or in any part of the Common Areas, the Manager or its agents, servants, caretakers or cleaners of the Development shall first give the defaulting party (if identifiable) reasonable prior written notice (except in the case of emergency) to remove the article or thing causing the obstruction. In the event that such defaulting party cannot be identified, the Manager shall have the right without giving any prior notice to the defaulting party to remove such article and thing from such part of the Common Areas to another place or places as the Manager shall think fit. All costs and expenses incurred by the Manager for such removal shall be reimbursed upon demand to the Manager by the defaulting party and the defaulting party shall not claim against the Manager or its agents, servants, caretakers or cleaners for any loss or damage to such article or thing due to such removal.

- (k) To keep all the common sewers drains watercourse and pipes free and clear from obstructions.
- (l) To keep all the Common Facilities in good and working order and to extend or provide additional facilities as the Manager shall in its reasonable discretion deem necessary or desirable for the benefit of the Land and the Development.
- (m) To keep all lighting equipment water and sewage systems in good and working order and in accordance with any laws and regulations applicable thereto and whenever it shall be necessary or convenient so to do at the Manager's reasonable discretion and subject to the provisions of this Deed, to enter into contracts with third parties for the maintenance thereof. The Manager shall also be responsible for all works required for any alteration to the sewage system and future connection of the same to the public culvert to be constructed if so required by the Government and all costs and expenses for such works shall be borne by the Owners provided that such costs and expenses shall first be paid out of the Special Fund.
- (n) To prevent so far as is possible any refuse or other matter from 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 and to remove any such matter therefrom and to ensure that no damage is done to any part of any Government or other drains waterways watercourses footpath sewers nullahs pipes cables wires utility services or other works being in under over or adjacent to the Land 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 to the satisfaction of the Government.
- (o) To remove any structure installation signboard sunshade bracket fitting or other things in or on any part of the Development which have been erected in contravention of the terms of this Deed or of the regulations of the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong) or any other ordinance and/or without the prior written permission of the Manager (or if such permission has been given upon the expiration or withdrawal of the same or if the conditions of such permission are in breach) and to demand and recover from the person by whom such structure or other things as aforesaid was erected or installed the cost of such

removal and the making good of any damages thereby caused.

- (p) To maintain fire fighting equipment and fire alarms and to comply with all laws and regulations applicable (including but not limited to the requirements of the relevant Government authorities) and generally so far as may be possible to maintain the Development safe from fire at all times.
- (q) To provide a security force watchmen porters and caretakers and to provide with and maintain burglar alarms (if any) and other security equipment and generally so far as may be possible to maintain security in the Development at all times.
- (r) To do all things which the Manager shall in its absolute discretion deem necessary or desirable for the purposes of maintaining and improving the Common Facilities for the better enjoyment or use of the Development by its Owners occupiers and their licensees provided that the prior approval by a resolution of the Owners at an Owners' meeting convened under this Deed is required for any improvement works of the Common Areas and Facilities which involve expenditure in excess of 10% of the current annual Management Budget.
- (s) To appoint solicitors to advise on matters which arise in the management of the Land and the Development and which necessitate professional legal advice and with authority to accept service on behalf of all the Owners of all legal proceedings relating to the Land and the Development or any part thereof (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 7 days of being requested so to do by the Director of Lands or other competent officer to appoint a solicitor who shall undertake to accept service on behalf of all such Owners for the purpose of Order 10 Rule 1 of the Rules of High Court (or any provisions amending or in substitution for the same).
- (t) To prevent (by legal action if necessary) any person including an Owner from occupying or using otherwise than in accordance with the written permission of the Manager or the provisions of this Deed or the Government Grant or the Occupation Permit any of the Common Areas or any part of the Land and the Development.
- (u) To take all steps necessary or expedient for complying with the covenants and conditions contained in the Government Grant and any statutory or Government requirements concerning or relating to the Development for which no Owner or occupier of the Development is directly responsible.
- (v) To prevent (by legal action if necessary) and to take action to remedy any breach by any Owner or other person resident in or visiting the Land of any terms and conditions contained in the Government Grant and/or any statutory or Government legislation or regulations or this Deed.
- (w) To prevent any person detrimentally altering or injuring any part of the Development or any of the Common Facilities.

- (x) To demand collect and receive all amounts payable by Owners under the provisions of this Deed.
- (y) To pay and discharge out of all monies so collected all outgoings relating to the management of the Development or incurred by the Manager hereunder.
- (z) Unless otherwise directed by the Owners' Corporation (if formed), to insure and keep insured to the full new reinstatement value in respect of the Common Areas and Facilities and all parts thereof as comprehensively as reasonably possible and in particular against loss or damage by fire or other perils and to effect insurance against public and occupiers' liability and employer's liability in respect of employees employed within or exclusively in connection with the management of the Development and other liabilities in such items or in such amounts as the Manager may think fit subject to the consultation of the Owners' Committee or the Owners' Corporation (if formed) such insurance to be in the name of the Manager itself for and on behalf of all the Owners according to their respective interests and to pay all premia required to keep such insurance policies in force and updated.
- (aa) To keep proper records of accounts of all expenditure incurred by and of all payments made to the Manager in respect of carrying out its duties hereunder as hereinafter provided.
- (ab) Subject to the approval of the Owners by a resolution passed at an Owners' meeting, to represent the Owners in all matters and dealings with Government or any utility or other competent authority or any other person whomsoever in any way touching or concerning 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 so long as the same does not contravene or is not in conflict with any of the provisions of this Deed.
- (ac) Subject to the approval of the Owners by a resolution passed at an Owners' meeting, to commence conduct carry on and defend legal and other proceedings touching or concerning the Land and the Development or the management thereof in the name of the Manager.
- (ad) To enforce the due observance and performance by the Owners or any person occupying any part of the Development through under or with the consent of any such Owner of the terms and conditions of this Deed and the House Rules hereunder and to take action including the commencement and conduct of legal proceedings to enforce the due observance and performance thereof and/or to recover damages for any breach non-observance or non-performance thereof and the registration and enforcement of charges as hereinafter mentioned.
- (ae) (i) To control and regulate any parts of the Common Areas and Facilities designated or reserved (if applicable) by the Manager for storing or placing any air-conditioning units of the Units and to remove any air-conditioning units and

other things or structures stored or placed without prior written consent of the Manager in any parts of the Common Areas and Facilities not designated or reserved for storing or placing such air-conditioning units and to impose and recover charges or expenses for such removal and the Manager shall in no way be responsible or accountable for any damages caused thereto arising out of such removal.

- (ii) To remove any air-conditioning units and other things or structures stored or placed in any parts of the Common Areas and Facilities designated or reserved (if applicable) by the Manager for storing and placing such air-conditioning units at the costs and expenses of the Owner thereof if, in the opinion of the Manager, the same has been the cause of reasonable complaint by at least two (2) Owners or occupiers of any part of the Development that the dilapidated conditions of the air-conditioning units or other things or structures may be or become a nuisance or annoyance or cause danger to the other Owners and occupiers for the time being of the Development, and to impose and recover from the Owner thereof charges or expenses for such removal and the Manager shall in no way be responsible or accountable for any damages caused thereto arising out of such removal.
- (af) To post and specify any Unit in default or in breach of the terms and conditions of this Deed as aforesaid together with particulars of the default or breach on the notice boards and/or other prominent spaces within the Development after prior written notice to the defaulting Owner if the defaulting Owner fails to remedy his default or breach after a reasonable period of time has been given to him to do so.
- (ag) To recruit dismiss and employ such staff as may from time to time be required to perform and discharge its duties hereunder on such terms as the Manager shall in its absolute discretion decide and to provide accommodation within the Land uniforms working clothes tools appliance cleaning and other materials and all equipment necessary therefor.
- (ah) To take all reasonable actions to abate any nuisance affecting the Owners and occupiers of the Development or any Unit of the Development and for such purpose to enter into any part or Unit of the Development for the purpose of abating such nuisance when necessary upon reasonable notice (except in case of emergency) provided that the Manager shall in the exercise of such right ensure that the least disturbance is caused to the Units and shall at its own costs and expenses repair any damage caused thereby and shall be liable for negligence or wilful or criminal acts of the Manager, its employees, contractors or agents.
- (ai) To do all such other things as are reasonably incidental to the management of the Land and the Development.
- (aj) To repair and keep in good repair and condition the Common Facilities and the Common Areas and when necessary upon reasonable prior written notice (except in case of emergency) to enter into any part or any Unit of the Development for the

purpose of carrying out necessary repairs to the Land and Development and the Common Areas and Facilities or to abate any hazard or nuisance which does or may affect the Common Areas and Facilities or other Owners Provided that the Manager shall in the exercise of such right ensure that the least disturbance is caused to the Units and shall at its own costs and expenses repair any damage caused thereby and shall be liable for negligence or wilful or criminal acts of the Manager, its employees, contractors or agents.

- (ak) Except in accordance with Clause 7 of Subsection B of this Section VI, the Manager shall not, in any financial year, enter into any contract that involves (i) an amount in excess of or likely to be in excess of HK\$200,000.00 (or such other amount as the Secretary for Home Affairs may specify by notice in the Gazette) or (ii) the value of the contract which exceeds or is likely to exceed an amount which is equivalent to 20% of the Management Budget or revised Management Budget (as the case may be) (or such other percentage as the Secretary for Home Affairs may specify by notice in the Gazette), whichever is the lesser.
- (al) To manage, control and maintain (if applicable) the loading and unloading of goods or passenger within and/or in the Common Areas and that the Common Areas and other areas intended for common use remain unobstructed.
- (am) To install in or affix to and use (or permit any person to install in or affix to and use) any part of the Common Areas for the installation, erection and maintenance of flue, pipes, conduits, aerials and/or dish installation (if any), apparatus, structures and/or other equipment relating to the broadcasting and/or reception of cable and/or satellite television and/or other telecommunication systems, plant, machinery and other apparatus or equipment (all of which upon such installation or erection shall form part of the Common Facilities for the benefit of the Owners) and to lease licence install affix erect place and maintain or contract for the leasing, licensing, installation and maintenance of communal radio and/or television aerials and/or satellite master antennae television system and/or cable television system which serve the Development or any part thereof and such apparatus, equipment, cables, wires, pipes, antennae or structures in relation thereto in accordance with Clause 8 of this Subsection B of Section VI of this Deed (where appropriate) and for such purposes to apply for all necessary licence(s) or consent(s) from the Government and/or other relevant authorities provided that the written approval by a resolution of Owners at an Owners' meeting convened under this Deed has been obtained prior to the exercise of such rights and that such installation shall not affect the enjoyment of the Development by the Owners and occupiers. Any consideration received therefor shall be credited to the Special Fund.
- (an) Subject to the approval by a resolution of the Owners at an Owners' meeting, to enter into and thereafter change amend vary add to alter or cancel any deed(s) of mutual grant and/or deed(s) of mutual grant and release and/or any other deed(s) and/or agreement(s) whatsoever with any person(s) or corporation(s) in connection with the granting and/or reservations of rights, easements, rights of way, privileges, benefits, obligations and/or any other matters affecting the Common Areas. Such

deed(s) or agreement(s) shall contain such provisions as the Manager deems fit and necessary in the circumstances Provided that the Owners' right to occupy and enjoy their respective Units is not affected Provided further that any consideration received therefor shall be credited to the Special Fund.

