

THIS DEED made this day of 20

BETWEEN

(1) **TEAMWELL ENTERPRISES LIMITED (添華企業有限公司)** (“the First Land Owner”) and **KAM WAH INVESTMENT COMPANY LIMITED (錦華置業有限公司)** (“the Second Land Owner”) both having their registered office is situate at 23rd Floor, Hip Shing Hong Centre, No.55 Des Voeux Road Central, Hong Kong (hereinafter collectively called “the First Owner” which expression shall where the context so admits include its successors and assigns) of the first part;

(2)

(hereinafter called “the Second Owner” which expression shall where the context so admits includes its successors in title and persons deriving title under or through it or them) of the second part;

(3) **JONES LANG LA SALLE MANAGEMENT SERVICES LIMITED (仲量聯行物業管理有限公司)** whose registered office is situate at 17th Floor, Dorset House, 979 King’s Road, Hong Kong (hereinafter called “the Manager” which expression shall where the context so admits include any person for the time being holding office as Manager under this Deed or the Building Management Ordinance, including, where appropriate, the Owners’ Committee or the Owners’ Corporation) of the third part

WHEREAS :-

A. Immediately prior to the assignment to the Second Owner, the First Land Owner was the registered owner of the First Land and the Second Land Owner was the registered owner of the Second Land and are in possession of the Land subject to and with the benefit of the Government Grant.

B. The First Owner has developed or is in the course of developing the Land in accordance with the Approved Plans and has constructed or is in the course of constructing thereon the Estate.

C. For the purposes of sale and defining individual ownership, the Land and the Estate have been notionally divided into 3,760 equal undivided parts or shares, the allocation of which is set out in the First Schedule hereto.

D. By an assignment bearing even date herewith and made between the First Owner of the first part and the Second Owner of the second part the First Owner assigns unto the Second Owner All Those equal undivided 3,760 parts or shares of and in the Land and the Estate together with the exclusive right to hold use occupy and enjoy ALL THAT on Floor of the Estate ("the said Property") subject to the Government Grant and this Deed.

E. The parties hereto have agreed to enter into this Deed for the purpose of making provisions for the management, maintenance, repair, renovation, improvement, insurance and servicing of the Land and the Estate, and their equipment, services and apparatus and for the purpose of defining and regulating the respective rights, interests and obligations of the Owners in respect of the Land and the Estate.

NOW THIS DEED WITNESSETH as follows :-

SECTION I

1. DEFINITION AND INTERPRETATION

1.1 In this Deed the following words and expressions shall have the following meanings ascribed to them whenever the context so permits :-

“Access to Government Land”	Such portion of the Ground Floor of the Development as is shown on the DMC Plan hereto annexed (insofar as such areas and spaces are identifiable on such plans) certified as to their accuracy by or for and on behalf of the Authorized Person and thereon coloured Yellow Hatched Black through which the Government, the Director of Lands its or their officers contractors and workmen with or without tools equipment machinery, will be permitted to pass and repass for the purpose of upkeeping and maintaining the Government land now known as Tai Wong Lane.
“Authorized Person”	Mr.Tsui Tack Kong of T.K. Tsui & Associates Limited or any other authorized person or persons as defined in Section 2(1) of the Buildings Ordinance appointed by the First Owner in his place.
“Approved Plans”	The general building plans prepared by the Authorized Person for the development of the Land and approved by the Building Authority under BD Ref. No.BD2/3040/09 as the same may be amended from time to time with the approval of the Director of Buildings.
“Bank Account”	Any interest-bearing account with a licensed bank within the meaning of Section 2 of the Banking Ordinance in the name of the Manager as trustee for the Owners, and if an Owners’ Corporation is formed, in the name of the Manager as trustee for the Owners’ Corporation.
“Building Management Ordinance”	The Building Management Ordinance Cap.344 of the Laws of the Hong Kong Special Administrative Region and any statutory amendments, modifications or re-amendments

thereof for the time being in force.

“Club”	The Club includes gymnasium and fitness center, covered playground and all ancillary equipment, facilities and structures installed, provided or erected for the use and enjoyment of the residents for the time being of the Estate as well as their bona fide visitors.
“Club House Rules”	The rules governing the use, operation and maintenance of the Club from time to time in force as provided by this Deed.
“Common Parts Undivided Shares”	Those Undivided Shares allocated or to be allocated to the General Common Areas.
“Conveyancing and Property Ordinance”	The Conveyancing and Property Ordinance Cap.219 of the Laws of the Hong Kong Special Administrative Region and any statutory amendments, modifications or re-enactments thereof for the time being in force.
“Commercial Accommodation”	Such portions of the Estate and portions of the external walls thereof on the Ground Floor designated for non-domestic use in accordance with the Approved Plans and as shown for identification purposes only on the DMC Plans hereto attached and thereon coloured Orange, the accuracy of such Plans has been certified by or on behalf of the Authorised Person
“Current Account”	Any current account with a licensed bank within the meaning of Section 2 of the Banking Ordinance in the name of the Manager as trustee for the Owners, and if an Owners’ Corporation is formed, in the name of the Manager as trustee for the Owners’ Corporation.
“This Deed”	This Deed of Mutual Covenant Incorporating Management Agreement and includes any Sub-Deed of Mutual Covenant and/or Supplemental Deed of Mutual Covenant made pursuant to the provisions hereunder.

“Estate”

The whole of the development comprising a Residential Tower and the Commercial Accommodation constructed on the Land and intended to be known as “Le Riviera” (“遠晴”) including all structures, facilities and services whatsoever installed or provided in, under, on or over the Land for the use of the Estate or any part or parts thereof including without limiting the generality of the foregoing the General Common Areas, the General Common Facilities.

“Estate Common Areas”

Such of the external walls of the Estate (other than the external walls of the Residential Tower and the external walls of the Commercial Accommodation), caretaker room, refuse chamber, fire services control room, transformer room, switch room, flushing and potable pump room, water tanks, switch room, telecommunication & broadcasting equipment room, fire service sprinkler pump room, portable water pump room, emergency generator room, electrical ducts, pipe ducts and telephone ducts Slopes and Retaining Walls (if any) within the Land, other areas and spaces containing the Estate Common Facilities and other areas and spaces in any part or parts of the Estate which are for the common use and benefit of all the Owners of the Estate, and for the purpose of identification only, the Estate Common Areas are shown on the DMC Plans hereto annexed (insofar as such areas and spaces are identifiable on such plans) certified as to their accuracy by or for and on behalf of the Authorized Person and thereon coloured Green EXCLUDING those areas being part of the Residential Common Areas and such areas within the Estate in respect of which the exclusive right and privilege to hold, use, occupy and enjoy the same belongs to any particular Owner PROVIDED THAT, where any part of the Estate falls under the definition of “common parts” set out in section 2 of the Building Management Ordinance and which are for the common use and benefit of all the Owners of the Estate, such parts shall be deemed to have been included as, and shall form part of, the Estate Common Areas.

“Estate Common Facilities”

All equipment, facilities and systems for the use, benefit or service of the Estate Common Areas only but no owner of any Unit has the exclusive right to use or enjoy the same and without limiting the generality of the foregoing, include :-

- (a) Such of the sewers, drains, water courses, pipes, gutters, wires and cables and other service facilities whether ducted or otherwise which are or at any time may be in, under or over or passing through the Estate through which water, sewage, gas, electricity and any other services are supplied to the Estate or any part or parts thereof;
- (b) Security system, mechanical ventilation / air-conditioning (if any), fire prevention and fire fighting system installation and equipment;
- (c) Lamp posts and lighting within the Estate; and
- (d) Other facilities and systems other than those being part of the Residential Common Facilities for the use and benefit of all the Owners of the Estate and not for the use and benefit of any particular Owner.

“Estate Rules”

The rules governing the Estate as a whole and the Estate Common Areas and the Estate Common Facilities from time to time in force made as provided by this Deed.

“Flat”

A flat in the Residential Tower to which Undivided Shares have been allocated.

"Fire Safety Management Plan"

The fire safety management plan and measures relating to the Estate required to be implemented by the Buildings Department, the Fire Services Department and any other relevant government authority and set out in the Third Schedule hereto and any addition or variation thereto from time to time in accordance with the then relevant requirements of the Buildings Department, the Fire Services

	Department or any other relevant government authority.
"Fire Service Installations for Open Kitchen"	The smoke detectors provided within the Flats with Open Kitchen and at the lobby outside such Flats, ancillary alarm system and sprinkler heads and system provided within the Flats with Open Kitchen.
"First Land"	All Those pieces or parcels of ground registered in the Land Registry as The Remaining Portion of Section A of Shaukiwan Inland Lot No.54, The Remaining Portion of Sowkewan Lot No.54, Sub-section 2 of Section A of Sowkewan Lot No.150, Sub-section 3 of Section A of Sowkewan Lot No.150, Section C of Sowkewan Lot No.150, Section D of Sowkewan Lot No.150, Section B of Sowkewan Lot No.151, 5 equal undivided 7th parts or shares of and in Section C of Sowkewan Lot No.151, 5 equal undivided 7th parts or shares of and in Section B of Sowkewan Lot No.152 and The Remaining Portion of Section C of Sowkewan Inland Lot No.152.
"General Common Areas"	The Estate Common Areas and Residential Common Areas.
"General Common Facilities"	The Estate Common Facilities and Residential Common Facilities .
"General Fund"	The fund established and maintained by the Manager under Clause 6.2.6 hereof including interest and charges to defray the cost of the exercise of the Manager's powers and the performance of its duties under this Deed and the Building Management Ordinance and to pay the Management Expenses.
"Government"	The Government of the Hong Kong Special Administrative Region.
"Government Grant"	<p>means The Government Grant under which the Land is held from the Government which shall include:-</p> <p>(i) The Government Grant dated 19th January 1892 in respect of Sowkewan Inland Lot No.54 made between Late Queen Victoria and Tsang Chun Fat;</p>

(ii) The Government Grant dated 19th January 1892 in respect of Sowkewan Lot No.150 made between Late Queen Victoria and Tsang Syn (Sow or Sau) Fat;

(iii) The Government Grant dated 19th January 1892 in respect of Sowkewan Lot No.151 made between Late Queen Victoria and Wong Wa Yan;

(iv) The Government Grant dated 19th January 1892 in respect of Sowkewan Lot No.152 made between Late Queen Victoria and Cheung Yan;

and shall include any subsequent extensions or variations or modifications thereto or renewals thereof.

“Land”

All Those pieces or parcels of ground registered in the Land Registry as The Remaining Portion of Section A of Shaukiwan Inland Lot No.54, The Remaining Portion of Sowkewan Lot No.54, Sub-section 2 of Section A of Sowkewan Lot No.150, Sub-section 3 of Section A of Sowkewan Lot No.150, The Remaining Portion of Section A of Sowkewan Lot No.150, Section C of Sowkewan Lot No.150, Section D of Sowkewan Lot No.150, The Remaining Portion of Sowkewan Lot No.150, Section B of Sowkewan Lot No.151, Section C of Sowkewan Lot No.151, The Remaining Portion of Sowkewan Lot No.151, Section B of Sowkewan Lot No.152, The Remaining Portion of Section C of Sowkewan Inland Lot No.152 and The Remaining Portion of Sowkewan Lot No.152 .

“Mail Delivery Room”

The mail delivery room with mail boxes forming part of the Residential Common Areas, which are indicated on the DMC Plans hereto annexed hereto certified as to their accuracy by or for and on behalf of the Authorized Person.

“Maintain or maintain”

Includes but not limited to inspecting, testing, repairing, upholding, supporting, rebuilding, overhauling, paving, purging, scouring, cleansing, emptying, amending, keeping, replacing, renovating, improving, decorating and painting or

such of the foregoing as may be applicable in the circumstances and in the interest of good estate management subject to and in accordance with the provisions of this Deed and the Building Management Ordinance and “maintenance” shall be construed accordingly.

"Maintenance Manual for Slopes Retaining Walls	The slope maintenance manual (if any) in respect of the and Slopes and Retaining Walls prepared in accordance with “Geoguide 5 - Guide to Slope Maintenance” issued by the Geotechnical Engineering Office (as amended or substituted from time to time).
“Maintenance Manual for Works and Installations”	The maintenance manual in respect of the Works and Installations as referred to in Clause 9.1.1 hereof.
“Management” or “management”	All duties and obligations to be performed and observed by the Manager pursuant to this Deed.
“Management Expenses”	The costs, charges and expenses necessarily and reasonably for the management and maintenance of the Land and the Estate as more particularly provided in Clause 6.4.1 hereof.
“Management Fee”	The monthly sum payable by an Owner under Clause 6.4.3 (a) hereof for his share of the budgeted Management Expenses.
“Management Shares”	The respective shares set out in the Second Schedule hereto based on which the contribution of each Owner towards the management of the Land and the Estate under this Deed including the budgeted Management Expenses and the Manager’s Remuneration is calculated.
“Manager”	Jones Lang La Salle Management Services Limited until it resigns or its appointment is terminated and thereafter the manager for the time being appointed at the meeting of the Owners in accordance with the provisions hereof.
“Manager’s Remuneration”	The remuneration of the Manager as provided in Clause 6.3.1 hereof or in any Sub-Deed of Mutual Covenant or

Supplemental Deed of Mutual Covenant made pursuant to the provisions hereunder.