- (ao) Subject to the approval by a resolution of the Owners at an Owners' meeting, to grant such easements, quasi-easements, rights, privileges and licences to and to enter into such arrangements and agreements (whether formal or informal) with the Government or such other parties and upon such terms and conditions and with or without consideration in respect of any part or parts of the Common Areas as the Manager shall reasonably consider necessary to ensure efficient management of the Land and the Development PROVIDED THAT any charges or fees collected hereunder shall be credited to the Special Fund.
- (ap) Subject to the approval by a resolution of the Owners at an Owners' meeting, to grant right of way or access or use at any level to the owners or occupiers of any other premises adjoining the Land or to such person or persons and upon such terms and conditions as the Manager may think fit in respect of the Common Areas and Facilities and on behalf of the Owners to obtain a grant of similar rights in respect of such adjoining premises PROVIDED THAT such grant of rights of way or access or use shall not contravene the terms and conditions contained in the Government Grant.
- (aq) Subject to the approval by a resolution of the Owners at an Owners' meeting, to grant reasonable easements, rights of way, quasi-easements (if any), rights, privileges and/or licences to the Government or other owner(s) of any adjacent land and/or adjacent building or any person to use, connect to, construct, lay, maintain, remove, renew and/or replace any roads, passageways, walkways, footpaths, open spaces, nullahs and culverts, sewage treatment plant and facilities, refuse collection and disposal areas and facilities, drainage systems, drains, pipes, cables, irrigation pipes, pumps and other installation apparatus, fittings, chambers, and other equipment and structures at or within the Common Areas on such terms as the Manager deems fit Provided that the exercise of all or any of the rights herein conferred upon the Manager shall not interfere with an Owner's right to the use and occupation of his Unit and Provided Further that all monetary consideration (if any) received therefor pursuant to this sub-clause shall be credited to the Special Fund.
- (ar) Subject to sub-clause (ak) of this clause, to enter into contracts and to engage, employ, remunerate and dismiss solicitors, architects, accountants and other professional advisers and consultants, contractors, workmen, servants, agents, watchmen, caretakers and other building staff and attendants and to do all such things as are reasonably incidental to the management of the Development.
- (as) To landscape, plant with trees and shrubs, flowers, bushes, grass and other vegetation on any part or parts of the Common Areas and Facilities and maintain the same including any access steps staircases and ramps, whether the same are within the

Land.

- (at) To repair, maintain, clean, paint or otherwise treat or decorate as appropriate, the structure and fabric of the Development and the external walls elevations and facade thereof but excluding windows, window frames, sliding doors and swinging doors of the Units except those situated in the Common Areas and Facilities PROVIDED HOWEVER THAT the Manager shall have the power at the expense of the Owner concerned to replace broken window glass if any window glass shall be broken and remain unreplaced for seven (7) days after the Manager shall have served a notice on the Owner or occupier of the Unit concerned requiring him to replace the same.
- (au) To maintain any drainage system whether within or outside the Land which is required to be maintained pursuant to the provisions of the Government Grant.
- (av) To make suitable arrangements for the supply, use or provision of water, gas and electricity and any other utility or service and any rights and privileges to or for the Land and the Development or any part thereof and to lease or licence any adjacent land or building or land or building in the vicinity for the use and benefit of the Land and the Development or any part thereof on such terms as the Manager deems fit PROVIDED THAT the approval by a resolution of the Owners at an Owners' meeting of the same shall first be obtained.
- (aw) To prevent any person from overloading the floors of the Development or any part or parts thereof.
- (ax) To prevent any person from overloading any of the electrical installations and circuits or any of the mains or wiring in the Development.
- (ay) To ensure that all Owners use the water supply properly.
- (az) To deal with all enquiries, complaints, reports and correspondence relating to the Land and the Development as a whole.
- (ba) Subject as otherwise provided in this Deed to give or withhold its written consent or approval to anything which requires its written consent or approval pursuant to this Deed provided that the Manager shall act reasonably in giving or withholding such written consent or approval and to impose conditions or additional conditions relating thereto.
- (bb) To convene such meetings of the Owners as may be necessary or requisite and to act as secretary to keep the minutes of such meetings.
- (bc) Without prejudice to the Manager's obligations under this Deed, to appoint or employ agents, contractors or sub-managers which may include professional property management companies to carry out the management, maintenance, operation and control of the Common Areas and Facilities or any part or parts thereof. For avoidance of doubt, the Manager shall not assign or transfer any of its duties or

obligations under this Deed to such person or company and such person or company shall remain responsible to the Manager. The Manager shall at all times be responsible for the management and control of the whole Development.

- (bd) Without prejudice to the other powers and duties of the Manager contained herein, to carry out such decoration, renovation, improvement works or such other works whether or not of a cosmetic nature in respect of the Common Areas and Facilities or any part(s) thereof for the purpose of enhancing, upgrading or improving the appearance, condition or amenities of the Development Provided that prior approval by a resolution of the Owners at an Owners' meeting convened under this Deed is required for any improvement works of the Common Areas and Facilities or any improvements to facilities or services which involves expenditure in excess of 10% of the current annual Management Budget.
- (be) To provide appropriate and sufficient waste separation and recovery facilities including, but not limited to, waste separation bins at such locations within the Common Areas as the Manager may consider suitable and convenient to facilitate waste separation and recovery by the Owners and the occupiers of the Development and to ensure that the recovery facilities shall consist of material that will not cause any fire hazard and shall be placed in locations so as not to cause obstruction to any fire escape route and shall maintain the facilities in an environmentally acceptable and hygienic manner to avoid creating nuisance to the Owners and the occupiers of the Development. Such recyclable materials recovered from the waste separation and recovery facilities shall be properly collected, stored and sent for recycling if the Manager considers appropriate and fit to do so.
- (bf) To organize any activities as the Manager may consider appropriate on a regular basis to promote the environmental awareness of the Owners and the occupiers of the Development and to encourage the Owners and the occupiers of the Development to participate in such activities with a view to improving the environmental conditions of the Development.
- (bg) To make House Rules to require the Owners and the occupiers of the Development to dispose of any rubbish properly for waste separation and recycling purposes.
- (bh) To make House Rules to protect the environment of the Development and to implement waste reduction and recycling measures with reference to guidelines on property management issued from time to time by the relevant Government authorities.
- (bi) To inspect, maintain and carry out all necessary works for the maintenance of the Works and Installations.
- (bj) To employ a registered fire service installation contractor or other suitable qualified personnel being person authorized by the Fire Services Department for the required maintenance work in compliance with the statutory requirements for maintenance, inspection and repair of the fire services installations and equipment installed in the

Development and to submit to the Fire Services Department a report of inspection annually or at such time or times as may be required by the Fire Services Department or as the Manager shall deem necessary which report will be kept at the Manager's office in the Development and will be open to inspection by all Owners and occupiers of any part of the Development and the Manager will furnish upon request to any such Owner or occupier a copy of the report at a reasonable charge PROVIDED THAT any charges or fees collected hereunder shall be credited to the Special Fund.

(bk) To comply with the terms and conditions of the Government Grant so long as they remain as the Manager.

2. The Manager shall have power to make House Rules before the formation of the Owners' Committee for the purpose of regulating the use operation and maintenance of the Development and any of the structures facilities services or amenities thereof and the conduct of persons occupying using or visiting the same. It may (subject to the approval of the Owners' Committee if any) from time to time revoke and amend the House Rules. The House Rules and any amendments thereto must not be inconsistent with or contravene the provisions of this Deed, Building Management Ordinance (Chapter 344 of the Laws of Hong Kong) or the conditions of the Government Grant. Such House Rules shall be binding on all of the Owners and their tenants licensees servants or agents. A copy each of the House Rules from time to time in force shall be posted on the public notice board in a prominent place in the Development and a copy thereof shall be supplied to each Owner on request free of charge.

3. 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.

4. The Manager shall have power to commence proceedings for the purpose of enforcing the observance and performance by any Owner or any person occupying any part of the Development through under or with the consent of any such Owner of the covenants conditions and provisions of this Deed and of the House Rules made hereunder and of recovering damages for the breach non-observance or non-performance thereof. The provisions of Clause 4 of Subsection E of this Section hereinafter appearing shall apply to all such proceedings.

5. The Manager shall have the right and power to require each Owner to pay a proportionate part of all the expenditure lawfully incurred or to be incurred for the provision, operation, necessary repair, decoration, renovation, improvement, management, upkeep and maintenance of the Common Areas and Facilities as provided in this Deed Provided that prior approval by a resolution of the Owners at an Owners' meeting convened under this Deed is required for any improvement works of the Common Areas and Facilities which involves expenditure in excess of 10% of the current annual Management Budget.

6. Notwithstanding any provision to the contrary herein contained, the Manager's rights and duties to manage the Development shall not include carrying out any improvements to common areas or facilities or services which involve expenditure in excess of 10% of the current annual Management Budget except with the prior approval by resolution of Owners at the meeting of

Owners convened under this Deed.

7. (a) Subject to sub-clauses (b) and (c) of this Clause 7, 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 amount of HK\$200,000.00 (or such other sum in substitution therefor as the Secretary for Home Affairs 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 Building Management Ordinance (Chapter 344 of the Laws of Hong Kong).
- (b) Subject to sub-clause (c) of this Clause 7, 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 an amount which is equivalent to 20% of the annual Management Budget (or such other percentage in substitution therefor as the Secretary for Home Affairs 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 Building Management Ordinance (Chapter 344 of the Laws of Hong Kong); 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 Building Management Ordinance (Chapter 344 of the Laws of Hong Kong); and
 - (3) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the Owners passed at an Owners' meeting 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 7 do not apply to any supplies, goods or services which but for this sub-clause (c) 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 an Owners’ meeting 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.

8. Contracts for the installation or use of aerial broadcast distribution or telecommunications network facilities and contracts for the provision of broadcast distribution network or telecommunications network services to be entered into by the Manager shall be subject to the following conditions:-

- (i) the term of the contract will not exceed 3 years;
- (ii) the right to be granted under the 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.

9. No Manager will have the right to re-convert or re-designate the Common Areas to its own use or benefit save as otherwise provided for when the area in question was so converted or

designated.

C. Manager's Remuneration

1. The Manager's Remuneration shall not exceed 15% per annum (subject to variation by resolution of the Owners at meetings of the Owners convened under this Deed) of the total annual management expenditure of the Land and the Development (excluding the Manager's Remuneration itself, and any capital expenditure (or expenditure drawn out of the Special Fund as referred to in Clause 10 of Subsection D of this Section VI)) necessarily and reasonably incurred in the management of the Land and the Development provided that by a resolution of the Owners at an Owners' meeting convened under this Deed any capital expenditure or expenditure drawn out of the Special Fund may be included for calculating the Manager's Remuneration at the rate applicable under this clause or at such lower rate as considered appropriate by the Owners. Payment of the Manager's Remuneration shall be in advance in the manner as shall be determined by the Manager. Any over-payment of the Manager's Remuneration in the year in question shall be refunded and be paid by the Manager into the management fund within 21 days of the completion of the auditing of the annual accounts for such year as provided under Clause 5 of Subsection H of this Section VI and any adjustment payment that needs to be made by the Owners to bring the amount paid to the Manager by way of remuneration for the year in question to the correct amount for such year calculated in accordance with the first sentence of this clause shall likewise be made within 21 days of the completion of the auditing of the annual accounts for such year.

2. The sums payable to the Manager under the provisions aforesaid shall be the net remuneration of the Manager for its services as Manager and shall not include the costs and expenses for any staff, facilities, accountancy services or other professional supervision for the Land and the Development which costs and expenses shall be a direct charge upon the management fund or the Special Fund as appropriate.

D. Management Budget and contribution by Owners

1. (a) Subject to sub-clauses (c), (e), (f) and (h) of this clause, the total amount of management expenses payable by the Owners during any period of 12 months adopted by the Manager of the Development as the financial year in respect of the management of the Development shall be the total proposed 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 Management Budget setting out the proposed expenditure of the Land and the Development during the financial year;
 - (ii) send a copy of the draft Management Budget to the Owners' Committee or, where there is no Owners' Committee, display a copy of the draft Management 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 Management Budget a notice inviting each Owner to send his comments on the draft Management Budget to the Manager within a period of 14 days from the date the draft Management Budget was sent or first displayed;
 - (iv) after the end of that period, prepare the Management Budget specifying the total proposed expenditure during the financial year;
 - (v) send a copy of the Management Budget to the Owners' Committee or, where there is no Owners' Committee, display a copy of the Management 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 management expenses for that year shall
- (i) until the Manager has so complied, be deemed to be the same as the total amount of management expenses (if any) for the previous financial year;
 - (ii) when the Manager has so complied, be the total proposed expenditure specified in the Management Budget for that financial year, and the amount that the Owners shall contribute towards the management expenses shall be calculated and adjusted accordingly.
- (d) Where a Management Budget has been sent or displayed in accordance with sub-clause (b)(v) of this clause and the Manager wishes to revise it, it shall follow the same procedures in respect of the revised Management Budget as apply to the draft Management Budget and the Management Budget by virtue of sub-clause (b) of this clause.
- (e) Where a revised Management Budget is sent or displayed in accordance with sub-clause (d) of this clause, the total amount of management expenses for that financial year shall be the total expenditure or the proposed expenditure specified in the revised Management Budget and the amount that the Owners shall contribute towards the management expenses shall be calculated and adjusted accordingly.
- (f) If there is an Owners' Corporation and, within a period of 1 month from the date that a Management Budget or revised Management 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 Management Budget or revised Management Budget, as the case may be, the total amount of management expenses for the financial year shall, until another Management Budget or revised Management 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 expenses (if any) for the previous financial year, together with an amount not exceeding 10% of that 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 Management Budget, Management Budget or revised Management Budget, the Manager shall, on payment of a reasonable copying charge, supply a copy to that person PROVIDED THAT any charges or fees collected hereunder shall be credited to the Special Fund.
- (h) For the purposes of this clause, “expenditure” (開支) includes all costs, charges and expenses to be borne by the Owners, including the Manager’s Remuneration.

2. The financial year for the purposes of the Management Budget shall be from 1st April to 31st March in each year (both days inclusive). The first Management Budget shall be prepared by the Manager before the date falling one month after the date of this Deed and shall cover the period from the date of this Deed until, if such date is on or before 30th September of the year, 31st March of the following year, or if such date is after 30th September of the year, until 31st March of the year after the following year.

3. The management expenditure in the Management Budget shall include but not be limited to the following:

- (a) Government rents for the whole of the Land if there is no separate assessment or apportionment for individual Units;
- (b) The premia payable for the insurance of the Common Areas and Facilities against fire and other perils, third party and property owners' liability, employers' liability and other liabilities as the Manager deems fit;
- (c) Charges for the supply and consumption of water, gas, electricity, telephone, central air-conditioning (if any) and other utilities to in and for, and any similar charges in connection with the management and maintenance of the Land and the Development other than the Units;
- (d) The cost and expenses of maintaining the foundations, columns and other structures constructed or to be constructed for the support of the Development and such other areas or drains, nullahs, sewers, pipes, watermains and channels whether within or outside the Land that are required to be maintained under the Government Grant;
- (e) The costs of lighting, repairing, maintaining, cleaning, painting, decorating and keeping in good condition the Common Areas and Facilities or any part thereof;
- (f) The costs of operating the Common Facilities;
- (g) Remuneration for accountants, caretakers, security guards, watchmen, cleaners and attendants and such other staff as may be required for the proper management of the Land and the Development;

- (h) The costs of refuse collection, storage and disposal in respect of the Land and the Development;
- (i) Such legal or other fees and costs which may be reasonably and properly incurred by the Manager in the performance of any duty or in the exercise of any power hereunder;
- (j) The costs of preparing annual accounts for the Owners and of having the same properly audited by an independent certified public accountant;
- (k) The Manager's Remuneration;
- (l) Any other costs, charges and expenses reasonably and necessarily incurred by the Manager in the performance of any duty or in the exercise of any power under this Deed or under any sub-deed or sub-deeds of mutual covenant in respect of any part or parts of the Land and the Development;

but such costs, charges and expenses shall exclude costs, charges and expenses of a capital nature, which shall be payable out of the Special Fund hereinafter mentioned. Costs, charges and expenses of a capital nature shall include but not be limited to those relating to establishment, improvement and replacement of installations, systems, facilities, equipment and apparatus within or forming part of the Common Areas and Facilities Provided that prior approval by a resolution of the Owners at an Owners' meeting convened under this Deed is required for any improvement works referred to in this clause which involves expenditure in excess of 10% of the current annual Management Budget.

4. Each annual Management Budget shall be divided into the following parts:
 - (a) Part A shall cover the estimated management expenditure which in the opinion of the Manager are attributable to the management and maintenance of the Development Common Areas and Facilities or for the benefit of all the Owners (excluding those estimated management expenditure contained in Part B of the Management Budget); and
 - (b) Part B shall contain the estimated management expenditure which in the opinion of the Manager are attributable solely to the management and maintenance of the Residential Common Areas and Facilities or solely for the benefit of all the Owners of the Residential Units.

5. The annual Management Budget shall be reviewed by the Owners' Committee (when it has been established pursuant to the provisions of this Deed) or by the Owners' Corporation (if formed), and in the light of such review, the Manager may alter such Management Budget based on the suggestions of the Owners' Committee or the Owners' Corporation and the Management Budget as reviewed or altered as aforesaid shall be deemed adopted.

6. The Manager shall determine the amount which each Owner shall contribute towards the management expenditure in accordance with the following principles:

- (a) Each Owner of a Unit of the Development shall contribute to the amount assessed under Part A of the annual Management Budget in the proportion which the number of the Management Shares allocated to his Unit bears to the total number of the Management Shares allocated to all Units of and in the Development; and
- (b) Each Owner in addition to the amount payable under (a) above shall in respect of each Residential Unit of which he is the Owner contribute to the amount assessed under Part B of the annual Management Budget in the proportion which the number of Management Shares allocated to his Residential bears to the total number of the Management Shares allocated to all Residential Units of and in the Development;

Provided that no Owner may be called upon to pay more than his appropriate share of the management expenditure, having regard to the number of Management Shares allocated to his Unit. The Registered Owner shall make payments and contributions towards the management expenditure which are of recurrent nature in respect of those Units and undivided shares unsold provided that it shall not be obliged to make the payments and contributions aforesaid in respect of Management Shares allocated to any part(s) of the Development the construction of which has not been completed except to the extent that such uncompleted part(s) benefit(s) from the provisions of this Deed as to management and maintenance of the Development. All outgoings including management expenses and any Government rent up to and inclusive of the date of assignment of the Units shall be paid by the Registered Owner. An Owner must not be required to make any payment or reimburse the Registered Owner for these outgoings.

7. The Manager shall determine the amount which each Owner shall contribute towards the management expenditure in accordance with the provisions of this Deed and shall determine the time and place of payment and unless otherwise determined by the Manager each Owner shall on the first day of each and every calendar month (whether legally demanded or not) pay to the Manager a sum representing one-twelfth of such Owner's liability to contribute to the management expenditure for that year.

- 8. (a) Without prejudice to Clause 6 of this Subsection D, in the event of a deficiency occurring or seeming to the Manager likely to occur or if there shall be any change in circumstances which in the opinion of the Manager (whose decision shall be conclusive save for manifest error) require any revision to the Management Budget, the Manager may at any time during the financial year prepare a revised Management Budget in accordance with the procedures set out in Clauses 1(b) and (c) of Subsection D of this Section VI. Such revised Management Budget shall be reviewed by the Owners' Committee or by the Owners' Corporation (if formed) and the provisions of Clause 5 of Subsection D of this Section VI shall apply mutatis mutandis to the revised Management Budget as to the annual Management Budget. A revised Management Budget may be further revised as often as the Manager considers reasonably necessary.
- (b) The Manager shall also have the power, in the event of a revised Management Budget completed pursuant to and in accordance with sub-clause (a) hereof, to revise the amount to be contributed monthly by any Owner as shall be necessary to meet revised estimated expenditure in any financial year to the intent that any such revised

amounts shall form part of the monthly contribution of such Owner to the management expenditure and be recoverable accordingly.

9. Notwithstanding any provision to the contrary herein contained, the Manager shall be entitled in its discretion:

- (a) to charge the Owners a reasonable administrative fee for granting and processing any consent required from the Manager pursuant to these presents but the Manager shall not charge any fee other than a reasonable administrative fee;
- (b) to charge the Owners for the temporary use of electricity, water or other utilities supplied by the Manager and for the collection and removal of fitting out or decoration debris;
- (c) from time to time to make rules and regulations governing the supply and use of electricity air-conditioning water to the Common Areas and Facilities, the payment and recovery of charges for installation, disconnection, reconnection and readings 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 notice (except in case of emergency) upon all parts of the Land and the Development necessary for the purpose of carrying out necessary repairs to the Land and the Development 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 repair any damage so caused and be liable for its negligent, criminal or wilful acts or the negligent, criminal or wilful acts of its workmen or sub-contractors Provided further that the Manager shall ensure that the least disturbance and inconvenience are caused;

Provided always that all monies fees or charges received by the Manager under the provisions of this Clause shall be held by the Manager on trust for all the Owners for the time being and shall be credited to the Special Fund.

10. (a) The Manager shall establish and maintain one Special Fund (comprising of two separate accounts as respectively mentioned in sub-clauses (i) and (ii) below) to provide for expenditure of a kind not expected by the Manager to be incurred annually.
- (i) Upon execution of this Deed, there shall be established and maintained by the Manager a separate account of the Special Fund in respect of the Development Common Areas and Facilities and any areas or facilities whether within or outside the Land that are required to be maintained by the Owners under the Government Grant for payment of expenses of a capital nature or of a kind not expected by the Manager to be incurred annually and shall include, but is not limited to expenses for the renovation, improvement and repair of the Development Common Areas and Facilities, the purchase, setting up, addition, establishment, improvement and

replacement of installations, systems, facilities, equipment and apparatus within the Development Common Areas and Facilities and the costs of the relevant investigation works and professional services. Subject to Clause 1(r) of Sub-Section B of Section VI, prior approval by a resolution of the Owners at an Owners' meeting convened under this Deed is required for any improvement works referred to in this Clause which involves expenditure in excess of 10% of the current annual Management Budget. Each Owner of a Unit, including the Registered Owner, shall pay to the Manager on such date and year as the Manager may reasonably determine such sum proportionate to the number of Management Shares allocated to his Unit as shall be necessary to establish and maintain such account of the Special Fund at such level as the Manager shall deem appropriate provided that the amount of such sum to be contributed in each financial year and the time when such sum to be contributed in each financial year shall be determined by a resolution of the Owners at an Owners' meeting convened under this Deed and if there is an Owners' Corporation, the Owners' Corporation shall determine, by a resolution of the Owners.

- (ii) Upon execution of this Deed, there shall be established and maintained by the Manager a separate account of the Special Fund in respect of the Residential Common Areas and Facilities for payment of expenses of a capital nature or of a kind not expected by the Manager to be incurred annually and shall include, but is not limited to expenses for the renovation, improvement and repair of the Residential Common Areas and Facilities, the purchase, setting up, addition, establishment, improvement and replacement of installations, systems, facilities, equipment and apparatus within the Residential Common Areas and Facilities and the costs of the relevant investigation works and professional services. Subject to Clause 1(r) of Sub-Section B of Section VI, prior approval by a resolution of the Owners at an Owners' meeting convened under this Deed is required for any improvement works referred to in this Clause which involves expenditure in excess of 10% of the current annual Management Budget. Each Owner of a Residential Unit, including the Registered Owner, shall pay to the Manager on such date and year as the Manager may reasonably determine such sum proportionate to the number of Management Shares allocated to his Residential Unit as shall be necessary to establish or maintain such account of the Special Fund at such level as the Manager shall deem appropriate provided that the amount of such sum to be contributed in each financial year and the time when such sum to be contributed in each financial year shall be determined by a resolution of the Owners at an Owners' meeting convened under this Deed and if there is an Owners' Corporation, the Owners' Corporation shall determine, by a resolution of the Owners.
- (b) The Manager shall open and maintain at a bank within the meaning of Section 2 of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) 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 sub-clause (a) above and managed by the Manager on trust of all Owners. All sums in such Special

Fund shall be the property of the Owners. Reference shall be made to the Special Fund in the annual accounts in respect of the management of the Development and an estimate shall be made in such accounts 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.