"Month"

A calendar month.

"Non-enclosed Areas"

The balcony or balconies and the utility platform(s) forming part of a Flat in the Residential Tower. The locations of such balconies and utility platforms are marked "BAL." and "U.P." on the DMC Plans hereto attached and thereon coloured Grey, the accuracy of such Plans has been certified by or on behalf of the Authorized Person.

"Occupation Permit"

An occupation permit or temporary occupation permit of the Estate or any part thereof issued by the Building Authority.

"Occupier"

An occupant or occupier of a Unit for the time being.

"Open Kitchen"

The open kitchen (if any) provided within certain Flat(s) and such open kitchen is for the purpose of identification only shown and demarcated by a dotted line on the DMC Plans hereto annexed.

"Owner" or "Owners"

The person or persons who for the time being is the owner of any Undivided Share and registered as such under the Land Registration Ordinance Cap. 128 of the Laws of the Hong Kong Special Administrative Region and his executors, administrators, successors and assigns and every joint tenant or tenants in common of any such Undivided Share and where any such Undivided Share has been assigned or charged by way of mortgage or charge, the word "Owner" shall include both mortgagor and mortgagee or, as the case may be, chargor and chargee but in respect of the mortgagee or chargee only if such mortgagee or chargee is in possession or has foreclosed PROVIDED however that subject to the provisions of such mortgage or charge the voting rights attached to such Undivided Share by the provisions of this Deed shall be exercisable by the mortgagor or chargor unless the mortgagee or chargee is in possession or has foreclosed.

“Owners’ Committee”	A committee of the Owners of the Estate established under the provisions of this Deed.
“Owners’ Corporation”	The corporation of the Owners incorporated under the Building Management Ordinance.
“Recreational Areas and Facilities”	The recreational areas and facilities in the Estate including (but not limited to) the Club and other areas and facilities intended for use by the residents of the Estate as well as their bona fide visitors for recreational purposes and all ancillary equipment, facilities and structures serving such areas.
“Residential Tower”	The residential tower erected on the Land intended for private residential use.
“Residential Common Areas”	Such of the external walls of the Residential Tower (including but not limited to the curtain walls, architectural features, parapet walls (other than those between units), roofs and/or top roof (unless otherwise specifically included in the Unit assigned) and flat roofs (unless otherwise specifically included in the Unit assigned), cable ducts, drainage pipe ducts, Wider Common Corridors, the Recreational Areas and Facilities, mail delivery room, , lift machine room, lift lobbies, halls and lift shafts open areas, Private Lane, entrance lobby, areas for the installation or use of aerial broadcast distribution or telecommunications network facilities, passageways, staircases, corridors, planters, external walls (except such portions of the external curtain wall forming the openable window of a Flat) of the Residential Tower, such areas and spaces containing the Residential Common Facilities and other areas and spaces in any part or parts of the Estate which are for the common use and benefit of all the Owners of the Residential Tower, and for the purpose of identification only the Residential Common Areas are shown on the DMC Plans hereto annexed (insofar as such areas and spaces are identifiable on such

plans) certified as to their accuracy by or for and on behalf of the Authorized Person and thereon coloured Yellow Cross Hatched Black and Yellow Hatched Black EXCLUDING those areas being part of the Estate Common Areas and such areas within the Estate in respect of which the exclusive right and privilege to hold, use, occupy and enjoy the same belongs to any particular Owner PROVIDED THAT, where any part of the Estate falls under the definition of "common parts" set out in section 2 of the Building Management Ordinance and which are for the common use and benefit of all the Owners of the Residential Tower, such parts shall be deemed to have been included as, and shall form part of, the Residential Common Areas. For the avoidance of doubt, the openable windows do not form parts of the curtain walls.

"Residential Common Facilities" All those facilities, equipment, machines, apparatus and installations in, under or above the Land and the Estate for the general benefit and service of the Residential Tower only but no Owner of any Flat has the exclusive right to use or enjoy the same and shall include (but not limited to) Fire Service Installations for Open Kitchen, lifts, mail boxes, lighting, communal television antennae, water tanks, satellite dishes (if any), recreational facilities, security system, fire service installation system and other electrical, mechanical and sanitary installations which are for the common use and benefit of the Owners of the Residential Tower EXCLUDING those being part of the Estate Common Facilities.

"Residential Rules" The rules governing the Residential Tower, the Residential Common Areas and the Residential Common Facilities from time to time in force made as provided by this Deed.

"Rules" The Residential Rules, Commercial Accommodation Rules, Estate Rules and Club House Rules.

"Second Land" All Those pieces or parcels of ground registered in the Land Registry as The Remaining Portion of Section A of Sowkewan Lot No.150, The Remaining Portion of

Sowkewan Lot No.150, 2 equal undivided 7th parts or shares of and in Section C of Sowkewan Lot No.151, The Remaining Portion of Sowkewan Lot No.151, 2 equal undivided 7th parts or shares of and in Section B of Sowkewan Lot No.152 and The Remaining Portion of Sowkewan Lot No.152.

“Special Fund”

The fund established and maintained by the Manager pursuant to Clause 6.2.7 hereof to meet expenditure of a kind not expected to be incurred annually, including (but not limited to) expenses for renovation, improvement and repair of the General Common Areas and General Common Facilities, the purchase, setting up, replacement, improvement and addition of installations, systems, equipment, tools, plants and machineries for the General Common Areas and the costs of the relevant investigation works and professional services.

“Sub-Deed of Mutual Covenant”

A sub-deed of mutual covenant which may be entered into by the First Owner and other parties in respect of any part or parts of the Land and the Estate after the execution of this Deed.

“Slopes and Retaining Walls”

Such slopes, slopes treatment works, retaining walls and other structures and drainage within or outside the Land and the Estate the maintenance of which is the liability of the Owners under the provisions of the Government Grant or this Deed and which Slopes and Retaining Walls existing at the date of this Deed.

“Undertaking Letter”

The Undertaking Letter dated 3rd December 2013 registered in the Land Registry by Memorial No.14042800510041 executed by the First Owner in connection with the Access to Government Land and the Government land now known as Tai Wong Lane.

“Undivided Shares”

All or any of the 3,760 equal undivided parts or shares into which the Land and the Estate are notionally divided.

“Unit”	A Flat or the Commercial Accommodation to which Undivided Shares have been allocated; and “his Unit” in relation to an Owner means the Unit or Units in respect of which the Owner has the full and exclusive right and privilege to hold, use, occupy and enjoy.
“Wider Common Corridors”	The wider common corridors and lift lobbies forming part of the Residential Common Areas, which are shown coloured Yellow Cross Hatched Black on the plans certified by Authorized Person and annexed hereto
“Works and Installations”	The major works and installations provided in the Land and the Estate as referred to in Clause 9.1.1 hereof.

1.2 In this Deed where the context so permits, references to the singular shall include the plural and vice versa and references importing any of the masculine feminine and neuter genders shall include the others of them and references to persons shall include corporations.

The headings in this Deed are included merely for ease of reference and shall not affect the interpretation or construction of any clause or paragraph.

SECTION II

RIGHTS AND OBLIGATIONS OF THE OWNERS

2.1 The First 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 Second Owner All That the Estate Together with the appurtenances thereto and the entire rents and profits thereof save and except only the said Property assigned to the Second Owner as aforesaid Together with the appurtenances thereto and the entire rents and profits thereof and save and except the General Common Areas and the General Common Facilities.

2.2 The Second 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 First Owner All That the said Property Together with the appurtenances thereto and the entire rents and profits thereof.

2.3 Each equal Undivided Share in the Land and the Estate and the full and exclusive right and privilege to hold, use, occupy and enjoy any part of the Estate shall be held by the person or persons from time to time entitled thereto subject to and with the benefit of the easements, rights, rights of way, privileges and obligations herein contained.

2.4 The Owner or Owners shall at all times hereafter be bound by and shall observe and perform the covenants, provisions and restrictions contained in this Deed and the benefit and burden thereof shall be annexed to every part of the Land and the Estate and the Undivided Share or Shares held therewith. The Conveyancing and Property Ordinance shall apply to this Deed.

2.5 Subject to the Government Grant and this Deed, every Owner shall have the full right and liberty without reference to the other Owners or other persons who may be interested in any other equal 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, charge, lease, licence or otherwise dispose of or deal with his Undivided Share or Shares or interest in the Land and the Estate together with the full and exclusive right and privilege to hold, use, occupy and enjoy such part or parts of the Estate which may be held therewith but any such sale, assignment, mortgage, legal charge, lease or licence shall be expressly subject to and with the benefit of this Deed.

2.6 The right to the exclusive use occupation and enjoyment of any part of the Land or the Estate shall not be sold, assigned, mortgaged, charged, leased or otherwise dealt with separately from the Undivided Share with which the same is held Provided Always that the provisions of this clause shall not extend to any lease or tenancy.

2.7 (a) The Estate Common Areas and the Estate Common Facilities shall be deemed to be common areas and facilities for the benefit of all the Owners which areas and facilities may, subject to the provisions hereof and of any Sub-Deed of Mutual Covenant, be used by each Owner.

(b) The Residential Common Areas and the Residential Common Facilities shall be deemed to be common areas and facilities for the benefit of all the Owners of Flats which areas and facilities may, subject to the provisions hereof and of any Sub-Deed of Mutual Covenant, be used by all the Owners of Flats for all purposes connected with the proper use and enjoyment of the same.

2.8 There is reserved and granted unto the First Owner (which expression shall for the purpose of this Clause 2.8(e), (i), (j) and (k) includes its successors and assigns of the Commercial Accommodation) for so long as the First Owner remains the Owner of any Undivided Shares the following rights and privileges :-

(a) Full power to enter into and upon all parts of the Land and the Estate (other than any part of the Estate that have already been assigned) with contractors, surveyors, workmen and all other necessary authorized persons and all necessary equipment, plant and materials for the purposes of completing the construction of the Estate on the Land or any part thereof in accordance with the Approved Plans and may for such purpose 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 First Owner from obtaining any Government approval which may be required for the same. The right of the First Owner to enter the Land to carry out such works shall extend equally to all necessary contractors, agents, workers and other persons authorized by the First Owner. The First Owner in pursuance of such 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, their servants, agents or licensees may or may not use while such works are being carried out. The First Owner shall not incur any liability to any Owner consequent upon any inconvenience, disturbance, damage or loss that may be caused by or arise from such construction works PROVIDED THAT the First Owner shall proceed with such construction works with due expedition and reasonable care and the First Owner shall

at its own expense make good forthwith any damages AND Provided further that the exercise of such right shall not interfere with an Owner's right to hold, use, occupy and enjoy the part or parts of the Estate which he owns or impede or restrict the access to and from any such part or parts of the Estate.

- (b) Subject to the prior written approval of the Owners' Committee or the Owners' Corporation, the right to change the name of the Estate or any part thereof upon giving not less than three (3) months' prior written notice to the Owners affected by such change and subject to such notice being given to the Owners, the First Owner shall not be liable to any Owner for any damages, claims, costs or expenses resulting from or in connection with the exercise of the right under this clause.
- (c) The right to change, amend, vary, add to or alter the Approved Plans for the Estate or any part or parts thereof existing at the date hereof without the concurrence or approval of the Owners or any of the parties hereto PROVIDED THAT (i) such change, amendment, variation, addition or alteration will not affect or interfere with the Owners' right to the exclusive use, occupation and enjoyment of their Units; (ii) an Owner's right to hold, use, occupy and enjoy the part of the Estate and access to and from any part of the Estate shall not be interfered with or affected; and (iii) the exercise of the right by the First Owner shall not impede or restrict access to or from any Units that have been assigned, but nothing herein shall absolve the First Owner from the requirements of obtaining the prior written consent of the Director of Buildings or other relevant Government authorities PROVIDED FURTHER THAT any change, amendment, variation, addition or alteration of the Approved Plans in respect of the General Common Areas and/or General Common Facilities or any part thereof shall be subject to the prior approval of the Owners' Committee or the Owners' Corporation (if formed).
- (d) The right to apply, negotiate and agree with the Government to amend, vary or modify the Government Grant (including the plan(s) annexed thereto) or any provisions thereof in such manner as the First Owner may deem fit and on such terms and conditions as may be agreed between the Government and the First Owner at their absolute discretion without the concurrence or approval of any Owner and to sign or execute any documents in connection therewith in the name of the First Owner only without the necessity of joining in other Owners including but not limited to any variations or modifications to remove the restriction in the Government Grant against the trade or business of a "sugar-baker, oilman, butcher, victualler and tavern-keeper" (hereinafter referred to as "**offensive trades**") or any of them or to enter into a licence

with the Government to permit the offensive trades or any of them notwithstanding the aforesaid restriction) or any variations and modifications of the permitted use of any part or parts of the Estate vested in him without interfering with the use, enjoyment and occupation by the other Owners of those Units which they own Provided That any premium and administrative fee as may be required for the said amendment, variation or modifications shall be borne by the First Owner unless such amendment, variation and modification of the Government Grant is required by the Government or for the benefit of all the Owners of the Estate and Provided Further That the exercise of the right shall not in any way whatsoever interfere with an Owner's right to hold, use, occupy and enjoy his Unit or the General Common Areas and that the access to or from his Unit shall not be affected.

- (e) At any time hereafter to enter into a Sub-Deed of Mutual Covenant in respect of any part or parts of the Land and the Estate Provided Always that such Sub-Deed of Mutual Covenant shall not be in conflict with the provisions of this Deed or any previous Sub-Deed of Mutual Covenant nor affect the right, interests or obligations of the other Owners bound by this Deed or by any other previous Sub-Deed of Mutual Covenant.
- (f) At all times hereafter but subject to and with the benefit of the Government Grant and this Deed insofar as they relate thereto, the full and unrestricted right without interference by the Owners to assign, mortgage, charge, lease, license, franchise, part with possession of or otherwise deal with the Undivided Shares retained by the First Owner (other than the Undivided Shares in respect of the General Common Areas) (if necessary) to re-allocate the Undivided Shares so retained by the First Owner to any of the Units within the Estate retained by the First Owner PROVIDED THAT the total number of Undivided Shares for each such part remains unchanged, and to assign, mortgage, charge, lease, license or franchise the full and exclusive right and privilege to hold, use, occupy and enjoy any such units within the Estate retained by the First Owner PROVIDED THAT such dealings shall not contravene the terms and conditions of the Government Grant and this Deed AND PROVIDED THAT such re-allocation of Undivided Shares shall not affect the Undivided Shares of other Units held by the other Owners and shall not increase the proportion of the other Owners' contribution to the Management Expenses and shall be on the same basis as that for the other Units.
- (g) Subject to the Government Grant, the right for the First Owner or any of the Owners (in this context, other than the First Owner) or Occupiers or other persons permitted

or authorised by the First Owner to affix, remove, maintain, alter and renew at his own expense (a) chimneys, (b) signs, placards, posters and other advertising structures of whatsoever kind (whether illuminated or not) and (c) masts, conduits, plant, machinery, equipment, aerials, telecommunication transmitters and receivers, satellite dishes, satellite master antenna systems, tuners, broadcast reception, information distribution or communications systems and other fixtures (collectively "the aforesaid items") in or on the General Common Areas and in or on the parts of the Land and the Estate owned by the First Owner subject to the aforesaid items not interfering with the other Owners' use and enjoyment of their Units PROVIDED THAT (i) such Owners or Occupiers shall be responsible for repairing all damages made to any part of the Estate resulting from affixing, removing, maintaining, altering and renewing the aforesaid items; (ii) prior written consent of the Manager should have been obtained prior to the commencement of such work; (iii) any fee or monetary benefit arising from the exercise of the aforesaid right in relation to the General Common Areas and General Common Facilities shall be credited to the Special Fund; (iv) the First Owner or other Owners or Occupiers or other persons authorized or permitted by the First Owner shall at his own expense make good any damage caused thereby arising from the exercise of this right; (v) the affixing, removal, maintenance, alteration and renewal of the aforesaid items shall not affect the enjoyment by the other Owners and Occupiers of their Units and the Estate; and (vi) prior written approval by a resolution of Owners passed at an Owners' meeting convened under this Deed has been obtained if the aforesaid right is exercised in relation to the General Common Areas or any part thereof.

- (h) The right, subject to the approval by a resolution of Owners at an Owners' meeting convened under this Deed, to designate and declare his Unit or any part thereof by Sub-Deed of Mutual Covenant to be Estate Common Areas and Estate Common Facilities whereupon with effect from such designation and declaration such part of his Unit shall form part of the Estate Common Areas and the Estate Common Facilities as provided in this Deed and Owners of the Land and the Estate shall be responsible for payment of all government rent, rates, taxes and other fees or charges and shall contribute to the maintenance and upkeep of the same as if they were part of the Estate Common Areas and the Estate Common Facilities, and the Undivided Shares of such Estate Common Areas together with such Estate Common Areas and Estate Common Facilities shall be assigned free of costs or consideration to the Manager or the Owners' Corporation (if formed and if so required by it) on trust for and on behalf of all Owners PROVIDED THAT (aa) in making such designation the First Owner shall not interfere with an Owner's right to hold, use, occupy and enjoy

the part of the Estate which he owns, and (bb) such designation and declaration by Sub-Deed of Mutual Covenant shall have no effect on the Owners of other parts of the Estate not affected by such Sub-Deed of Mutual Covenant. The First Owner shall at its own expense prepare a plan showing such Estate Common Areas and Estate Common Facilities to be kept in the management office of the Estate in the manner and for the purpose more particularly set out in Clause 10.1.2 hereof. Neither any Owner (including the First Owner) nor the Manager shall have the right to redesignate the Estate Common Areas or the Estate Common Facilities to his own use or for his own benefit.

- (i) At any time hereafter and from time to time and subject to the necessary approvals from the relevant Government authorities, to change the user of the Commercial Accommodation (which is owned by the First Owner) or any part or parts thereof Provided That such uses shall comply with the Government Grant and subject to the provisions of this Deed, any Sub-Deed of Mutual Covenant, the Commercial Accommodation Rules and the Estate Rules.
- (j) Subject to the approval of the relevant Government authorities and subject to any Sub-Deed of Mutual Covenant in respect of the Commercial Accommodation, at any time hereafter and from time to time to change, amend, vary, add to or alter the plans of the Commercial Accommodation (which is owned by the First Owner) and to change or alter the location and/or the layout of the Commercial Accommodation (which is owned by the First Owner) without need for the concurrence or approval of any other Owner Provided That the Owners' use, enjoyment and occupation of their own Units shall not be unreasonably interfered with And Provided That access to and from any part or parts of the Estate shall not be unreasonably impeded or restricted and in the event of any such access being impeded or restricted, the First Owner shall at its own costs take all appropriate steps to re-provide an access in such manner so as to minimize the inconvenience and disruption caused to the other Owners And Provided Further That no part of the General Common Areas shall be affected in any way.
- (k) The right to sub-divide any part of the Commercial Accommodation of which the First Owner is the Owner and to allocate to the sub-divided Units the Undivided Shares and Management Shares originally allocated to such part of the Commercial Accommodation under this Deed Provided That such subdivision shall not contravene the Government Grant or any laws or regulations for the time being in force in the Hong Kong Special Administrative Region and be consistent with the basis adopted

for allocation of the Undivided Shares and Management Shares to the Commercial Accommodation.

Notwithstanding anything in the provisions of this Clause 2.8, the exercise of any of the rights and privileges under the provisions of this Clause by the First Owner shall not interfere with an Owner's exclusive right to hold, use, occupy and enjoy his Unit or impede or restrict the access to and from his Unit and the First Owner shall make good all damages caused or arising as a result of the exercise of the said rights and privileges.

2.9 There is reserved and granted unto the First Owner for so long as the First Owner remains the Owner of the whole Commercial Accommodation the right to name and to change the name of the Commercial Accommodation and the First Owner shall not be liable to any Owner for any damages, claims, costs or expenses resulting from or in connection with the exercise of the right under this clause.

2.10 Insofar as may be necessary, the Owners hereby jointly and severally and irrevocably grant unto the First Owner the full right, power and authority to do all acts, deeds, matters and things and to execute and sign seal and as their act and deed deliver such deed or deeds and to sign such documents and instruments as may be necessary for or incidental to the exercise of the First Owner's rights referred to in Clause 2.8 and Clause 2.9 above.

2.11 Subject to the Government Grant, the Owner of the Commercial Accommodation shall have the exclusive and absolute right to erect, remove, maintain, alter, renew, affix or paint on or to the external walls of the Commercial Accommodation any signs, placards, signboards, advertisements and other advertising structures of whatsoever kind (whether illuminated or otherwise) ("Signs") and air-conditioning units subject to the following conditions :-

- (a) all necessary consents and permissions from the relevant Government authorities shall first be obtained before commencement of works for the erection fixing or installation of the Signs and air-conditioning units ('collectively called "Installation Works"') and all relevant laws, regulations and rules in force in Hong Kong shall be complied with.
- (b) The Signs and the Installation Works shall not cause any damage to the Estate or cause the maximum loading weight of the relevant part of the external walls of the Estate to be exceeded or cause any material nuisance or disturbance to the Owners and Occupiers of the Estate or otherwise interfere with the use and enjoyment by the other Owners and Occupiers of their Units.

2.12 Upon execution of this Deed, such of the Common Parts Undivided Shares together with the Estate Common Areas, the Estate Common Facilities, the Residential Common Areas and the Residential Common Facilities to which they relate shall be assigned to and vested in the Manager free of costs or consideration who shall hold such Common Parts Undivided Shares together with the Estate Common Areas, the Estate Common Facilities, the Residential Common Areas and the Residential Common Facilities to which they relate on trust for the benefit of all the Owners for the time being subject to this Deed. If the appointment of the Manager is terminated, or the Manager shall be dismissed, wound up or have a receiving order made against it or is removed and another manager is appointed in its stead as the new Manager in accordance with this Deed, then the liquidator or the receiver or the outgoing Manager shall assign such Common Parts Undivided Shares together with the General Common Areas and the General Common Facilities which they represent to the new Manager free of costs or consideration or that if an Owners' Corporation is formed under the Building Management Ordinance, it may require the Manager to assign the Common Parts Undivided Shares and transfer the management responsibilities to it free of costs or consideration, in which event, the Owners' Corporation must hold them on trust for and on behalf of all Owners for the time being in the manner set out herein.

2.13 Each Owner covenants and undertakes to include a covenant in substantially the following terms in the assignment when assigning his Undivided Shares :

“The Purchaser hereby covenants with the Vendor and the Vendor’s successors, assigns and attorneys (the Vendor and its successors, assigns and attorneys are collectively referred to as the “Relevant Owners” and each is individually referred to as a “Relevant Owner”) to the intent that this covenant shall bind the Property and the owner or owners thereof for the time being and 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 Land (as defined in the Schedule hereto) and the Estate (as defined in the Schedule hereto) and be enforceable by each Relevant Owner that :-

- (a) the Covenanting Purchaser will notify the Manager (as defined in the Deed of Mutual Covenant) in writing of any change of ownership of the Property within one month from the date of the assignment in respect thereof;
- (b) the Covenanting Purchaser hereby acknowledges and confirms the rights conferred unto the Government of the Hong Kong Special Administrative Region (“the Government”) under the Undertaking Letter dated 3rd December 2013 and registered in the Land Registry by Memorial No.14052701360032 (“the

Undertaking Letter”) and under Clause 5.1.42 of the Deed of Mutual Covenant (the “Rights”) and hereby covenants not to do or permit to be done anything which will affect the exercise of the Rights by a person lawfully entitled to exercise them and shall at all times perform observe and comply with all the terms and covenants as contained in the Undertaking Letter and undertakes to permit to give access to and grant and reserve the Rights in favour of the Government, the Director of Lands its or their officers contractors and workmen relating to the Access to Government Land (as defined in the Deed of Mutual Covenant) or any part thereof for the purpose of inspecting upkeeping maintaining and repairing the Government land known as Tai Wong Lane;

- (c) the Covenantee Purchaser shall do such things, execute such deeds and sign such documents as may be reasonably required for or incidental to the exercise of the Rights and as security for the due performance of such covenant, the Covenantee Purchaser hereby irrevocably appoints each Relevant Owner to be its agent and attorney and grants to each Relevant Owner, with full power of delegation, the full right, power and authority acting singly to do all things and to execute as its own act such deeds and to sign such documents as may be reasonably required for or incidental to the exercise of the Rights granted to the Government. If the Relevant Owner comprises more than one person, the Covenantee Purchaser hereby appoints such persons (such appointment shall be joint and several so that each of such persons may act singly or jointly with the other(s)) as its agents and attorneys and grants to such persons, with full power of delegation, the full right, power and authority, whether acting singly or jointly with the other or any or all of the others to do all things and to execute, as the act of such person or the joint act of such person and the others or any or all of the others, as the case may be, such deeds and to sign such documents as may be reasonably required for or incidental to the exercise of the said rights;
- (d) the Covenantee Purchaser shall fully indemnify Teamwell Enterprises Limited and Kam Wah Investment Company Limited and keep Teamwell Enterprises Limited and Kam Wah Investment Company Limited fully indemnified of and against all costs, charges, writs, claims, liabilities and expenses arising and as a result of any non-observance or non-performance of any of the terms or covenants of the Undertaking Letter;

- (e) the Covenanting Purchaser shall abide by the provisions in the Deed of Mutual Covenant to be observed and performed by an Owner (as defined in the Deed of Mutual Covenant);
- (f) the Covenanting Purchaser will at all times hereafter perform observe and comply with all the covenants by or on the part of the Purchaser contained in this Assignment; and
- (g) in the event of the Covenanting Purchaser selling or otherwise disposing of the Property, the Covenanting Purchaser shall sell or otherwise dispose of the Property upon the condition that the purchaser or assignee thereof shall enter into the same binding covenants on terms similar in scope and extent as the covenants (a), (b), (c), (d), (e), and (f) and this covenant (g) hereinbefore contained;

Provided That upon the Covenanting Purchaser complying with and performing the covenant (g) hereinbefore contained the Covenanting Purchaser shall not be liable for any breach of the aforesaid covenants (a), (b), (c), (d), (e) and (f) 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 (a), (b), (c), (d), (e), (f) and (g) as aforesaid.