- (c) Each Owner shall make further periodic contributions to the relevant account of the Special Fund. The Owners shall by resolution of the Owners at an Owners' meeting convened under this Deed decide the amounts to be contributed by the Owners to the relevant account of the Special Fund for each financial year and the time when those contributions will be payable.
- (d) Except in a situation considered by the Manager to be an emergency, money must not be paid out of the Special Fund unless it is for a purpose approved by a resolution of the Owners' Committee (if any). The Manager must not use the Special Fund for the payment of any outstanding management expenses arising from or in connection with the day-to-day management of the Development.
- (e) The payments made by the Owners towards the Special Fund are neither refundable to any Owner by the Manager nor transferable to any new Owner.
- (f) Without prejudice to the generality of Clause 10(b) of this Subsection D above, 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 the Manager from or on behalf of the Owners' Corporation in respect of the Special Fund.
- (g) The Manager shall display a document showing evidence of any account opened and maintained under Clauses 10(b) or 10(f) of this Subsection D above in a prominent place in the Development.
- (h) The Manager shall without delay pay all money received by it in respect of the Special Fund into the account opened and maintained under Clause 10(b) of this Subsection D above or, if there is an Owners' Corporation, the account or accounts opened and maintained under Clause 10(f) of this Subsection D above.
- (i) If there is an Owners' Corporation, the Owners' Corporation shall determine, by a resolution of the Owners, the amounts to be contributed by the Owners to the Special Fund in any financial year and the time when those contributions will be payable.
- (n) For the purposes of this Clause 10, "maintain" or "maintained" shall have its meaning in accordance with Schedule 7 to the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong).

E. Security for and recovery of moneys due to Manager

1. Except where the Registered Owner has made payments in accordance with Clause 2 hereunder, the first Owner of each Unit (i.e. the assignee from the Registered Owner) shall upon possession of his Unit is given to him:

- (a) 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 equivalent to three months' monthly contribution of the first year's budgeted management expenses and such sum shall not be used to set off against monthly contribution of the management expenses or any other contributions to be made by him and such sum is non-refundable but transferable; and
- (b) pay to the Manager a sum equivalent to two months' monthly contribution of the first year's budgeted management expenses as payment in advance of the first two months' monthly contribution of the first year's budgeted management expenses and such sum is neither refundable nor transferable; and
- (c) pay to the Manager a sum equivalent to two months' monthly contribution of the first year's budgeted management expenses as his initial contribution to the Special Fund and such sum is neither refundable nor transferable; and
- (d) pay to the Manager a non-refundable and non-transferable debris removal fee, in the case of Shops, in the sum equivalent to not more than two months' monthly contribution, and in the case of Residential Units, in the sum equivalent to not more than one month's monthly contribution, of the first year's budgeted management expenses as shall be determined by the Manager which shall be applied by the Manager towards any cost incurred or related to the removal from the Development of any debris or rubbish which may accumulate as a result of the initial fitting-out of the Shops or Residential Units. Any debris removal fee paid but not used for debris removal shall be paid into and form part of the relevant account of the Special Fund.

For the avoidance of doubt (and in addition and without prejudice to the other rights of the Manager under this Deed), the Manager shall have the right to set off the deposit under the preceding Clause 1(a) of this Subsection E 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 any default in payment, 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 shall have exercised its right of set-off as aforesaid, it shall have the right to require the relevant Owner or his successor in title to replenish the deposit to an amount equivalent to three months' management contribution of management expenses currently payable by him in respect of the part of the Development which he owns.

2. The Registered Owner shall also pay to the Manager the amounts payable under the preceding Clauses 1(a), (c) and (d) of this Subsection E if he remains the owner of those undivided shares allocated to the Units in that part of the Development the construction of which has been completed and which remain unsold 3 months after (i) the date of execution of this Deed, or (ii) the date on which the Registered Owner is in a position to validly assign the Units, whichever the later.

3. If any Owner shall fail to pay any amount payable hereunder within 30 days of the date on which the demand is made as aforesaid, he shall further pay to the Manager:

- (a) interest on the amount unpaid calculated from the date of demand at a rate of not exceeding 2% per annum above the prime rate from time to time specified by The Hongkong And Shanghai Banking Corporation Limited; and
- (b) a collection charge of not exceeding 10% of the amount due to cover the cost (other than legal costs of proceedings as hereinafter mentioned) of the extra work occasioned by the default.

4. All amounts which become payable by any Owner in accordance with the provisions of this 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 all other expenses incurred 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 solicitor and own client costs of the Manager in such action. In any such action the Manager shall conclusively be deemed to be acting as the agent or agents for and on behalf of the Owners as a whole and no Owner sued under the provisions of this 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.

5. 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 failing to pay any damages awarded by any court for breach of any of the terms or conditions of this Deed within 30 days of the date on which the same became payable the amount thereof together with interest as aforesaid and the said collection charge and all costs and expenses which may be incurred in recovering or attempting to recover the same including the legal expenses referred to in Clause 4 of this Subsection E and in registering the charge hereinafter referred to shall stand charged on the undivided share(s) of the 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(s) and the Unit or Units held therewith of the defaulting Owner. Such charge shall remain enforceable as hereinafter mentioned notwithstanding that judgment has been obtained for the amount thereof unless and until such judgment has been satisfied.

6. Any charge registered in accordance with the last preceding paragraph shall be enforceable as an equitable charge by action at the suit of the Manager for an order for sale of the undivided share(s) of the defaulting Owner together with the right to the exclusive use occupation and enjoyment of the Unit held therewith and the provisions of Clause 4 of this Subsection E shall apply equally to any such action.

F. Application of monies received by Manager

1. Subject to Section VIII hereof, all insurance moneys compensation received or damages recoverable by the Manager in respect of any damage or loss suffered in respect of any part of the Land and the Development shall be expended by the Manager in the repair rebuilding or reinstatement of that part of the Land and the Development.

2. Where any compensation damages costs or expenses are received or recovered (as the case may be) by the Manager in respect of any matter or thing for which claim has been made against the Owners or any of them as provided in Clause 4 of Subsection E of this Section VI, the same shall after deduction of any costs or expenses incurred by the Manager in recovering the same be credited to the accounts of those Owners against whom a claim has been made in the same proportions as such claim.

3. All moneys paid to the Manager by way of interest and collection charges shall be credited to the Special Fund.

4. The Manager shall have the right to apportion such sums received by him which are required to be credited to the Special Fund into the account(s) of any one or more sub-category(ies) of the Special Fund as the Manager shall reasonably determine.

G. Owners' interest in funds

Any person ceasing to be an Owner of any undivided share(s) in the Land and the Development shall thereupon cease to have any interest in the funds held by the Manager including the deposit paid under Clause 1(a) of Subsection E of this Section VI and the Special Fund to the intent that all such funds shall be held and applied for the management of the Land and the Development irrespective of changes in the ownership of the undivided share(s) in the Land and the Development PROVIDED that any deposit paid under Clause 1(a) of Subsection E of this Section VI shall be transferred into the name of the new Owner of such undivided share(s) AND PROVIDED further that upon the Land reverting to the Government or no renewal of the Government Grant being obtainable or upon the rights and obligations hereunder being extinguished as provided in Section VIII hereof, any balance of the said funds or in the case of extinguishment of rights and obligations as aforesaid an appropriate part of the said funds shall be divided between the then Owners of the Development in proportion to the respective contributions made by them or their respective predecessors under the provisions of Subsection D of this Section VI 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.

H. Management records and accounts

1. 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 any).

2. (a) The Manager shall open and maintain an interest-bearing account opened with a bank within the meaning of Section 2 of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), the title of which refers to the management of the

Development and shall use that account exclusively in respect of the management of the Development.

- (b) Without prejudice to the generality of Clause (2)(a) of this Subsection H above, 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 the Manager from or on behalf of the Owners' Corporation in respect of the management of the Development. The Manager shall display a document showing evidence of any account opened and maintained under Clause 2(a) of this Subsection H above or this sub-clause in a prominent place in the Development. Subject to Clause 2(c) of this Subsection H below, the Manager shall without delay pay all money received by the Manager in respect of the management of the Development into the account opened and maintained under Clause 2(a) of this Subsection H above or, if there is an Owners' Corporation, the account or accounts opened and maintained under this sub-clause.
- (c) Subject to this sub-clause, the Manager may, out of money received by him 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). The retention of a reasonable amount of money as aforesaid or the payment of that amount into a current account in accordance with the aforesaid 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).

3. The Manager shall maintain proper books or records of account and other financial records and shall keep all bills, invoices, vouchers, receipts and other documents referred to in those books and records for at least 6 years. The Manager shall keep separate management accounts for Development Common Areas and Facilities and Residential Common Areas and Facilities.

4. Within 1 month after each consecutive period of 3 months, or such shorter period as the Manager may select, the Manager shall prepare a summary of the income and expenditure and a balance sheet in respect of that period and shall display a copy of the summary and balance sheet in a prominent place in the Development and cause it to remain so displayed for at least 7 consecutive days.

5. Within 2 months after the end of each financial year, the Manager shall prepare an income and expenditure account and balance sheet for that year, display a copy of the income and expenditure account and balance sheet in a prominent place in the Development and cause it to remain so displayed for at least 7 consecutive days. Such accounts shall be audited by auditors appointed by the Manager provided always that prior to the formation of the Owners' Corporation, the Owners at an Owners' meeting convened under this Deed shall have power to require such annual accounts to be audited by an independent auditor of their choice. Each income and expenditure account and balance sheet shall include details of the Special Fund required by Clause 10 of Subsection D of this Section VI 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.

6. 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 prepared pursuant hereto.

7. The Manager shall on payment of a reasonable copying charge, supply any Owner with a copy of any record or document requested by him provided that all charges collected hereunder shall be credited to the Special Fund.

8. The Manager shall have power to appoint a firm of certified public accountants to audit the accounts and records of the Manager concerning the management of the Development and to certify the annual accounts prepared in accordance with the foregoing clauses and the accountant's fees shall be part of the management expenditure. The Manager shall further have power to replace such firm and to appoint another firm in their place as it may deem necessary from time to time provided that prior to formation of the Owners' Corporation, the Owners' Committee or the Owners at a meeting of the Owners may choose to appoint an auditor of their choice. If there is an Owners' Corporation 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 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 balance sheet and 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.

9. (a) Subject to sub-clause (b) of this Clause 9, if the Manager's appointment ends for any reason, it 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.

(b) If the Manager's appointment ends for any reason, it shall within 2 months of the date its appointment ends:

(i) prepare:

(1) an income and expenditure account for the period beginning with the commencement of the financial year in which its appointment ends and ending on the date its appointment ends; and

(2) a balance sheet as at the date its appointment ends,

and shall arrange for that account and balance sheet to be audited by an accountant

or by some other independent auditor specified in a resolution of the Owners' Committee (if any) or, in the absence of any such specification, by such accountant or other independent auditor as may be chosen by the Manager; and

- (ii) deliver to the Owners' Committee (if any) or the manager appointed in its place any books or records of account, papers, documents and other records which are required for the purposes of sub-clause (b)(i) of this Clause 9 and have not been delivered under sub-clause (a) of this Clause 9.

10. Subject to Clause 6(c) of Section X of this Deed, on termination of the Manager's appointment, the Manager must assign the undivided shares in the Common Areas and Facilities free of cost or consideration to its successor in office as the Manager who must hold the said undivided shares on trust for the benefit of all the Owners.

SECTION VII

A. Meetings of the Owners

1. An annual general meeting of the Owners of the Development shall be held at least once a year commencing with the year following that in which the Occupation Permit is issued. The Owners of the Development may meet from time to time as occasion may require to discuss and decide matters concerning the management of the Land and the Development.
2. (a) The annual general meeting shall be validly convened either by the Manager or by the Owners' Committee by at least 14 days' prior notice in writing to the Owners specifying the date, time and place of the meeting, the subjects to be discussed and the resolutions (if any) that are to be proposed at the meeting.