SECTION III

EASEMENTS, RIGHTS AND PRIVILEGES THE BENEFIT OF WHICH IS HELD WITH EACH UNDIVIDED SHARE TOGETHER WITH THE FULL AND EXCLUSIVE RIGHT AND PRIVILEGE TO HOLD USE OCCUPY AND ENJOY ANY UNIT HELD THEREWITH

A. Flats

3.1.1 The Owner of a Flat shall have the benefit of the following easements, rights and privileges, subject to this Deed, the Estate Rules, the Residential Rules and Club House Rules (if any) and subject to the rights of the Manager and the First Owner herein provided :-

- (a) full right and liberty for each Owner of a Flat, his tenants, servants, agents and licensees (in common with all persons having the like right and subject to the rights of the Government in respect of the Private Lane) to go pass and repass over and along and use the Estate Common Areas, the Estate Common Facilities, the Residential Common Areas and the Residential Common Facilities for all purposes connected with the proper use and enjoyment of his Flat;
- (b) the right to subjacent and lateral support from other parts of the Residential Tower in which the Flat is situated and the right to subjacent and lateral support from the foundations and all other parts of the Estate; and
- (c) the free and uninterrupted passage and running of water, sewage, gas, electricity, fresh / exhaust / conditioned air, telephone and all other services from and to the Flat owned by the Owner through the sewers, drains, watercourses, cables, ducts, vents, conduits, pipes and wires which now are or may at any time hereafter be in, under or passing through the Land and the Estate for the proper use and enjoyment of the Flat owned by the Owner.

B. Commercial Accommodation

3.2.1 The Owner of the Commercial Accommodation shall have the benefit of the following easements, rights and privileges subject to this Deed, the Estate Rules and Commercial Accommodation Rules (if any) and subject to the rights of the Manager and the First Owner herein provided :-

- (a) full right and liberty for the Owner of the Commercial Accommodation, his tenants, servants, agents and licensees (in common with all persons having the like right) to go pass and repass over and along and use the Estate Common Areas, the Estate Common Facilities for all purposes connected with the proper use and enjoyment of his Commercial Accommodation;
- (b) the right to subjacent and lateral support from other parts of the Commercial Accommodation and the Estate and the right to subjacent and lateral support from the foundations and all other parts of the Estate; and
- (c) the free and uninterrupted passage and running of water, sewage, gas, electricity, fresh / exhaust / conditioned air, telephone and all other services from and to the Commercial Accommodation owned by the Owner through the sewers, drains, watercourses, cables, pipes, ducts, vents, conduits and wires which now are or may at any time hereafter be in, under or passing through the Land and the Estate for the proper use and enjoyment of the Commercial Accommodation owned by the Owner.

C. Provisions Applicable to All Owners

3.3.1 Each Owner of a Unit may, with the prior written approval of the Manager and in accordance with such terms or conditions as the Manager may impose, with or without servants, workmen and others and with or without tools at all reasonable times on reasonable written notice (except in the case of emergency) enter into and upon the other Units (subject also to the prior written approval of the Owner of the relevant Units) and the General Common Areas for the purposes of carrying out any work for the maintenance and repair of his Unit or its services (such work not being the responsibility of the Manager hereunder) where such entry is necessary in the circumstances causing as little disturbance as possible and forthwith making good any damage caused thereby.

SECTION IV

EASEMENTS, RIGHTS AND PRIVILEGES SUBJECT TO WHICH EACH UNDIVIDED SHARE TOGETHER WITH THE FULL AND EXCLUSIVE RIGHT AND PRIVILEGE TO HOLD USE OCCUPY AND ENJOY ANY UNIT IS HELD

A. Flats

4.1.1 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 Flat is held :-

- (a) The Manager shall have the right at all reasonable times on reasonable notice (except in the case of emergency) with or without agents, surveyors, workmen and other authorized persons and with or without tools to enter into and upon the Flats or any part or parts thereof for the purposes of (i) inspecting, testing, repairing, replacing, renewing, painting, decorating, cleaning, examining, maintaining and improving as well as abating any hazard or nuisance which are affecting or likely to affect the Residential Tower or the Estate or any part or parts thereof or the General Common Areas and the General Common Facilities or (ii) to implement the Fire Safety Management Plan; causing as little disturbance as possible and forthwith making good any damage caused thereby at its own costs and expense causing as little disturbance as possible and the Manager shall be responsible for liability arising therefrom including liability for the negligent, wilful or criminal acts of the Manager, its staff, contractors, agents, surveyors and workmen.
- (b) Easements, rights and privileges over, along and through each Flat equivalent to those set forth in paragraphs (b) and (c) of Clause 3.1.1.
- (c) Exceptions and reservations in favour of the Government under the Government Grant.
- (d) The rights of the First Owner under this Deed.

B. Commercial Accommodation

4.2.1 The following are the easements, rights and privileges subject to which each Undivided Share and the exclusive right to hold, use, occupy and enjoy the Commercial

Accommodation is held :-

- (a) The Manager shall have the right at all reasonable times on reasonable notice (except in the case of emergency) with or without agents, surveyors, workmen and other authorized persons and with or without tools to enter into and upon the Commercial Accommodation or any part or parts thereof for the purposes of inspecting, testing, repairing, replacing, renewing, painting, decorating, cleaning, examining, maintaining and improving as well as abating any hazard or nuisance which are affecting or likely to affect the Commercial Accommodation or the Estate or any part or parts thereof or the General Common Areas and the General Common Facilities causing as little disturbance as possible and forthwith making good any damage caused thereby at its own cost and expense causing as little disturbance as possible and the Manager shall be responsible for liability arising therefrom including liability for the negligent, wilful or criminal acts of the Manager, its staff, contractors, agents, surveyors and workmen.
- (b) Easements, rights and privileges over, along and through the Commercial Accommodation equivalent to those set forth in paragraphs (b) and (c) of Clause 3.2.1.
- (c) Exceptions and reservations in favour of the Government under the Government Grant.
- (d) The rights of the First Owner under this Deed.

C. Provisions Applicable to All Owners

4.3.1 Subject always to the rights of the First Owner under this Deed and the provisions of this Deed and the Building Management Ordinance, the Manager shall have full right and authority to manage all of the General Common Areas and the General Common Facilities. Should there be any damage to any of the General Common Areas or the General Common Facilities or structures caused by the negligent or wilful acts or omission of any Owner or his licensees, agents or servants, the Manager shall be entitled to require such Owner to remedy the damage or to procure such remedy at the expense of such Owner.

4.3.2 Subject always to the provisions of this Deed, the Manager shall have the full right and privilege at all times to hire, install, extend, maintain, operate, move the gondola system and have access to, over or into or partly into the portion of airspace above the roof or flat roof or the parapet walls of the roof or flat roof as may be determined by the Manager to service,

cleanse, enhance, maintain, repair, renovate, decorate, improve or replace any part of any exterior of the Estate, and to remain temporarily over or on the said airspace for such period as may be necessary for the purpose of inspecting, rebuilding, repairing, renewing, maintaining, cleaning, painting or decorating all or any part of the General Common Areas and General Common Facilities provided that the use and enjoyment by the Owner of the Flat shall not be unreasonably affected or prejudiced thereby provided further that the Manager shall ensure that the least disturbance as is reasonably practicable is caused and shall be liable for and shall at his own expense make good any damage caused by the negligent, wilful or criminal acts of the Manager or the Manager's staff, employees, agents or contractors to the relevant Flat(s) and reinstate the same causing the least disturbance as is reasonably practicable.

4.3.3 Subject always to the rights of free ingress egress and regress at all times to from and through the Private Lane or any part thereof in favour of the Government, the Director of Lands its or their officers contractors and workmen with or without tools equipment machinery for the purpose of inspecting upkeeping maintaining and repairing the Tai Wong Lane.

SECTION V

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

A. Provisions Applicable to all Owners

5.1.1 Each Owner shall notify the Manager in writing of any change of ownership within one month from the date of the assignment in respect thereof. The previous Owner shall remain liable for all Management Expenses (including Manager's Remuneration) and all payments made up to the date of completion of sale and purchase.

5.1.2 Each Owner shall promptly pay and discharge all existing and future government rents, taxes, rates, assessments and outgoings of every kind and description for the time being assessed or payable in respect of that part of the Estate owned by him and shall indemnify the other Owners from and against all liability therefor.

5.1.3 Each Owner shall pay to the Manager on the due date his due proportion of the Management Expenses payable by such Owner as herein provided.

5.1.4 No Owner shall make any structural alterations to any Unit owned by him unless with the prior approval of the Director of Buildings and any other relevant Government authority and prior notification to the Manager. No Owner nor the Manager shall make any structural alterations which will interfere with or affect rights of other Owners. No provisions in this Deed shall be construed as having the effect of preventing an Owner from taking legal action against another Owner in this respect nor shall any Owner use, cut, injure, damage, alter or interfere with any part or parts of the General Common Areas, the General Common Facilities nor any equipment or apparatus on, in or upon the Land not being equipment or apparatus for the exclusive use, enjoyment and benefit of any such Owner.

5.1.5 No Owner shall permit or suffer to be done any act or thing in contravention of the terms and conditions in the Government Grant.

5.1.6 No Owner shall permit or suffer to be done any act or thing whereby any insurance on the Estate 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 any Owner, in addition to being responsible for any other liability incurred thereby, such Owner shall pay to the Manager the amount of any increase in premium caused by or on account of such breach.

5.1.7 Each Owner shall be responsible for and shall indemnify all other Owners and Occupiers and the Manager 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 default or negligence or omission of such Owner or any Occupier of any part of the Estate owned by him or any person using such part of the Estate with his consent express or implied or by or through or in any way owing to the overflow of water or spread of fire therefrom.

5.1.8 Except with the prior written consent of the Director of Environmental Protection and the Manager, the Owners shall not install or use on the Land or any part or parts thereof or in any building or buildings erected thereon, any machinery, furnace, boiler or other plant or equipment or any fuel, method or process of manufacture or treatment which might in any circumstances result in the discharge or emission of any pollutant or any noxious, harmful or corrosive matter, whether it be in the form of gas, smoke, liquid, solid or otherwise.

5.1.9 Each Owner shall pay all costs, charges and expenses incurred in repairing or making good any loss or damage caused by the act, neglect or default or omission of any person occupying with his consent express or implied any part or parts of the Estate owned by him. In the case of loss or damage which the Manager is responsible hereunder to make good or repair, such costs, charges and expenses shall be recoverable by the Manager as herein provided and in the case of loss or damage suffered by other Owners or Occupiers of any part or parts of the Estate for which the Manager is not responsible hereunder 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.

5.1.10 No Owner shall at any time exercise or attempt to exercise any statutory or common law right to partition the Land or the Estate.

5.1.11 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 management and maintenance of the Estate.

5.1.12 Each Owner shall maintain in good repair and condition that part of the Estate owned by him together with all the sewers drains pipes ducts wires flues serving exclusively his Flat for the passage of sewage water gas electricity air smoke or other matters and the walls enclosing his Flat or the roof/flat roof thereof in such manner so as to avoid any loss, damage,

nuisance or annoyance to the Owners or Occupiers of any other part or parts of the Estate.

5.1.13 No Owner shall use or permit or suffer the part of the Estate owned by him to be used for any illegal or immoral purpose nor shall he do cause or permit or suffer to be done any act or thing which may be or become a nuisance or annoyance to or cause damage or inconvenience to the Government or to other Owners and Occupiers for the time being of Units in the Estate the neighbouring lot or lots or premises.

5.1.14 No Owner shall use or permit or suffer any part of the Estate owned by him to be used except in accordance with the Government Grant, this Deed or other Ordinances and Regulations or other permit, consent or requirement from time to time applicable thereto.

5.1.15 No Owner (other than the Owner of the Commercial Accommodation the business of which is associated with live poultry, pets, birds or other animals) shall bring on to or keep any live poultry, pets, dogs, cats, birds or other animals on any part of the Estate if such live poultry, pets, dogs, cats, birds or other animals is causing a nuisance or disturbance to other Owners or Occupiers of the Estate and has been the cause of reasonable written complaint by at least two (2) Owners or Occupiers of any part of the Estate or the relevant Rules governing the same have not been complied with. In any event, no dogs shall be permitted in the General Common Areas unless carried or on leash. In case of any differences or dispute between the Owners or Occupiers in connection with the keeping of live poultry, pets, dogs, cats, birds or other animals within the Estate, the decision of the Manager shall be conclusive and binding in all respects on all the Owners and Occupiers for the time being.