(b) A meeting of Owners may be convened by the Owners' Committee, the Manager or an Owner appointed to convene such a meeting by the Owners of not less than 5% of the undivided shares in aggregate. The person convening the meeting of Owners shall, at least 14 days before the date of the meeting, give notice of the meeting to each Owner. Such notice of meeting shall specify the date, time and place of the meeting, and the resolutions (if any) that are to be proposed at the meeting. Such notice of meeting may be given by delivering it personally to the Owner; or by sending it by post to the Owner at his last known address; or by leaving it at the Owner's Unit or depositing it in the letter box for that Unit.
3. No business shall be transacted at any meeting unless a quorum is present when the meeting proceeds to business. The quorum at a meeting of Owners shall be 10% of the Owners. For the purpose of this clause, the reference to "10% of the Owners" shall be construed as a 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 shall not be construed as the Owners of 10% of the undivided shares in aggregate.
4. The only persons entitled to attend any such meeting and vote thereat shall be Owners of the Development or the proxy or proxies of the Owner or Owners of the Development duly appointed by the Owner or Owners in writing.
5. A meeting of Owners shall be presided over by the Chairman of the Owners' Committee or, if the meeting is convened by the Manager or an Owner appointed to convene such a meeting by the Owners of not less than 5% of the undivided shares in aggregate under Clause 2(b) of this Subsection A of Section VII, the person convening the meeting.
6. All resolutions passed at such meeting by a majority of the Owners present in person or by proxy and voting shall be binding on all the Owners and the Manager of the Development Provided that such resolutions shall not be contrary to any of the covenants terms and conditions contained in these presents and the Government Grant.
7. A resolution put to the vote of the meeting shall be decided by majority of votes.

8. At a meeting of Owners:-
- (a) An Owner shall have one vote in respect of each undivided share that he owns.
 - (b) An Owner may cast a vote personally or by proxy.
 - (c) Where 2 or more persons are the co-owners of an undivided share, the vote in respect of the undivided share may be cast by a proxy jointly appointed by the co-owners; by a person appointed by the co-owners from amongst themselves; or if no appointment is made as aforesaid, either by one of the co-owners personally or by a proxy appointed by one of the co-owners, and, where two 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.
 - (d) If there is an equality of votes the person presiding over the meeting shall have, in addition to a deliberative vote, a casting vote.
9. An instrument appointing a proxy shall be in the form set out in Form 1 in Schedule 1A of the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong), and
- (a) shall be signed by the Owner; or
 - (b) if the Owner is a body corporate, shall, notwithstanding anything to the contrary in its constitution, be impressed with the seal or chop of the body corporate and signed by a person authorized by the body corporate in that behalf.

The instrument appointing a proxy shall be lodged with the Chairman of the Owners' Committee or, if the meeting is convened by the Manager or an Owner appointed to convene such a meeting by the Owners of not less than 5% of the undivided shares in aggregate under Clause 2(b) of this Subsection A of this Section VII, the person convening the meeting at least 48 hours before the time for the holding of the meeting. 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.

10. The Manager shall send a representative or representatives to all such meetings and a record of the persons present at the meeting and the proceedings thereof shall be kept.

11. Within 9 months from the date of these presents, the Manager shall convene a meeting of the Owners (and the Manager shall call further and subsequent meetings if required) for the purpose of forming an Owners' Committee and electing the first Chairman thereof or appointing a management committee for the purpose of forming an Owners' Corporation under the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong). The first Chairman shall act until the first annual general meeting when the post of Chairman shall fall vacant and an election for Chairman shall be held. Thereafter a Chairman shall be elected at each annual general meeting for the ensuing year.

12. The function of the Owners' Committee is to represent the Owners of the Land and the Development in all dealings with the Manager and to undertake such other duties as the Manager may with the approval of the Owners' Committee delegate to the Owners' Committee and without in any way limiting the generality of the foregoing:

- (a) to liaise and consult with the Manager in respect of all matters concerning the management of the Land and the Development;
- (b) to apply if thought fit for registration as a corporation under the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong);
- (c) prior to the formation of the Owners' Corporation, to remove the Manager of the Development with the sanction of a resolution at a meeting of the Owners of the Development duly convened and passed by a majority of votes of Owners voting either personally or by proxy in an Owners' meeting and supported by Owners holding not less than 50% of the undivided shares in aggregate (excluding the undivided shares allocated to the Common Areas and Facilities) in the Development and upon the giving to the Manager not less than three months' notice in writing;
- (d) to appoint (whether in place of any Manager removed or to fill any vacancy) any service company or agent as a Manager of the Development upon the termination of the then Manager's employment;
- (e) to undertake consider review and/or exercise all or any of the powers and duties conferred on the Owners' Committee by virtue of the provisions of this Deed.

13. Notwithstanding any provisions herein contained, the undivided shares allocated to the Common Areas and Facilities shall not be taken into account for the purpose of voting or calculating the quorum of any meeting. Accordingly, the undivided shares as referred to in Clause 8 of this Subsection A shall not include the undivided shares allocated to the Common Areas and Facilities.

14. The procedure at a meeting of Owners shall be as is determined by the Owners.

B. Meetings of the Owners' Committee

1. A meeting of the Owners' Committee may be convened at any time by the Chairman or any 2 members of the Owners' Committee.

2. In the election of the members to the Owners' Committee, the Owners shall endeavour to elect such number of representatives from the Owners for the time being of the Development to represent the Owners PROVIDED THAT the total number of representatives shall be at least 3 but not more than 5. For the time being and unless and until otherwise determined by a meeting of the Owners, there shall be at least 2 representatives for the Owners of the Residential Units and 1 representative for the Owners of the Shops.

3. The following persons shall be eligible for membership of the Owners' Committee :-
 - (a) Any Owner (including any one or two or more co-owners) for the time being of the undivided share or shares in the Land and the Development shall be eligible for election to the Owners' Committee. In the event of an Owner being a corporate body, the representative(s) appointed by such Owner shall be eligible for such election. The appointment of a representative or representatives by a corporate body shall be in writing addressed to the Owners' Committee and may be revoked at any time on notice in writing given to the Owners' Committee; and
 - (b) The husband or wife of any Owner duly authorized 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 given to the Owners' Committee PROVIDED THAT such husband or wife resides in such Owner's Unit in the Development.
4. A member of the Owners' Committee shall hold office until the annual general meeting of Owners next following his appointment or election provided that:
 - (a) He shall nevertheless cease to hold office if:
 - (i) he resigns by notice in writing to the Owners' Committee;
 - (ii) he ceases to be eligible; or
 - (iii) he becomes bankrupt or insolvent or is convicted of a criminal offence other than a summary offence not involving dishonesty.
 - (b) If in any annual general meeting at which an election of the Owners' Committee should take place, the office of the retiring members or any of them is not filled, or if in any year no annual general meeting is held, the members of the Owners' Committee shall continue to be in office until the next annual general meeting.
5. Retiring members of the Owners' Committee shall be eligible for re-election.
6. Subject to Clause 2 above, the Owners' Committee may appoint any eligible Owner to fill any casual vacancy or as an additional member for the current term.
7. The Owners' Committee may continue to act notwithstanding any vacancies in the number provided that the number is not reduced below 3. In the event that the number is reduced below 3, the remaining member of the Owners' Committee may act but only for the purpose of calling for a meeting of the Owners to elect an Owners' Committee.
8. Any one or more members of the Owners' Committee may be removed from office by resolution passed at a meeting of the Owners and new members of the Owners' Committee may be elected in the place of those removed from office.
9. The Owners' Committee shall have full power to make rules and by-laws regulating the conduct and procedure of its meetings and the performance of its duties and obligations

provided that no such regulation or by-laws shall be contrary to or inconsistent with the provisions of this Deed.

10. (a) The officers of the Owners' Committee ("Officers") shall be:
 - (i) the Chairman; and
 - (ii) such other officers (if any) as the Owners' Committee may from time to time elect.
- (b) The Officers shall be elected by the Owners, such election to be held at or as soon as reasonably possible after the annual general meeting at which the Owners' Committee is elected and at such other times as may be necessary.
- (c) All casual vacancies of the Officers shall be filled by election or appointment by the members of the Owners' Committee as it may from time to time determine.

11. The person or persons convening the meeting of the Owners' Committee shall, at least 7 days before the date of the meeting, give notice of the meeting to each member of the Owners' Committee, and that notice of meeting shall specify the date, time and place of the meeting and the resolutions (if any) that are to be proposed at the meeting. Such notice of meeting may be given by delivering it personally to the member of the Owners' Committee; or by sending it by post to the member of the Owners' Committee at his last known address; or by leaving it at the member's Unit or depositing it in the letter box for that Unit.

12. The quorum at a meeting of the Owners' Committee shall be 50% of the members of the Owners' Committee (rounded up to the nearest whole number), or 3 such members, whichever is the greater.

13. A meeting of the Owners' Committee shall be presided over by:
- (a) the Chairman; or
 - (b) in the absence of the Chairman, a member of the Owners' Committee appointed as chairman for that meeting.

14. At a meeting of the Owners' Committee, each member present shall have one (1) vote on a question before the Owners' Committee and if there is an equality of votes, the Chairman shall have, in addition to a deliberative vote, a casting vote.

15. The procedure at the meetings of the Owners' Committee shall be as is determined by the Owners' Committee.

SECTION VIII

REINSTATEMENT

1. In the event of the Development or any part or parts of the Development being so damaged by fire typhoon earthquake subsidence or other cause so as to render the same substantially unfit for habitation or occupation, the Manager or the Owners of not less than 75% of the undivided shares allocated to the damaged part(s) (excluding the undivided shares allocated to the Common Areas and Facilities) shall convene a meeting of the Owners of the Development or part or parts of the Development so affected, and such meeting may resolve that by reason of insufficiency of insurance monies changes in building law and/or regulations or any other circumstances whatsoever it is not practicable to reinstate and rebuild the Development or such part or parts of the Development, then and in such event the undivided shares in the Land and the Development or such part or parts of the Development 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 either private treaty or public auction and to distribute the net proceeds of sale amongst the Owners of such undivided shares in proportion to the respective undivided shares previously held by such former Owners. All insurance moneys received in respect of any policy insurance on the Development or such part or parts of the Development shall likewise be distributed amongst such former Owners. In such event, all the rights privileges obligations and covenants of such Owners under this Deed or any other deed shall be extinguished so far as the same relate to the Development or such part or parts of the Development Provided Always That if it is resolved to reinstate or rebuild the Development or such part or parts of the Development, each Owner of the Development or such part or parts shall pay his due proportion of the excess of the cost of reinstatement or rebuilding of the Development or such part or parts of the Development over and above the proceeds from the insurance of the Development or such part or parts of the Development and that until such payment the same will be a charge upon his interest in the Land and the Development or the relevant part of the Development and be recoverable as civil debt.

2. Notwithstanding any other provisions to the contrary herein contained, the following provisions shall apply to a meeting convened by the Manager or the Owners of not less than 75% of the undivided shares allocated to the damaged part(s) (excluding the undivided shares allocated to the Common Areas and Facilities) as provided in Clause 1 of this Section:

- (a) Every such meeting shall be convened by at least 14 days' prior notice in writing given by the appropriate persons convening such meeting either personally or by post addressed to the Owners at their last known addresses or by leaving the notices at the Owners' Units or depositing the notices in the letter boxes of their Units.
- (b) Subject to sub-clause (l) of this Clause 2, no business shall be transacted at any meeting unless a quorum is present throughout the meeting and Owners present in person or by proxy who in the aggregate have vested in them not less than 75% of the total number of undivided shares in the Development or in the damaged part or parts of the Development shall be a quorum.
- (c) Subject to sub-clause (l) of this Clause 2, if within half an hour from the time

appointed for the meeting a quorum be not present the meeting shall stand adjourned to the same time and day in the next week at the same place.