5.1.16 The refuse chamber of the Estate shall be used only by such Owners and in such manner as prescribed by the Manager and subject to the Rules governing the same.

5.1.17 No Owner shall alter, repair, connect to or in any other way interfere with or affect the General Common Areas or the General Common Facilities without the prior written consent of the Manager.

5.1.18 No Owner (including the First Owner) shall have the right to convert any parts of the General Common Areas to his own use or for his own benefit unless approved by the Owners' Committee or the Owners' Corporation (if formed). No Owner (including the First Owner) shall have the right to convert or designate his Unit or any part thereof as General Common Areas or any part thereof unless approved by a resolution of Owners of the relevant component part of the Estate at an Owners' meeting convened under this Deed. No Owner (including the First Owner) and no Manager shall have the right to re-convert or re-designate any part of the

General Common Areas to his own use or for his own benefit. Notwithstanding anything herein contained, an Owner may convert or designate his Unit or any part thereof 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 shall not re-convert or re-designate any such common areas to the own use or benefit of one or more of them. Any payment received for approval shall be credited to the Special Fund.

5.1.19 All Owners (including the First Owner) and the Manager shall at all times observe and perform the Estate Rules and all the covenants, conditions and provisions of this Deed and comply with the terms of the Government Grant so long as they remain as Owners and manager of the Estate.

5.1.20 Subject as herein provided, each Owner may at his own expense install in the Unit owned by him such additions, improvements, fixtures, fittings and decoration and remove the same Provided however that no such installation or removal shall cause any structural damage or interfere with the enjoyment of any other part of the Estate or contravene any relevant Ordinance, regulation, rules or requirement of the Government or other competent authority.

5.1.21 No Owner shall do or suffer or permit to be done anything whereby the flushing or drainage system of the Estate may be clogged or the efficient working thereof may be impaired.

5.1.22 No Owner shall:-

- (i) make any structural or other alterations to any part of the Estate which may damage or interfere with the use and enjoyment of any other part thereof;
- (ii) do or permit to be done any act or thing which may or will alter the external appearance of the Estate without the prior consent in writing of the Manager and any Government authorities if required save and except the First Owner as provided in Clause 2.8(g) hereof;
- (iii) do or permit or suffer to be done by his tenants, Occupiers or licensees any act or thing which may interfere with or affect the construction of any part of the Estate at any time in the course of construction or the maintenance of the Estate;
- (iv) make any alteration to any installation or fixtures so as to affect or be likely to affect the supply of water, electricity or gas or other services to or in the Land and the Estate;
- (v) cut or damage any of the structural walls, beams, columns, ceilings, roofs, floors or

any structural part of the Estate or do anything whereby the structural strength of any part of the Estate may be affected.

5.1.23 Subject to the provisions of Clauses 5.2.2 and 5.3.1, no Owner shall use the Estate or any part thereof for any purpose which is in contravention of the terms and conditions contained in the Government Grant or the Occupation Permit or any applicable Regulations or any Ordinances, or store any hazardous, dangerous or unlawful goods or combustible or explosive substances or any “dangerous” or “prohibited” goods within the meaning of the Dangerous Goods Ordinance (Cap.295) of the Laws of the Hong Kong Special Administrative Region.

5.1.24 Subject to Clause 5.1.29, no air-conditioning units or plants or any other fixture shall be installed through the windows or external walls of the Estate without the prior written consent of the Manager to any such installations and all conditions of such consent (if any) have been complied with and all possible measures shall be taken to prevent excessive noise, condensation or dripping onto any part of the Estate. It shall be the absolute responsibility of the Owner who requires such installation to ensure strict compliance with all relevant regulations and requirements of the relevant Government authority. Any such installation or any alteration, addition, replacement, repair and relocation of such air-conditioning or other units or plants shall not interfere with or affect the proper functioning and operation of the air-conditioning or other units or plants installed by other Owners. The Manager shall have the absolute authority to order such Owner causing interference and effects as aforesaid to stop such works forthwith and to carry out remedial works if so required and recover costs from such Owners. Every Owner shall at his own costs and expenses keep and maintain the air-conditioning or other units or plants (if any) serving exclusively his part of the Estate in good repair and condition.

5.1.25 No Owner shall use any part of the General Common Areas for the purposes of drying or hanging laundry, or placing or storing any dustbins, garbage cans, furniture, machinery, goods or chattels or other things thereon or therein other than in the spaces specifically provided for such purpose.

5.1.26 No part of the General Common Areas shall be obstructed or incumbered nor shall any refuse or other matter or things be placed or left thereon nor shall any part thereof be used for any business or private purpose and no Owner shall do or suffer or permit to be done anything therein as may be or become a nuisance or cause annoyance to any other Owners or Occupiers of the Estate.

5.1.27 No Owner (subject to the rights of the First Owner and such other authorised Owners

or persons as provided in Clause 2.8(g) hereof) shall erect any private aerial on the exterior of any part of the Estate but may connect to any communal aerial and radio system installed in the Estate with the permission of the Manager and in accordance with the Rules of the Estate relating to the same.

5.1.28 No Owner shall throw out or discard or permit or suffer to be thrown out or discarded from the Unit owned by him any refuse, rubbish, litter or other article or thing whatsoever except using the services and facilities provided for the disposal thereof.

5.1.29 No Owner (subject to the rights of the First Owner and such other authorised Owners or persons as provided in Clause 2.8(g) hereof) shall, without the prior written consent of the Manager and the conditions of such consent having been complied with, install, or affix any air-conditioning units or plants or other articles to any Unit (with the exception of air-conditioning units in the spaces platforms frames or racks specifically provided for such purpose) or affix any frames, iron cage, flower rack or any other structures whether made of wood, metal, cement or any other materials to, upon or along the exterior walls of or outside his Unit or in the General Common Areas or any part thereof.

5.1.30 Subject to the rights of the First Owner and such other authorised Owners or persons as provided in Clause 2.8(2)(g) hereof, no Owner shall enclose or permit or suffer to be enclosed any window of his Unit and no Owner shall do or suffer to be done anything that may change, alter or damage the outlook of any part of the Estate including erecting any structure thereto.

5.1.31 The Owners shall not permit or suffer any hawker to carry on business within the Estate and shall remove therefrom any hawker found to be so doing.

5.1.32 Each Owner shall keep the interior of his Unit and all electrical and sanitary appliances and other services therein in good repair and condition and to maintain the same in such manner so as to avoid any loss, damage, nuisance or annoyance to the Owner or Occupier and not to interfere or affect adversely the proper functioning of the service systems of any other Unit.

5.1.33 No Owner or Occupier shall use or permit to be used any Unit for industrial or godown purposes or the purpose of a funeral parlour, coffin shop, temple or Buddhist hall for the performance of the ceremony known as “Ta Chai” (打齋) or for any similar ceremony, or for any illegal or immoral purpose or metal beater’s shop.

5.1.34 No Owner shall overload or permit or suffer to be overloaded the electrical circuits within the Estate and no Owner shall install or use or permit or suffer to be installed or used any equipment, apparatus or machinery which exceeds the loading of the electrical main or wiring.

5.1.35 No Owner shall dispose of or discharge or permit or suffer to be disposed of or discharged any waste, refuse, garbage or rubbish in any part or parts of the Estate other than that part or parts of the Estate specially designated for the purpose and only in the manner as specified or approved by the Manager.

5.1.36 No Owner shall permit any sewage, waste water or effluent containing sand, cement, silt or any other suspended or dissolved material to flow from the Estate onto any adjoining land or allow waste matter which is not part of the final product from waste processing plants to be deposited anywhere within the Estate and the Owners shall have all such matter removed from the Estate in a proper manner to the satisfaction of the Director of Environmental Protection and the Manager.

5.1.37 The Recreational Areas and Facilities shall only be used and enjoyed for recreational purposes by the residents of the Estate as well as their bona fide visitors and subject to the Residential Rules and the Club House Rules. For the purpose of this Clause, the Owner of the Commercial Accommodation or his/its guests or visitors or invitees shall not be included as residents of the Estate and shall not be entitled to use or enjoy the Recreational Areas and Facilities.

5.1.38 The Owners shall at their own expense proportionate to the number of Management Shares allocated to the part of the Land and the Estate owned by them maintain and carry out all works in respect of the Slopes and Retaining Walls within or outside the Land or the Estate in accordance with the "Geoguide 5-Guide to Slope Maintenance" issued by the Geotechnical Engineering Office (as amended or substituted from time to time) and the Maintenance Manual for Slopes and Retaining Walls.

5.1.39 No partitioning shall be erected or installed in any part of the Estate which does not leave clear access for fire exits and save and except with the consent of the Manager, no windows shall be wholly or partially blocked the light and air therefrom in any way or obstructed provided that the Owners may erect or install the usual window grille, curtain, blinds, sun control film and other similar installations or appliances to their Units provided further that no owner shall affix install or attach or permit or suffer to be erected affixed installed or attached to in or on or at the window or windows of any Unit any metal grille unless such metal grille shall be of such design and material approved by the Manager (which approval shall not be unreasonably withheld).

5.1.40 No Owner (other than the Owner of the Commercial Accommodation) 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 metal grille or shutter or gate which shall in any way contravene the regulations of the Fire Services Department or other competent authority concerned from time to time in force and/or which may in any way impede the free and uninterrupted passage over, through and along any of the General Common Areas or the General Common Facilities.

5.1.41 No Owner shall do or permit or suffer to be done by his tenants, occupiers or licensees any act, deed, matter or thing or place any items in the roof or flat roof or the parapet walls of the roof or flat roof pertaining to its Flat which in any way interferes with or affects or which is likely to interfere with or affect the operation of the gondola (if any) by the Manager at any time in the course of the management or the maintenance of the Estate.

5.1.42 The Owners acknowledge and confirm the rights conferred unto the Government under the Undertaking Letter and shall abide by the terms and provisions in the Undertaking Letter and shall at all times perform observe and comply with all the covenants as contained in the Undertaking Letter relating to the Access to Government Land and undertake to permit to give access to and grant and reserve the rights in favour of the Government, the Director of Lands its or their officers contractors and workmen with or without tools equipment machinery and free of charge and without any interruption to enter upon and to pass and repass at all times on foot the Access to Government Land or any part thereof for the purpose of inspecting upkeeping maintaining and repairing the Government land now known as Tai Wong Lane.

B. Provisions Applicable to Owners of Flats and/or the Non-enclosed Areas Only

5.2.1 All Flats shall be used for private residential purposes only and in particular shall not be used as an office, store, factory, shop or for any other commercial use or for the conduct of any trade, profession or business whatsoever.

5.2.2 No Owner or Occupier shall store or permit to be stored in any Flat any hazardous, dangerous, explosive or combustible goods or materials except such as may be reasonably required for household use.

5.2.3 Each Owner of Flat shall observe and perform the Residential Rules (if any).

5.2.4 The Owner of the Non-enclosed Areas shall at his own expense maintain and keep the

Non-enclosed Areas in good and substantial repair and condition and shall use the same in all respects in compliance with the Occupation Permit, the Buildings Ordinance and other Ordinances, bye-laws and regulations.

5.2.5 The Owner of the Non-enclosed Areas shall not cause, permit, suffer or allow the Non-enclosed Areas and the covered areas beneath the Non-enclosed Areas to be enclosed above safe parapet height other than as under the Approved Plans by any material of whatsoever kind or nature, it being the obligation of such Owner to keep and maintain the Non-enclosed Areas in the design and layout as drawn under Approved Plans.

5.2.6 The Non-enclosed Areas shall only be used as balconies/utility platforms in relation to or in connection with the use and enjoyment of the Flats for which they are provided.

5.2.7 In the event of the covenants contained in Clauses 5.2.4 to 5.2.6 hereof being in breach, the Manager without prejudice to the right of the other Owners, shall have the right to demand the defaulting Owner to rectify the breach forthwith and if necessary to reinstate the Non-enclosed Areas to their original state under the Approved Plans and if the defaulting Owner shall fail to comply with the Manager's demand, the Manager shall have the rights to take such steps as necessary to secure compliance with the aforesaid covenants including but not limited to the right to enter upon the Flats concerned (including the Non-enclosed Areas provided therein) and remove any fences, awning, grilles or any structures or things which are installed, exhibited, affixed, erected or attached to the Non-enclosed Areas or the Flats which are in breach of the aforesaid covenants. The defaulting Owner shall pay to the Manager all costs incurred by the Manager for and in relation to the steps taken by the Manager for the aforesaid purpose.

5.2.8 The following provisions are applicable to all Flats with Open Kitchen :

- (i) Each Owner of a Flat with Open Kitchen shall at his own expense maintain in good order and working condition the Fire Service Installations for Open Kitchen of his own Unit and shall observe and comply with the Fire Safety Management Plan and any guideline or direction to be issued or given by the Manager from time to time relating to the implementation of the Fire Safety Management Plan and shall cause his tenants and Occupiers of his Unit to observe and comply with the same.
- (ii) No Owner of a Flat with Open Kitchen shall remove or temper the Fire Service Installations for Open Kitchen of his own Unit.

- (iii) No Owner of a Flat with Open Kitchen shall carry out any renovation works to the Fire Service Installations for Open Kitchen or any part thereof of his own Unit except with prior approval of the relevant authorities and the Manager and such renovation works shall comply with the Fire Safety Management Plan in all respects and shall be carried out by registered fire service installation contractors approved or engaged or nominated by the Manager.
- (iv) Each Owner of a Flat with Open Kitchen shall co-operate, co-ordinate with, facilitate and allow access for the Manager and the registered fire service installation contractors engaged or nominated by the Manager for the purpose of examining, inspecting and (if necessary) making good and rectifying the Fire Service Installations for Open Kitchen of his own Unit and shall not alter, demolish, remove, obstruct or relocate or do anything which may alter, damage or interfere with any such installations.
- (v) No Owner of a Flat with Open Kitchen shall remove or temper the 600mm full height fire rated wall within his own Unit.
- (vi) Notwithstanding anything herein contained to the contrary, the Manager and the registered fire service installation contractors engaged by the Manager shall have the full authority and power (but without having any obligation) to enter with or without workmen equipment or materials at all reasonable times on reasonable notice (except in an emergency when no notice is required) any Open Kitchen Unit to carry out regular testing, maintenance, reinstatement or rectification of the Fire Services Installations for Open Kitchen Units at that Owner's expense or to verify observance and compliance of provisions set out in this Clause 5.2.8. The expenses so incurred by the Manager or the registered fire service installation contractors shall be borne by the relevant Owner on demand.

5.2.9 Except as herein reserved or provided, no flags, banners, advertisements, poles, cages, shades, drying racks, flower boxes/pots, sculptures, canopies or other projections or structures whatsoever extending outside the exterior of any Flat or any part thereof shall be erected, installed or otherwise affixed to or projected from any Flat or any part thereof.

5.2.10 Subject to the rights of the First Owner and such other authorised Owners or persons as provided in Clause 2.8(g) hereof, no Owner shall repaint, re-decorate or alter the appearance of the facade or exterior of any Flat or the ceiling of the balconies or any part thereof

or cause or permit to be done without the prior consent in writing of the Manager.

5.2.11 Subject to the rights of the First Owner, no Owner of a Flat shall repaint, re-decorate or alter the appearance or the design of the side of the main entrance door of his own Flat facing the lift lobby or cause or permit to be done without the prior consent in writing of the Manager.

C. Provisions Applicable to the Owner of Commercial Accommodation Only

5.3.1 The Commercial Accommodation shall not be used for any purposes other than those purposes from time to time permitted under the Government Grant and in compliance with all applicable laws, legislations, rules and regulations enforceable for the time being in the Hong Kong Special Administrative.

5.3.2 The Owner of the Commercial Accommodation shall perform and observe the Commercial Accommodation Rules.

5.3.3 The grease trap, air conditioning plants and the associated pipes, ducts or wires for the exclusive use and benefit of a Commercial Accommodation located within the Commercial Accommodation or the Estate Common Areas or otherwise shall be or be deemed to be the property of the Owner for the time being of the Commercial Accommodation, who shall at his own costs and expenses maintain and keep the same in good repair and condition at his own costs and expenses to the satisfaction of the Manager and shall take all necessary steps to avoid any loss, damage, nuisance or annoyance to the Owner or Occupier of any other part of the Estate Provided that in the event of the relevant Owner's failure so to do the Manager shall, without prejudice to any right and remedies of the Manager against such Owner, have the power, but under no obligation towards such Owner, to take necessary steps to maintain or repair the said air conditioning plants and grease trap and the associated pipes, ducts or wires or any part thereof at the cost and expense of such Owner who shall forthwith on demand pay or reimburse to the Manager all such costs and expenses incurred or to be incurred.

SECTION VI

MANAGEMENT OF THE ESTATE

A. Appointment of Manager

- 6.1.1(a) Subject to the provisions of the Building Management Ordinance, Jones Lang La Salle Management Services Limited shall be appointed as the Manager for all the Owners to undertake the management, operation, servicing, renovation, improvement and security of the Land and the Estate initially for a term of two (2) years commencing from the date of this Deed and such appointment shall continue thereafter until and unless (i) termination by the Manager upon giving to the Owners' Committee not less than three (3) months' notice in writing to terminate the appointment and where there is no Owners' Committee, by giving such a notice to each of the Owners and by displaying such a notice in a prominent place in the Estate (such notice may be given by delivering it personally to the Owner or sent by post to the Owner at his last known address or left at his Unit or deposited in the letter box for his Unit), or (ii) prior to the Owners' Corporation being formed, the Owners' Committee may at any time (whether before or after the expiry of the said initial term) give three (3) months' notice in writing to the Manager to terminate its appointment without compensation pursuant to a resolution passed by a majority of votes of the Owners voting either personally or by proxy in a general meeting convened for that purpose and supported by Owners of not less than 50% of the total number of the Undivided Shares in aggregate (excluding the General Common Parts Undivided Shares at the time of the general meeting). Such resolution shall have effect only if the notice of termination of appointment is in writing and provision is made in the resolution for a period of not less than three (3) months' notice or, in lieu of notice, provision is made for an agreement to be made with the Manager for the payment to him of a sum equal to the amount of remuneration which would have accrued to him during that period and is accompanied by a copy of the resolution terminating the Manager's appointment; and such notice and the copy of the resolution are given to the Manager within fourteen (14) days after the date of the meeting. Such notice and the copy of such resolution may be given by delivering them personally to the Manager or by sending them by post to the Manager at his last known address.
- (b) Subject to Clause 6.1.1(d) hereof, where an Owners' Corporation has been formed, at a general meeting convened for the purpose, the Owners' Corporation may, by a resolution of the Owners 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 (excluding the General Common Parts Undivided Shares at the time of the general meeting concerned) determine by notice the appointment of the Manager named in this Deed (hereinafter referred to in this Clause 6.1.1(b) as "DMC Manager") without compensation. Such resolution shall have effect only if (i) such notice of termination is in writing; (ii) provision is made in the resolution for a period of not less than three (3) months' notice, or in lieu of notice, provision is made for an agreement to be made with the DMC Manager for the payment to it of a sum equal to the amount of remuneration which would have accrued to it during that period; (iii) such notice is accompanied by a copy of the resolution terminating the DMC Manager's appointment; and (iv) such notice and the copy of the resolution are given to the DMC Manager within fourteen (14) days after the date of the meeting. Such notice and the copy of the resolution required to be given may be given by delivering them personally upon the DMC Manager; or by sending them by post to the DMC Manager at its last known address. If a contract for the appointment of the Manager other than the DMC Manager contains no provision for the termination of the Manager's appointment, this Clause 6.1.1(b) and Clause 6.1.1(d) hereof shall apply to the termination of the Manager's appointment as they apply to the termination of the DMC Manager's appointment. This Clause 6.1.1(2) operates without prejudice to any other power there may be in a contract for the appointment of the Manager other than the DMC Manager to terminate the appointment of the Manager.

- (c) The appointment of the Manager shall be terminated forthwith whether before or after the expiry of the said initial term if the Manager shall go into liquidation (except for the purpose of a solvent amalgamation or reconstruction).
- (d) For the purposes of this Clause 6.1.1, 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 and the reference to "the Owners of not less than 50% of the total number of 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.
- (e) If a notice to terminate a Manager's appointment is given under this Clause 6.1.1, no appointment of a new manager shall take effect unless the appointment is approved by a resolution of the Owners' Committee (if any) and if no such appointment is approved hereunder 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.

- (f) Without limiting the generality of Clause 6.9.1 hereof, no provision of this Deed shall limit the application of Schedule 7 to the Building Management Ordinance by restricting or prohibiting the termination of the Manager's appointment during the initial period of two (2) years of his appointment. Upon termination of the appointment of the Manager, the Owners' Committee shall establish, employ or appoint such or such type of estate management company or agency to carry out the management and maintenance of the Estate in accordance with the provisions of this Deed.

6.1.2 (a) Upon termination of the appointment of the Manager in whatever manner, a meeting of the Owners' Committee shall be convened to appoint a manager to take its place or in the case of the Manager being wound up or having a receiving order made against it or failing to convene a meeting of the Owners' Committee as aforesaid, the chairman or any 2 members of the Owners' Committee may forthwith convene a meeting of the Owners' Committee to appoint a manager to take its place, and such meeting shall appoint a manager who shall on the expiry of the notice of termination of the Manager's appointment given by or to the Manager as the case may be and henceforth become vested with all the powers and duties of the Manager hereunder.

- (b) Subject to sub-clause (c), if the Manager's appointment ends for any reason, he shall, as soon as practicable after his appointment ends, and in any event within 14 days of the date his appointment ends, deliver to the Owners' Committee (if any) or the manager appointed in his place any movable property in respect of the control, management and administration of the Estate that is under his control or in his custody or possession, and that belongs to the Owners' Corporation (if any) or the Owners.

- (c) The outgoing Manager shall within two (2) months of the date of his appointment ends :-

- (i) prepare (aa) an income and expenditure account for the period beginning with the commencement of the financial year in which the Manager's appointment ends and ending on the date the Manager's appointment ends; and (bb) a balance sheet as at the date the Manager's appointment ends, and shall arrange for that account and balance sheet to be audited by a certified public accountant or by some other independent auditor specified in the resolution of the Owners' Committee (if any) or in the absence

of any such specification, by such certified public accountant or other independent auditor as may be chosen by the Manager;

(ii) deliver to the Owners' Committee (if any) or the Manager appointed in his place any books or records of account, papers, plans, documents and other records which are required for the purposes of sub-clause (c)(i) and have not been delivered under sub-clause (b); and;

(iii) assign the Common Parts Undivided Shares together with the General Common Areas and the General Common Facilities free of costs or consideration to the new Manager who shall hold such Common Parts Undivided Shares on trust for the benefit of all Owners of the Estate.

Notwithstanding anything hereinbefore contained, it is hereby declared and agreed that at no time shall the Estate be without a responsible duly appointed manager to manage any of the buildings as from the date of this Deed.

B. Powers and Duties of Manager

6.2.1 During the term of its appointment as the Manager, the Manager shall subject to Clauses 6.1.1 to 6.1.2 and subject to the provisions of the Building Management Ordinance manage the Land and the Estate in a proper manner and in accordance with the provisions of this Deed and each Owner hereby appoints the Manager as agent for all Owners in respect of any matters concerning the General Common Areas and the General Common Facilities in accordance with the provisions of this Deed with full power to enforce the provisions of this Deed against the other Owners. Subject to the provisions of the Building Management Ordinance, the Manager shall be responsible for and shall have full authority to do all such acts and things as may be necessary or expedient for the proper management of the Estate in accordance with the provisions of this Deed Provided that the Manager shall not effect any improvements to facilities or services which involves expenditure in excess of 10% of the current annual management budget except with the prior approval by a resolution of the Owners passed at an Owners' meeting convened under this Deed. Without in any way limiting the generality of the foregoing the Manager shall have the following duties and powers :-

- (1) To put in hand work necessary to maintain all General Common Areas and General Common Facilities so 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.

- (2) To ensure that all Owners or Occupiers maintain the Units owned or occupied by them in a proper manner so as not to cause any nuisance or hazard to other Owners or affect the General Common Areas or General Common Facilities and if there is any default on the part of any such Owners or Occupiers and such default continues after notice to make good the same has been given by the Manager to such Owners or Occupiers, the Manager may but shall not be bound to put in hand any necessary maintenance and repair works to the Units concerned to remedy the default and shall take all possible steps to recover the cost therefor from the defaulting Owner or Occupier PROVIDED ALWAYS THAT the Manager shall not be liable for any loss and damage caused to any person by any Owner's or Occupier's default in carrying out any maintenance or repair works save and except where such loss and damage arise as a result of any maintenance and repair works done by the Manager as aforesaid or any breach by the Manager of the provisions of this clause or any other provisions of this Deed.
- (3) To paint, wash, tile or otherwise treat as may be appropriate the external walls of the Estate and all General Common Areas at such intervals as the same may reasonably be required to be done.
- (4) To replace any glass in the General Common Areas that may be broken.
- (5) To keep the General Common Areas well lit.
- (6) To keep in good order and repair the ventilation of the General Common Areas.
- (7) To keep the General Common Areas in a clean sanitary and tidy condition.
- (8) To prevent any decaying, noxious, excrementitious or other refuse matter from being deposited on the Estate or any part thereof and to remove all refuse from such parts of the Estate and arrange for its disposal at such regular intervals and to maintain either on or off the Estate refuse collection facilities.
- (9) To prevent the obstruction of the General Common Areas and the General Common Facilities and to remove any article or thing causing the obstruction.
- (10) To keep away and prevent hawkers from carrying on business within the Land and the Estate and to remove the hawker found to be so doing and to post up notices prominently of any kind as the Manager deems fit at any part of the General Common

Areas to the effect that hawkers are prohibited on the Land.