- (d) The Manager shall be the chairman of the meeting if such meeting is convened by the Manager or the Owners present in such meeting shall choose one of them to be the chairman of the meeting.
- (e) The chairman of the meeting shall cause a record to be kept of the persons present at the meeting and notes of the proceedings thereof.
- (f) Subject to sub-clause (l) of this Clause 2, every Owner shall have one vote for each undivided share vested in him and in the case of Owners who together are entitled to one such undivided share such Owners shall jointly have one vote for each such undivided share and in case of dispute only the Owner whose name, in order of priority, stands highest in relation to that undivided share in the register kept at the Land Registry shall have the right to vote.
- (g) Votes may be given either personally or by proxy.
- (h) An instrument appointing a proxy shall be in the form set out in Form 1 in Schedule 1A to the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong), and shall be 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. The instrument appointing a proxy shall be lodged with the chairman of the meeting or the person convening the meeting pursuant to this Deed, at least 48 hours before the time for the holding of the meeting. 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.
- (i) Subject to sub-clause (l) of this Clause 2, a resolution passed by not less than 75% majority of the Owners present in person or by proxy and voting at a duly convened meeting of the Owners present in person or by proxy who in the aggregate have vested in them not less than 75% of the undivided shares allocated to the damaged part or parts of the Development shall be binding on all the Owners of such part or parts 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) Subject to sub-clause (l) of this Clause 2, a resolution in writing signed by Owners who in the aggregate have vested in them for the time being not less than 75% of the

undivided shares allocated to the part or parts 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 Owners shall not invalidate the meeting or any resolution passed thereat.
- (l) Notwithstanding any provisions herein contained, the undivided shares allocated to the Common Areas and Facilities shall not be taken into account for the purpose of voting or calculating the quorum. Accordingly, the undivided shares as referred to in the Clauses 2(b), (c), (f), (i) and (j) of this Section VIII shall not include the undivided shares allocated to the Common Areas and Facilities.

SECTION IX

EXCLUSIONS AND INDEMNITIES

The Manager, its employees, agents or contractors and the Owners' Committee 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 to be done in pursuance or purported pursuance of the provisions of this Deed not being an act or omission involving criminal liability or dishonesty or negligence on the part of the Manager, its employees, agents or contractors or the Owners' Committee. Without in any way limiting the generality of the foregoing, the Manager, its employees or agents and the Owners' Committee 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 or the Common 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 or other effluent 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, robbery or crime 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 employees, agents or contractors or the Owners' Committee involving criminal liability or dishonesty or negligence and no owner will be required to indemnify the Manager, its employees, agents or contractors or the Owners' Committee from and against any action, claim etc. arising out of such act or omission Provided that the 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.

SECTION X

MISCELLANEOUS

1. Without prejudice to any provisions herein contained, no person shall after ceasing to be an Owner of any undivided shares in the Land and the Development be liable for any debts liabilities or obligations under the covenants terms and conditions of this Deed in respect of such undivided share and/or the part of the Development held therewith save and except in respect of any breach non-observance or non-performance by such person of any such covenant or term or condition prior to his ceasing to be the Owner thereof.
2. Each Owner shall notify the Manager of the name and address of the person authorized by him to accept service of process. Any Owner not occupying or using his Unit must provide the Manager with an address in Hong Kong for service of notices under the terms of this Deed, failing which the address of his Unit shall be deemed to be his address for service.
3. There shall be public notice boards at such prominent 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 three consecutive days shall be due notice of the contents thereof to each Owner, his tenants, licensees, servants and agents.
4. Subject as hereinbefore provided in the case notices to be affixed to the public notice boards, all notices or demands required to be served hereunder shall be sufficiently served if served personally upon the party to be served or sent by post addressed to the party to whom the notices or demands are given at his last known address or left at the Unit 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 that where notice is to be given to an Owner who is a chargor, such notice may also be served on the chargee, if a company, at its registered office or last known place of business in Hong Kong and, if an individual, at his last known place of business or residence. All notices required to be given to the Manager shall be sufficiently served if sent by prepaid post addressed to or if by hand left at the registered office of the Manager.
5. 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 Land and the Development including the Common Areas and Facilities and to the undivided shares held therewith.
6.
 - (a) No provision in this Deed shall prejudice or contravene or in any way be construed or constructed so as to prejudice or exclude or contravene the provisions of the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong) and the Schedules thereto.
 - (b) At any time after the formation and during the period of existence of the Owners'

Corporation under the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong), the Owners' meeting under this Deed shall be replaced and substituted by the general meeting of the Owners' Corporation and the Owners' Committee under this Deed shall be replaced and substituted by the management committee of the Owners' Corporation.

- (c) Upon execution of this Deed, the Registered Owner shall assign the whole of the undivided shares in the Common Areas and Facilities free of cost or consideration to the Manager appointed under this Deed who must hold the said undivided shares on trust for the benefit of all Owners and, if an Owners' Corporation is formed under the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong), it may require the Manager, in accordance with this Deed to assign the undivided shares in the Common Areas and Facilities and transfer the management responsibilities to it free of cost or consideration, in which event, the Owners' Corporation must hold such undivided shares on trust for all the Owners.

7. (a) The Registered Owner (which expression, for the purpose of this clause, shall exclude its assigns) shall at the costs of the Registered Owner cause this Deed to be translated into Chinese and deposit a copy of this Deed and such Chinese text at the management office for inspection by all Owners free of cost within one month from the date of this Deed. A copy of this Deed and the Chinese text of this Deed shall be supplied to each Owner on request at his expense and upon payment of a reasonable charge. All charges received shall be credited to the Special Fund. In the event of dispute as to the effect or construction thereof, the English text shall prevail.

- (b) The Registered Owner (which expression, for the purpose of this clause, shall exclude its assigns) shall at the costs of the Registered Owner deposit a copy of Schedules 7 and 8 to the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong) in both English and Chinese versions at the management office for reference by all Owners free of cost and for taking copies at their own expense and upon payment of a reasonable charge. All charges received shall be credited to the Special Fund.

8. A set of plans showing the Common Areas and Facilities where such can be shown and delineated on plans as appropriate and any subsequent amendments thereto shall be prepared by the Registered Owner and certified as to their accuracy by the Authorized Person and kept at the management office and may be inspected by the Owners during normal office hours free of cost and charge.

9. The undivided shares allocated to the Common Areas and Facilities shall not carry any voting rights at any meeting whether under this Deed, the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong) or otherwise or liability to pay any fees under this Deed, nor shall such undivided shares be taken into account for the purpose of calculating the quorum of any meeting under this Deed, the Building Management Ordinance (Chapter 344 of the Laws of

Hong Kong) or otherwise.

10. (a) The Registered Owner shall at its own costs compile for the reference of the Owners and the Manager a schedule and maintenance manual for the Works and Installations setting out the following details: -
 - (i) 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;
 - (ii) 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;
 - (iii) recommended maintenance strategy and procedures;
 - (iv) a list of items of the Works and Installations requiring routine maintenance;
 - (v) recommended frequency of routine maintenance inspection;
 - (vi) checklist and typical inspection record sheets for routine maintenance inspection; and
 - (vii) recommended maintenance cycle of the Works and Installations.
 - (b) The Registered Owner shall deposit a full copy of the schedule and maintenance manual for the Works and Installations in the management office within one month of the date of this Deed for inspection by all Owners free of charge and taking copies at their own expenses and on payment of a reasonable charge. All charges received shall be credited to the relevant Special Fund.
11. The schedule and the maintenance manual for the Works and Installations shall be revised if necessary in future to take into account any necessary changes such as addition of works and installations in the Development and the updating of maintenance strategies in step with changing requirements.
12. The Owners may, by a resolution of Owners at an Owners' meeting convened under this Deed, decide on revisions to be made to the schedule and the maintenance manual for the Works and Installations, in which event the Manager shall procure from a qualified professional or consultant the revised schedule 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.
13. All costs incidental to the preparation of the revised schedule and the revised maintenance manual for the Works and Installations will be paid out of the Special Fund.
14. The Manager shall deposit the revised maintenance manual for the Works and

Installations in the management office within one month from the date of its preparation for inspection by all Owners free of charge and taking copies at their own expenses and on payment of a reasonable charge. All charges received shall be credited to the Special Fund.

15. Any consent or approval that the owners may be required to obtain from the Manager shall not be unreasonably withheld.

16. In this Deed (if the context permits or requires) words importing the singular number only shall include the plural number, and vice versa; words importing the masculine gender only shall include the feminine gender and the neuter gender; words importing persons shall include corporations and vice versa; references to clauses and schedules are to be construed as references to clauses of, and schedules to, this Deed.

17. 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 the Owners on any business relating to the management of the Development.

IN WITNESS whereof the parties have caused this Deed to be duly executed the day and year first above written.

THE FIRST SCHEDULE ABOVE REFERRED TO

The Government Grant

The Government Lease of Inland Lot No.699, particulars of which are as follows:-

- (a) Date : the 20th day of January 1862
- (b) Parties : late Queen Victoria of the one part and Ly Sui Quong of the other part
- (c) Term : 999 years from the 25th day of June 1861
- (d) Lot : Inland Lot No.699

subject to and with the benefit of an Offensive Trade Licence dated 28th January 2019 and registered in the Land Registry by Memorial No.19021200900012.

THE SECOND SCHEDULE ABOVE REFERRED TO

Allocation of undivided shares to each Unit

(A) <u>Residential Units</u>	<u>No. of Residential Units</u>	<u>No. of undivided shares per Residential Unit</u>	<u>Total No. of undivided shares</u>
Flat A on 1/F with Flat Roof	1	40	40
Flat B on 1/F with Flat Roof	1	38	38
Flat A on 2/F-3/F	2	37	74
Flat B on 2/F-3/F	2	37	74
Flat A on 5/F-13/F	9	37	333
Flat B on 5/F-13/F	9	37	333
Flat A on 15/F-23/F	9	37	333
Flat B on 15/F-23/F	9	37	333
Flat A on 25/F-26/F	2	37	74
Flat B on 25/F-26/F	2	37	74
Flat A on 27/F with Flat Roof on Roof	1	40	40
Flat B on 27/F with Flat Roof on Roof	1	40	40
	<hr style="width: 100%; border: 0.5px solid black; margin-bottom: 5px;"/> 48	Sub-total:	<hr style="width: 100%; border: 0.5px solid black; margin-bottom: 5px;"/> 1,786
(B) <u>Shops</u>			<u>Total No. of undivided shares</u>
Shops A, B, C and D with Yard on G/F and Flat Roof on 1/F			58
Shop F			17
Shop G			36
		Sub-total:	111

(C) Common Areas and Facilities

10

Total = (A)+(B)+(C) : 1,907

=====

THE THIRD SCHEDULE ABOVE REFERRED TO

Allocation of Management Shares to each Unit :

(A) <u>Residential Units</u>	<u>No. of Residential Units</u>	<u>No. of management shares per Residential Unit</u>	<u>Total No. of management shares</u>
Flat A on 1/F with Flat Roof	1	40	40
Flat B on 1/F with Flat Roof	1	38	38
Flat A on 2/F-3/F	2	37	74
Flat B on 2/F-3/F	2	37	74
Flat A on 5/F-13/F	9	37	333
Flat B on 5/F-13/F	9	37	333
Flat A on 15/F-23/F	9	37	333
Flat B on 15/F-23/F	9	37	333
Flat A on 25/F-26/F	2	37	74
Flat B on 25/F-26/F	2	37	74
Flat A on 27/F with Flat Roof on Roof	1	40	40
Flat B on 27/F with Flat Roof on Roof	1	40	40
	<hr/>		<hr/>
	48	Sub-total:	1,786
 (B) <u>Shops</u>			<u>Total No. of management shares</u>
Shops A, B, C and D with Yard on G/F and Flat Roof on 1/F			58
Shop F			17
Shop G			36
		Sub-total:	111

(C) Common Areas and Facilities

0

Total = (A)+(B)+(C) : 1,897

THE FOURTH SCHEDULE ABOVE REFERRED TO

Works and Installations as at the date of this Deed :

- (i) structural elements;
- (ii) external wall finishes and roofing materials;
- (iii) fire safety elements;
- (iv) plumbing system;
- (v) drainage system;
- (vi) fire services installations and equipment;
- (vii) electrical wiring system;
- (viii) lift installations (if applicable);
- (ix) gas supply system;
- (x) window installations;
- (xi) central air-conditioning and ventilation system;
- (xii) security system.

SEALED with the Common Seal)
)
of Sunny Way Properties Limited , the)
)
Registered Owner, and SIGNED by)
)
)
)
)
)
whose signature(s) is/are verified by:)

SEALED with the Common Seal)
)
of [])
)
Limited, the Manager, and SIGNED by)
)
)
)
)
)
whose signature(s) is/are verified by:)

SIGNED SEALED AND DELIVERED)
)
by the Covenanting Owner/)
)
SEALED with the Common Seal of the)
)
Covenanting Owner and)
)
SIGNED by)
)
)
)
)
)
)
in the presence of:)

INTERPRETED to the Covenanting Owner by:-

Dated the _____ day of _____.