- (11) To keep all the common sewers, drains, watercourses and pipes free and clear from obstruction.
- (12) To keep the General Common Facilities in good condition and working order.
- (13) To keep all plant, machinery and equipment including but without limiting the generality of the foregoing, all lighting equipment, air-conditioning system, ventilation system (if any), water systems, public address systems (if any), fire fighting equipment, sprinkler systems, lifts, lift shafts and maintenance unit in good condition and working order and, in the case of lifts, in accordance with any laws and regulations applicable thereto.
- (14) To prevent so far as is possible any refuse or other matter being deposited, washed, eroded or falling from the Estate into any part of the public highway, sewers, drains, nullahs or other Government property and to remove any such matter therefrom and to ensure that no damage is done to any drains, waterways, watercourses, footpaths, sewers, nullahs, pipes, cables, wires, utility services or other works being in, under, over or adjacent to the Land or any part or parts thereof by reason of any maintenance or other works carried out by the Manager as herein provided and to make good any such damage.
- (15) To remove any structure, installation, bills, notices, placard, posters, advertisement, flag, banner, poles, cages, signboard, sunshade, bracket, fitting or other things in or on the Estate (including any flat roof, roof and/or upper roof) which have been erected in contravention of the terms of the Government Grant or this Deed or Regulations of the Buildings Ordinance or Regulations of Fire Services Department and to demand and recover from the person by whom such structure or other thing as aforesaid was erected or installed the cost of such removal and the making good of any damages thereby caused.
- (16) To maintain fire fighting equipment and fire alarms and fire shutters and other fire services installations (if required by Government) to the satisfaction of the Director of Fire Services and so far as may be possible, to maintain the Estate safe from fire hazards at all times.
- (17) To provide security force, watchmen, porters and caretakers and such other staff as

shall be determined by the Manager in its reasonable discretion and to provide and maintain security installations and to maintain security in the Estate at all times.

- (18) Subject to Clause 6.2.5(b) below, to maintain and operate or contract for the installation, maintenance and operation of the wireless and/or television aerials, antennae, transmitters, receivers, tuners and such other devices as the Manager shall see fit for serving the Estate or any part thereof.
- (19) To designate such part of the Estate for the purpose of installation or affixation of any split-type air-conditioning or other units or plants or air-conditioning condensers serving any Unit.
- (20) To provide such Chinese New Year, Christmas and other festival decorations for the Estate as the Manager shall in his reasonable discretion consider desirable.
- (21) To do all things the Manager shall in consultation with the Owners' Committee deem necessary or desirable for the purposes of maintaining and improving all facilities and services in or on the Estate for the better enjoyment or use of the Estate by its Owners, Occupiers and their licensees Provided that the Manager shall obtain the prior approval by a resolution of Owners at an Owners' meeting convened under this Deed prior to carrying out any improvement works to the Estate or any part thereof involving sum in excess of 10% of the current annual management budget.
- (22) To appoint solicitors with authority to accept service on behalf of all the Owners of all legal proceedings relating to the Land and the Estate (except proceedings relating to the rights or obligations of individual Owners) or any part thereof and, in particular but without limiting the foregoing, in all proceedings in which the Government shall be a party and at all times within seven (7) days of being requested so to do by the Director of Lands or other competent 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 the High Court (or any provision amending or in substitution for the same).
- (23) To prevent any person other than any Owners, tenants, Occupiers of any part of the Estate or their bona fide visitors from occupying or using any part of the Estate otherwise than in accordance with the Government Grant or the provisions of this Deed.

- (24) To take all steps necessary or expedient for complying with the Government Grant and any statutory or Government requirements concerning or relating to the Estate for which no Owner, tenant or Occupier of any part of the Estate is solely and directly responsible.
- (25) To take all precautions to prevent and to take action to remedy any breach by any Owner or other person residing in or visiting the Estate of any provisions of the Government Grant or this Deed.
- (26) To prevent any person from detrimentally or adversely altering or injuring any part of the Estate or any of the General Common Areas or General Common Facilities, and in particular to ensure no damage or nuisance is done during the fitting out or decoration of the Units by the Owners or their Occupiers and that all debris arising from such fitting out or decoration shall be removed from the Estate, and for such purpose to charge the Owners prior to the commencement of any fitting out or decoration a fitting out deposit in a sum as shall be reasonably determined by the Manager and any such fitting out deposit not used to defray any cost in rectifying any damage arising from such fitting out or decoration shall be refunded to the Owners without interest.
- (27) To demand, collect and receive all amounts payable by the Owners under the provisions of this Deed.
- (28) To pay and discharge out of all moneys so collected all outgoings relating to the management of the Estate reasonably and necessarily incurred by the Manager hereunder.
- (29) Unless otherwise directed by the Owners' Corporation, to insure and keep insured the General Common Areas and the General Common Facilities to the full new reinstatement value and in particular against loss or damage caused by fire and such other risks or perils as the Manager shall deem fit and in respect of public and occupiers' liability insurance and liability as employer of employees of the Manager employed within or exclusively in connection with the management of the Estate with some reputable insurance company or companies in the name of the Manager for and on behalf of itself as Manager and the Owners according to their respective interests and in such sum or sums as the Manager shall deem fit and to update such insurance policies and to pay all premia required to keep such insurance policies in force.
- (30) Subject to the absolute discretion of the Manager, the Manager may but is not obliged

to procure block insurance for the entire Estate including those areas which are not General Common Areas against loss and damage by such risks and in such amount as the Manager shall in its reasonable discretion deem fit.

- (31) To keep proper accounts of all income received and expenditure incurred by and of all payments made to the Manager in respect of carrying out its duties hereunder as herein provided and to prepare summaries of income and expenditure at least every three (3) months and publish the same in the management office within the Land and the Estate for a reasonable time.
- (32) To represent the Owners in all matters and dealings with Government or any statutory body, any utility or other competent authority or any other person whomsoever in any way touching or concerning the management of the Estate.
- (33) Subject to sub-clauses (22) and (32) above, to commence, conduct, carry on and defend legal and other proceedings touching or concerning the management of the Land and the Estate in the name of the Manager on behalf of all the Owners.
- (34) To enforce the due observance and performance by the Owners or any person occupying any part of the Estate through under or with the consent of any such Owner of the terms and conditions of this Deed, any relevant Sub-Deed of Mutual Covenant and the Rules made hereunder and to take action including the commencement and conduct and defence 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.
- (35) To post the Unit of any Owner 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 Estate.
- (36) To recruit, dismiss and employ such staff as may from time to time be necessary to enable the Manager to perform its powers and duties provided in this Deed on such terms as the Manager shall decide and to provide accommodation within the Estate, uniforms, working clothes, tools, appliances, cleaning and other materials and all equipment necessary therefor.
- (37) To deal with all enquiries, complaints, reports and correspondences relating to the

Estate.

- (38) To provide and maintain in respect of the Estate promotions, advertising, public relations and general publicity as reasonably necessary.
- (39) To act as agent for and on behalf of all Owners in respect of all matters concerning the General Common Areas and the General Common Facilities in accordance with the provisions of this Deed and the Manager is hereby authorised to act as such agent.
- (40) Full authority to engage suitable qualified personnel to inspect, keep and maintain in good substantial repair and condition and carry out any necessary works in respect of the Slopes and Retaining Walls in compliance with the Government Grant and the "Geoguide 5-Guide to Slope Maintenance" issued by the Geotechnical Engineering Office (as amended or substituted from time to time) and in accordance with the Maintenance Manual for Slopes and Retaining Walls and all other guidelines issued from time to time by the appropriate Government department regarding the maintenance of the Slopes and Retaining Walls, and to collect from the Owners all costs lawfully incurred or to be incurred in carrying out the necessary maintenance, repair and other works in respect of the Slopes and Retaining Walls provided that the Manager shall not be made personally liable for carrying out any such requirements of the Government Grant which shall remain the responsibility of the Owners if, having used all reasonable endeavours, the Manager has not been able to collect the costs of the required works from all Owners. For the purpose of this sub-clause (40), the definition of the Manager shall include the Owners' Corporation (if formed).
- (41) To do all such other things as are reasonably incidental to the proper management of the Land and the Estate in accordance with the Government Grant, this Deed or for the common benefit of the Owners.
- (42) To repair and maintain the drains and channels and drainage system whether within or outside the Land serving the Estate which are required to be maintained pursuant to the Government Grant.
- (43) 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 Provided That the provisions in Clause 6.2.5 hereof relating to procurement of supplies, goods and services shall be complied with Provided further that nothing in

this sub-clause shall entitle the Manager to transfer or assign his rights or obligations under this Deed to any such persons and such persons must remain answerable to the Manager.

- (44) To prohibit the keeping of and to take such action as the Manager shall deem fit for the purpose of removing any live poultry, pets, birds or other animals from any part of the Estate (other than the Commercial Accommodation the business of which is associated with live poultry, pets, birds or other animals) in contravention of Clause 5.1.15 hereof.
- (45) To delegate or subcontract the management, maintenance, operation and control of the Estate Common Areas and Estate Common Facilities or any part or parts thereof to such agents or contractors on such terms and conditions as the Manager shall in its discretion think fit Provided that nothing in this sub-clause shall entitle the Manager to transfer or assign his duties or obligations under this Deed to any such persons and such persons must remain responsible to the Manager and Provided further that the Manager shall at all times be responsible for the management and control of the whole Estate (including any part thereof) and no provision in this Deed shall take away or reduce such responsibility.
- (46) Subject to Clause 6.4.3(c) hereof, where any consent is required from the Manager under any provisions of this Deed, to process and consider such applications without delay provided that the Manager shall not unreasonably withhold such consent.
- (47) To grant such easements, quasi-easements, rights, privileges, licences and informal arrangements in respect of the General Common Areas and the General Common Facilities as it shall in its discretion consider necessary to ensure the efficient management or for the benefit of the Estate subject to the prior approval of the Owners' Committee or the Owners' Corporation (if formed) Provided always that the Government Grant are not contravened and any such easements, quasi-easements, rights, privileges, licences and arrangements shall not interfere with any Owner's right to hold, use, occupy and enjoy his Unit or adversely impede the access to and from his Unit and Provided further that any consideration received therefrom shall be credited to the Special Fund.
- (48) To grant rights 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 and persons and upon such terms and conditions as the Manager may think fit in respect of the General Common Areas

and the General Common Facilities or any part thereof and on behalf of the Owners to obtain a grant of similar rights in respect of such adjoining premises PROVIDED that the prior approval of the Owners' Committee or the Owners' Corporation (if formed) has been obtained and such grant of rights of way or access or use shall not contravene the terms and conditions contained in the Government Grant nor interfere with an Owner's right to hold, use, occupy and enjoy his Units nor adversely affect an Owner's rights and interests or impede the access to and from his Unit and PROVIDED FURTHER that any charges or fees arising from the granting of such rights of way shall form part of the Special Fund of the Estate.

- (49) To grant easements and rights of any other kind to the owners and occupiers of adjoining properties to construct, lay, maintain, remove and renew drains, pipes, cables, irrigation pipes and other installations, fittings, chambers and other equipment and structures within the General Common Areas and the General Common Facilities subject to prior approval by the Owners' Committee or the Owners' Corporation (if formed) Provided that any charges, rent or fees payable and arising from the granting of such easements or rights shall form part of the General Fund of the Estate and PROVIDED FURTHER that the exercise of such right shall not adversely affect an Owner's rights and interests or interfere with an Owner's right to hold, use, occupy and enjoy his Units or impede or restrict the access to and from the Units.
- (50) To grant consents, leases, tenancy agreements and licences to other persons to use such of the General Common Areas and the General Common Facilities and on such terms and conditions and for such consideration as the Manager shall in its discretion think fit Subject Always to the provisions of the Government Grant and this Deed PROVIDED THAT the prior approval of the Owners' Committee or the Owners' Corporation (if formed) has been obtained and all income arising therefrom shall form part of the General Fund and be dealt with in accordance with the provisions of this Deed and PROVIDED FURTHER THAT the grant of such consents, leases, tenancy agreements and licences shall not interfere with an Owner's right to hold, use, occupy and enjoy the Unit which he owns or that the access to and from his Unit or the Owner's rights and interests shall not be adversely affected.
- (51) To make rules to protect the environment of the Estate and to implement waste reduction and recycling measures with reference to guidelines on property management issued from time to time by the Director of Environmental Protection.

(52) To implement the Fire Safety Management Plan and to enforce due observance and performance of the Fire Safety Management Plan including but not limited to (i) issue any guideline or direction from time to time relating to its implementation; (ii) where the Manager considers necessary, to enter with or without workmen equipment or materials at all reasonable times on reasonable notice (except in an emergency when no notice is required) any Flat(s) with Open Kitchen to carry out regular testing, maintenance, reinstatement or rectification of the Fire Services Installations for Open Kitchen at that Owner's expense or to verify observance and compliance of provisions set out in Clause 5.2.8; and (iii) assist the Owners of Flat(s) with Open Kitchen in the maintenance of the Fire Services Installations for Open Kitchen within their own Units pursuant to the Fire Safety Management Plan and the provisions of this Deed..

(55) Subject to the provisions of Clause 6.2.2, to make, revoke or amend the Rules in respect of the Estate, the Commercial Accommodation, the Residential Tower and the Club as hereinafter provided which shall not be inconsistent with the Building Management Ordinance, the Government Grant, this Deed or any relevant Sub-Deed of Mutual Covenant.