SUNNY WAY PROPERTIES LIMITED (朝陽置業有限公司)

and

[_____]

and

[_____]

DEED OF MUTUAL COVENANT INCORPORATING
MANAGEMENT AGREEMENT

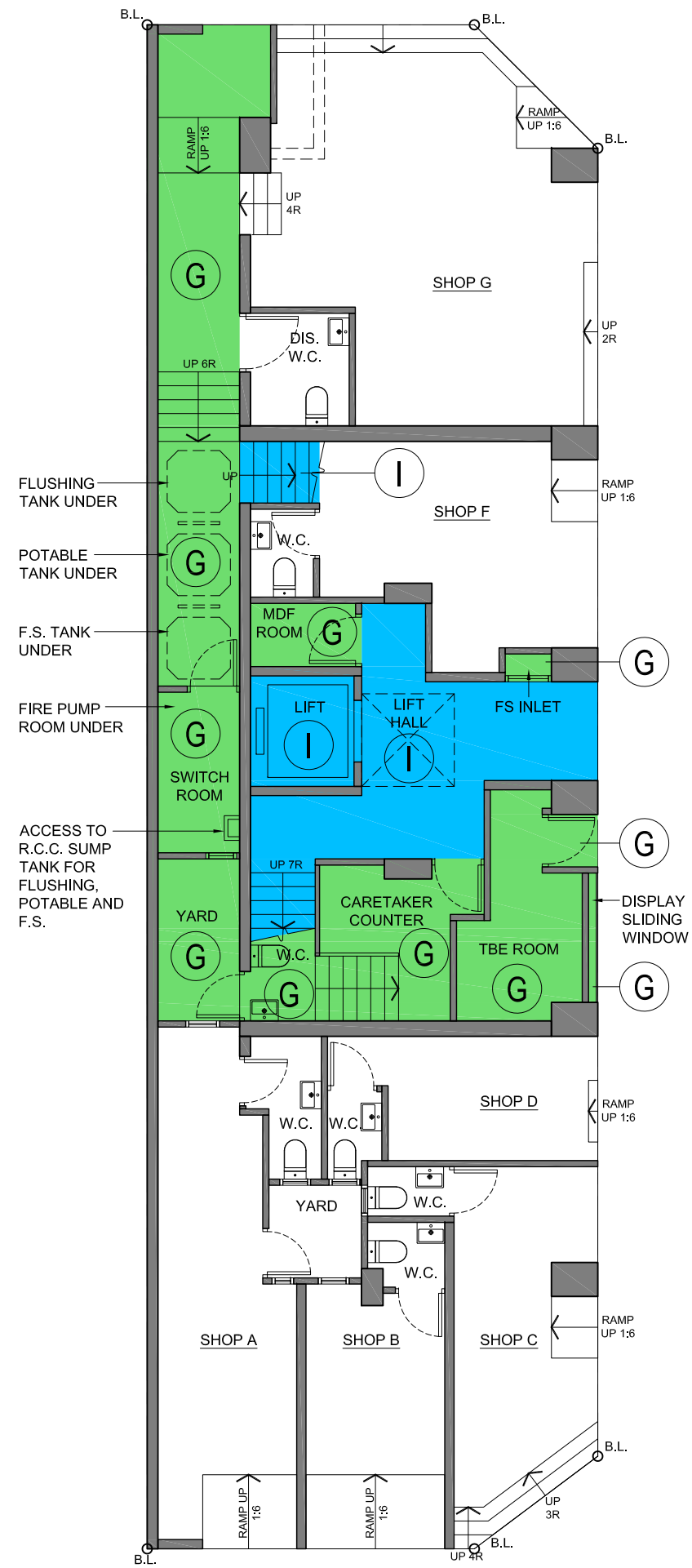
OF

SECTION A OF INLAND LOT NO.699 and
THE REMAINING PORTION OF INLAND LOT NO.699

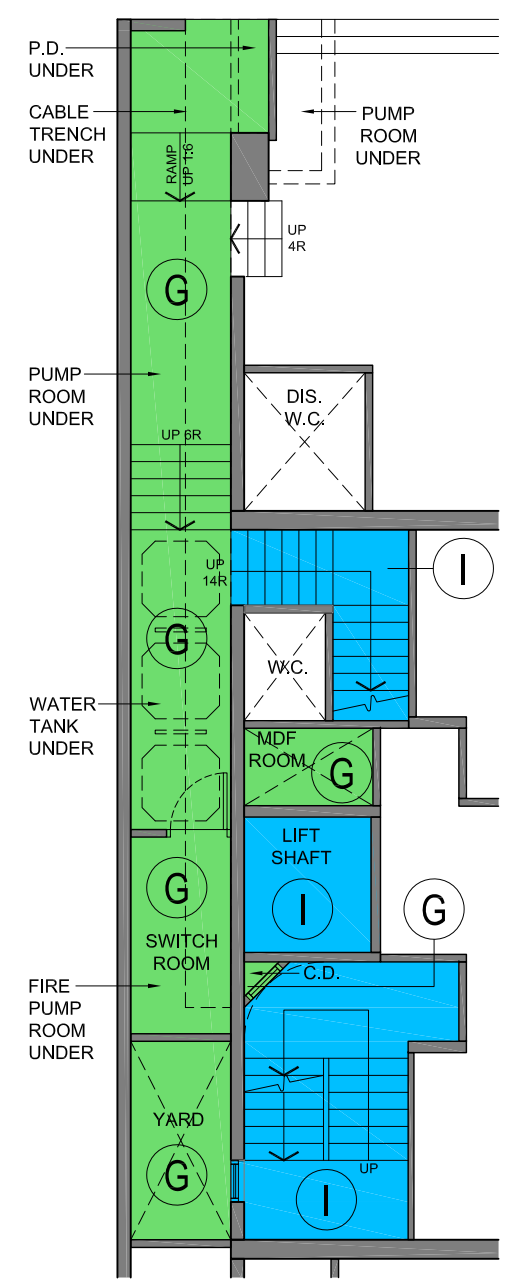
WOO KWAN LEE & LO
SOLICITORS &C.
25TH FLOOR, JARDINE HOUSE
1 CONNAUGHT PLACE
CENTRAL, HONG KONG SAR

draft DMC

DC/OL



GROUND FLOOR PLAN



PARTIAL PLAN OF UPPER PART GROUND FLOOR

- LEGEND**
- G GREEN
- DEVELOPMENT COMMON AREAS AND FACILITIES
 - I INDIGO
- RESIDENTIAL COMMON AREAS AND FACILITIES

- ABBREVIATIONS 簡稱**
- FS INLET = FIRE SERVICE INLET
 - F.S. = FIRE SERVICE
 - W.C. = WATER CLOSET
 - DIS. W.C. = DISABLED WATER CLOSET
 - C.D. = CABLE DUCT
 - P.D. = PIPE DUCT
 - R.C.C. = REINFORCED CEMENT CONCRETE
 - MDF ROOM = MAIN DISTRIBUTION FRAME

I HEREBY CERTIFY THE ACCURACY OF THIS PLAN.

Handi Architects Limited
UNIT 2010, 20/F, TOWER 1, GRAND CENTURY PLACE,
 193 PRINCE EDWARD ROAD WEST, KOWLOON
T: 2547 1267
 F: 2875 1467

NO. 222 HOLLYWOOD ROAD
 SECTION A OF INLAND LOT NO. 699 AND
 REMAINING PORTION OF INLAND LOT NO. 699

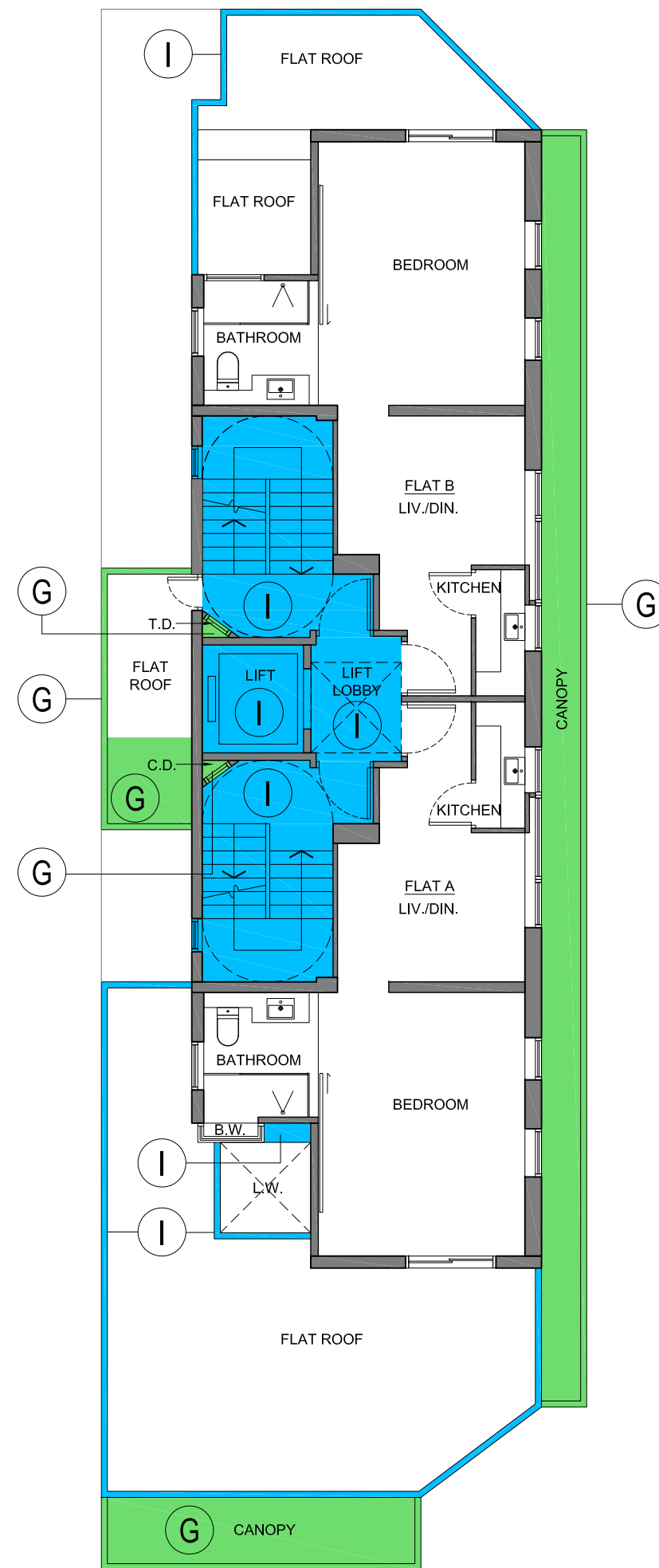
DMC PLAN - GROUND FLOOR PLAN &
 PARTIAL PLAN OF UPPER PART GROUND
 FLOOR
 (FOR IDENTIFICATION PURPOSE ONLY)

DRAWING NO.: 2016/DMC_00
 SCALE: 1:100 (A3)
 REVISION NO.:
 REVISION DATE:



NG CHI HO
 AUTHORIZED PERSON (ARCHITECT)

DRAFT
 27.7.2021



- LEGEND**
- G GREEN
- DEVELOPMENT COMMON AREAS AND FACILITIES
 - I INDIGO
- RESIDENTIAL COMMON AREAS AND FACILITIES

ABBREVIATIONS 簡稱

C.D. = CABLE DUCT
 T.D. = TELEPHONE DUCT
 LIV./DIN. = LIVING / DINING ROOM
 B.W. = BAY WINDOW
 L.W. = LIGHT WELL
 A/C PLATFORM = AIR-CONDITIONING PLATFORM

I HEREBY CERTIFY THE ACCURACY OF THIS PLAN.

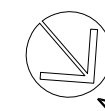
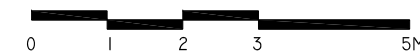
Handi Architects Limited
 UNIT 2010, 20/F, TOWER 1, GRAND CENTURY PLACE,
 193 PRINCE EDWARD ROAD WEST, KOWLOON

T: 2547 1267
 F: 2875 1467

NO. 222 HOLLYWOOD ROAD
 SECTION A OF INLAND LOT NO. 699 AND
 REMAINING PORTION OF INLAND LOT NO. 699

DMC PLAN - 1ST FLOOR PLAN
 (FOR IDENTIFICATION PURPOSE ONLY)

DRAWING NO.: 2016/DMC_01
 SCALE: 1:100 (A3)
 REVISION NO.:
 REVISION DATE:

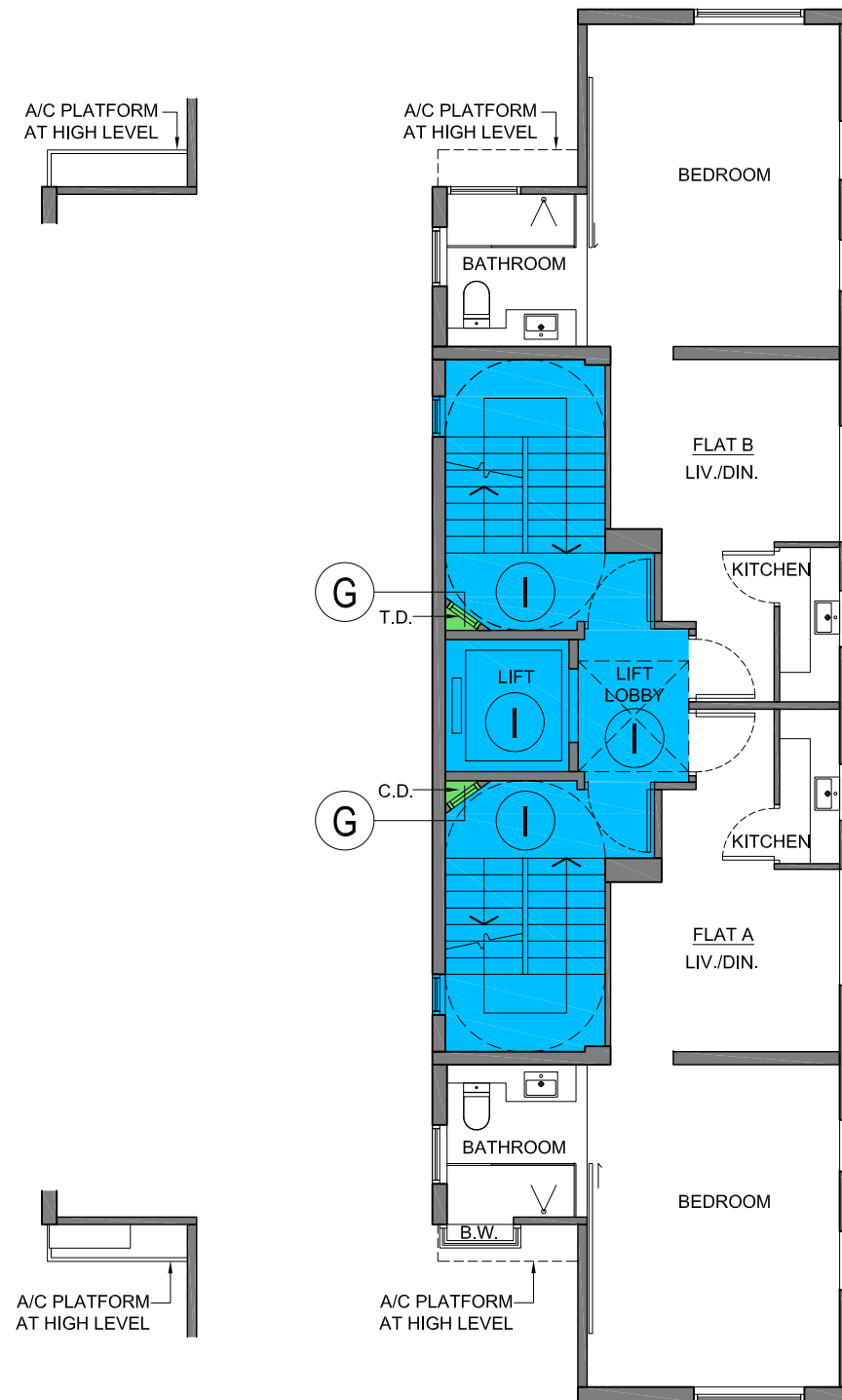


NG CHI HO
 AUTHORIZED PERSON (ARCHITECT)

DRAFT
 27.7.2021

LEGEND

- G GREEN
- DEVELOPMENT COMMON AREAS AND FACILITIES
- I INDIGO
- RESIDENTIAL COMMON AREAS AND FACILITIES



ABBREVIATIONS 簡稱

- C.D. = CABLE DUCT
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Handi Architects Limited

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F: 2875 1467

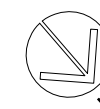
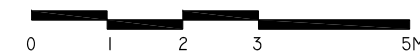
NO. 222 HOLLYWOOD ROAD
SECTION A OF INLAND LOT NO. 699 AND
REMAINING PORTION OF INLAND LOT NO. 699

DMC PLAN - 2ND TO 27TH FLOOR PLAN
(FLOOR NOS. 4/F, 14/F & 24/F TO BE OMITTED)

(FOR IDENTIFICATION PURPOSE ONLY)

DRAWING NO.: 2016/DMC_02
SCALE: 1:100 (A3)

REVISION NO.:
REVISION DATE:



I HEREBY CERTIFY THE ACCURACY OF THIS PLAN.

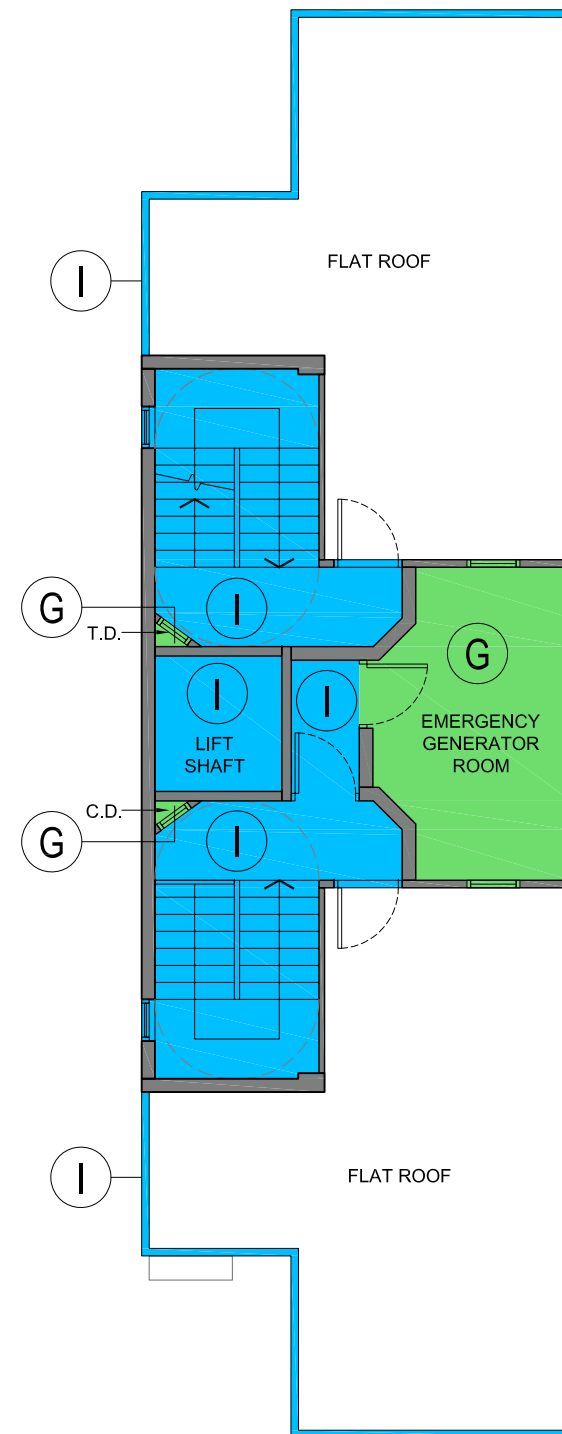
NG CHI HO
AUTHORIZED PERSON (ARCHITECT)

DRAFT

27.7.2021

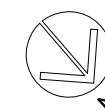
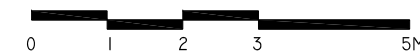
LEGEND

- G GREEN
- DEVELOPMENT COMMON AREAS AND FACILITIES
- I INDIGO
- RESIDENTIAL COMMON AREAS AND FACILITIES



ABBREVIATIONS 簡稱

- C.D. = CABLE DUCT
- T.D. = TELEPHONE DUCT



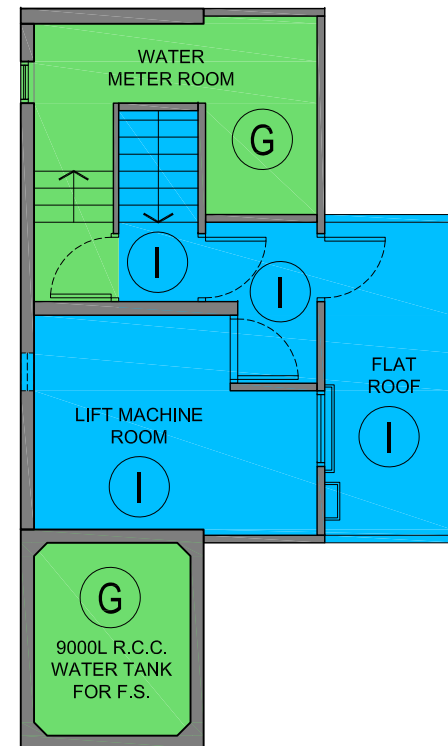
I HEREBY CERTIFY THE ACCURACY OF THIS PLAN.

NG CHI HO
 AUTHORIZED PERSON (ARCHITECT)

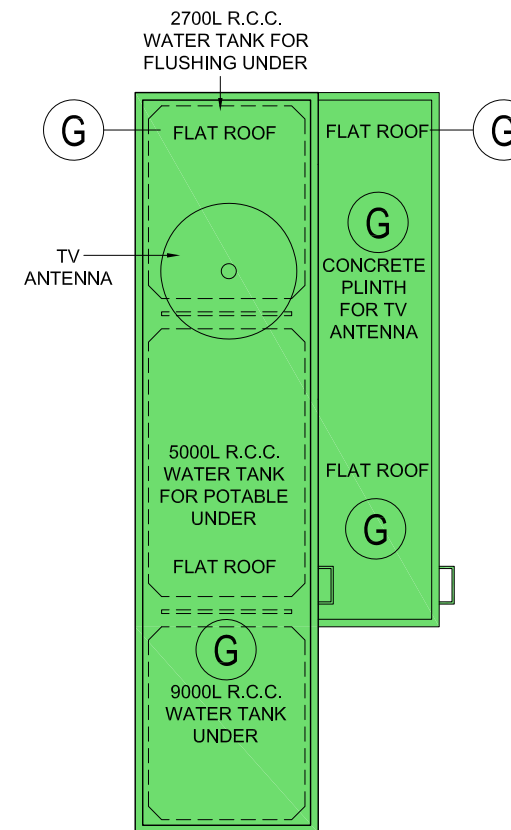
DRAFT
 27.7.2021

LEGEND

- Ⓜ GREEN
- DEVELOPMENT COMMON AREAS AND FACILITIES
- Ⓜ INDIGO
- RESIDENTIAL COMMON AREAS AND FACILITIES



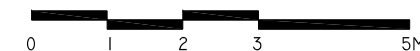
LIFT MACHINE ROOM FLOOR PLAN



UPPER ROOF PLAN

ABBREVIATIONS 簡稱

F.S. = FIRE SERVICE
R.C.C. = REINFORCED CEMENT CONCRETE



I HEREBY CERTIFY THE ACCURACY OF THIS PLAN.

NG CHI HO
AUTHORIZED PERSON (ARCHITECT)

DRAFT
27.7.2021