6.2.2 Subject to the approval of the Owners' Committee (only if it has been formed), the Manager shall have power from time to time to make, revoke and amend the Rules :-

- (i) regulating the use, occupation, maintenance and environmental control of the Estate, the Residential Tower, the Commercial Accommodation and the Recreational Areas and Facilities respectively and any of the General Common Areas and of any of the facilities, services or amenities thereof and the conduct of persons occupying, using or visiting the same;
- (ii) requiring payment of fees for the use of the Recreational Areas and Facilities, such fees to be utilised towards maintenance and repair of the Recreational Areas and Facilities;
- (iii) regulating the fitting out procedures including but not limited to imposing obligations on the Owner's part to notify the Manager prior to the commencement of any fitting out works, to register the identity of the contractors with the Manager and to pay a fitting out deposit for cleaning the General Common Areas and removing the debris

left over from decoration Provided that any fitting out deposit not used shall be refunded to the Owners subject to and in accordance with Clause 6.2.1(26) hereof;

- (iv) protecting the environment of the Estate and for implementing waste separation, reduction and recycling measures with reference to guidelines on property management issued from time to time by the Director of Environmental Protection; and
- (v) regarding any matter or thing which the Manager is empowered to do pursuant to this Deed;

Provided That they are not inconsistent with or contravene or contradict the provisions of the Building Management Ordinance, the Government Grant, this Deed or any relevant Sub-Deed of Mutual Covenant , such Rules shall be binding on all the Owners of the relevant part of the Estate and their tenants, licensees, servants or agents. A copy of such Rules from time to time in force shall be posted on the public notice board in the Estate, the Residential Tower, the Commercial Accommodation, the Recreational Areas and Facilities or the relevant part of the General Common Areas (as the case may be) and a copy thereof shall be supplied to each Owner on request upon payment of a reasonable charge.

6.2.3 Subject to the provisions of the Building Management Ordinance, 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.

6.2.4 Neither the Manager nor any servants, agent or other person employed by the Manager shall be liable to the Owners or any of them or to any person or persons whomsoever whether claiming through, under or in trust for any Owner or otherwise, for or in respect of any act, deed, matter or thing done or omitted in pursuance of or purported pursuance of the provisions of this Deed, any relevant Sub-Deed of Mutual Covenant and/or the Rules not being an act or omission involving criminal liability or dishonesty or negligence on the part of the Manager, its servants, agents or employees and the Owners shall fully and effectually indemnify the Manager and all such persons from and against all actions, proceedings, claims and demands whatsoever arising directly or indirectly out of or in connection with the management of the Land and the Estate or any act, deed, matter or thing done or omitted as aforesaid and all costs and expenses in connection therewith and not involving criminal liability, dishonesty or negligence on the part of the Manager or any such person or persons aforesaid. The Manager shall make good at his own expense any loss or damage caused by the negligent, wilful or criminal acts of the Manager or his staff, contractors or other person employed by the Manager.

For the avoidance of doubt, no provision of this Deed shall operate to exclude, or shall be construed to have the effect of excluding, the liability of the Manager to the Owners for any act or omission involving criminal liability, dishonesty or negligence of the Manager or its servants, agents or contractors and no provision of this Deed shall operate to require, or shall be construed to have the effect of requiring, any Owner to indemnify the Manager or its servants, agents or contractors from and against any action, proceedings, claim and demand whatsoever arising out of or in connection with any such act or omission.

6.2.5(a) The Manager or the Owners' Committee shall not, in any financial year, enter into any contracts for procurement of any supplies, goods and services the value of which exceeds or is likely to exceed the sum of (i) HK\$200,000.00 or such other sum in substitution therefor as the Secretary for Home Affairs may specify by notice in the Gazette, or (ii) a sum which is equivalent to 20% of the budget or revised budget, as the case may be, for that financial year or such other percentage in substitution therefor as the Secretary for Home Affairs may specify by notice in the Gazette, whichever is the lesser, unless by invitation to tender and the contract complies with the Code of Practice referred to in Section 20A(1) of the Building Management Ordinance and such other requirements as are specified in paragraph 5 of Schedule 7 to the Building Management Ordinance.

(b) The Manager shall not enter into any contract for the installation or use of aerial broadcast distribution or telecommunications network facilities or any contract for the provision of broadcast distribution network or telecommunications network services unless the contract complies with the following conditions:

- (i) the term of the contract shall 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.

6.2.6(a) The Manager shall establish and maintain a General Fund and all money received or recovered by the Manager in respect of the management of the Land and the Estate and credited to the General Fund without delay be paid into a specially designated

Bank Account used exclusively in respect of the management of the Estate the title of which shall refer to the management of the Estate and be dealt with by the Manager subject to such conditions as may be approved by a resolution of the Owners' Committee. Provided Always that the Manager may, out of the money received by it in respect of the management of the Land and the Estate, retain or pay into a Current Account the title of which shall refer to the management of the Estate 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. The retention of a reasonable amount of money under this clause or the payment of that amount into a Current Account in accordance with this clause and any other arrangement for dealing with money received by the Manager shall be subject to such conditions as may be approved by a resolution of the Owners' Committee. If there shall be any surplus in the Management Fee after payment of all the Management Expenses, such surplus shall be retained in the General Fund.

- (b) Without prejudice to the generality of sub-clause (a), if there is an Owners' Corporation, the Manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a trust account or client account, for holding money received by it from or on behalf of the Owners' Corporation in respect of the management of the Estate.
 - (c) The Manager shall display a document showing evidence of any account opened and maintained under sub-clauses (a) and (b) in a prominent place in the Estate.
- 6.2.7(a) The Manager shall establish and maintain a Special Fund and all money received or recovered by the Manager for the Special Fund shall without delay be paid into a specially designated Bank Account the title of which shall refer to the Special Fund for the Estate, and shall use such specially designated Bank Account exclusively for the purpose of the Special Fund. If there is an Owners' Corporation, the Owners' Corporation shall determine, by a resolution of the Owners, the amount to be contributed to the Special Fund by the Owners in any financial year, and the time when those contributions shall be payable. Except in a situation considered by the Manager to be an emergency, no money shall be paid out of the Special Fund unless it is for a purpose approved by a resolution of the Owners' Committee. The Manager shall 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 Estate.
- (b) Without prejudice to the generality of sub-clause (a), if there is an Owners'

Corporation, the Manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a trust account or client account, for holding money received by it from or on behalf of the Owners' Corporation in respect of the Special Fund.

- (c) The Manager shall display a document showing evidence of any account opened and maintained under sub-clauses (a) and (b) in a prominent place in the Estate.

6.2.8 Special reference to the Special Fund shall be made in the annual accounts and an estimate of the time when there will be a need to draw thereon and the amount of money that will be then needed shall also be given. In the event that further contributions need to be made to such Special Fund for the ensuing year, the Manager shall recommend and request the Owners to approve such further contribution by a resolution of Owners at an Owners' meeting convened under this Deed. Each Owner shall make such further contribution to the Special Fund in such amount and at such time as determined in the Owners' resolution.

6.2.9 The Manager shall be deemed to be a trustee for all the Owners in respect of all moneys and deposits received by it in its capacity as the Manager of the Estate. Such moneys and deposits shall belong to the Owners but shall be held and applied for as aforesaid by the Manager irrespective of changes in the ownership of any Unit. Upon the Land being reverted to the Government or upon the rights and obligations hereunder being extinguished as provided in Section VII hereof, any balance of the said moneys shall be divided between the persons who are Owners immediately prior to such reversion or such extinguishment of rights and obligations, as the case may be, in the same share and proportion as their respective Undivided Shares bear to the total of the Undivided Shares of the Land (less those allocated to the General Common Areas and General Common Facilities).

C. Manager's Remuneration

6.3.1 The Manager (other than the Owners' Committee when acting as Manager) for the performance of its duties herein shall be paid by way of remuneration not exceeding the rate of 10% of the total annual Management Expenses necessarily and reasonably incurred in the course of proper and efficient management of the Estate.

6.3.2 For the purpose of calculating the Manager's Remuneration, the total annual Management Expenses referred to in Clause 6.3.1 above shall exclude (i) the Manager's Remuneration, (ii) any capital expenditure or expenditure drawn out of the Special Fund Provided That by a resolution of Owners passed 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 of 15% or at such lower rate as considered appropriate by the Owners. "Capital expenditure" shall mean expenditure of a kind not incurred annually.

6.3.3 The Manager's Remuneration as aforesaid shall be the net remuneration of the Manager for its services as Manager and shall not be subject to any requirement by the Manager to disburse or provide from such money any staff, facilities, accountancy services, or other professional supervision for the Land and the Estate the cost for which shall be a direct charge upon the General Fund.

6.3.4 Each Owner shall pay his due proportion of the Manager's Remuneration to the Manager in advance on the first day of each month. The percentage of the total annual Management Expenses (excluding the Manager's Remuneration, the Special Fund and any capital expenditure referred to in Clause 6.3.2) against which the Manager's Remuneration as stated in Clause 6.3.1 above is calculated may be reviewed by a resolution of Owners at meetings of the Owners convened under this Deed. Payment of the Manager's Remuneration shall be monthly in advance in the sum of one twelfth of the annual remuneration of the Manager being 10% of the total annual budgeted Management Expenses (excluding the Manager's Remuneration, the provision of Special Fund and any capital expenditure referred to in Clause 6.3.2) subject to adjustment at the end of each financial year when the final annual Management Expenses are ascertained.

D. Management Expenses in respect of the Estate

6.4.1 The Owners of the Estate shall pay to the Manager monthly in advance in the manner hereinafter provided the Management Expenses which shall be made up of the following :-

- (a) The proper and necessary cost of carrying out all or any of the duties of the Manager set out herein.
- (b) The cost of purchasing or hiring all necessary plant, equipment and machinery in connection with the management and maintenance of the Land and the Estate other than the Units.
- (c) The cost of employing staff to administer the management of the Estate including (but not limited to) salaries, bonuses, gratuity, provident fund and /or long service payment and other statutory payment under the Employment Ordinance or other applicable

ordinances, premium for employees' compensation and medical insurance of the security force, watchmen, gardeners, caretakers and other staff and other reasonable costs incidental thereto.

- (d) All reasonable professional fees and costs incurred by the Manager including :-
 - (i) fees and costs of surveyors, rating surveyors, valuers, architects, engineers and others employed in connection with the management, maintenance and improvement of the Estate,
 - (ii) solicitors and other legal fees and costs,
 - (iii) fees and costs of any accountants, auditors and/or any other consultants employed in connection with the management accounts or the Manager's statements as hereinafter referred to.
- (e) All water, gas, electricity, telephone and other services charges except where the same is separately metered to individual Units.
- (f) The cost of all fuel and oil incurred in connection with the operation of the General Common Areas and the General Common Facilities.
- (g) The cost of maintaining and operating emergency generators and the cost of providing emergency lighting of the Estate.
- (h) The cost of effecting insurance mentioned in Clause 6.2.1 (29) and (30) hereof.
- (i) All charges, assessments, impositions and other outgoings payable by the Owners in respect of all parts of the General Common Areas.
- (j) The cost of postage, stationery and other sundry items necessarily and reasonably incurred by the Manager in connection with the management of the Estate.
- (k) The Manager's Remuneration for carrying out its management duties in accordance with the provisions herein contained.
- (l) The cost and expense of upholding, managing, maintaining and repairing (as the case may be) the Slopes and Retaining Walls which are required to be upheld, managed, maintained and repaired under the Government Grant or this Deed.

- (m) Charges for telephones installed at management offices and various caretakers' counters (if any).
- (n) The costs of providing uniforms for the security force, watchmen, gardeners, caretakers and other staff employed for the management of the Land and the Estate and replacement of the same.
- (o) The cost of landscaping and maintaining, repairing, cleansing and operating the recreational facilities of the Estate.
- (p) The cost of landscaping and maintaining the play areas and landscape of the Estate.
- (q) Government rent and rates (if any) of the management offices and the General Common Areas.
- (r) Air-conditioning charges of the management offices.
- (s) Water consumption and electricity charges of the management offices.
- (t) Furniture, fixtures, fittings and other appliances in the management offices.
- (u) The cost of operating or providing shuttle bus services (if any) in accordance with this Deed.
- (v) The cost incurred in connection with the implementation of the Fire Safety Management Plan and the enforcement of due observance and performance by the Owners of the terms of the Fire Safety Management Plan and the costs of carrying out the annual inspection, testing and certification of fire safety equipment and the costs of carrying out all necessary maintenance and repair works thereto .
- (w) Any other items of expenditure which are necessary for the management of the Land and the Estate.
- (x) Any other items of expenditure which are necessary for the administration, management and maintenance of the Land and the Estate including but not limited to all staff, facilities, office, accountancy, professional, supervisory and clerical expenses incurred by the Manager in respect thereof or such fair and reasonable proportionate part thereof which are provided by the head office of the Manager for the Estate as

well as any other land, developments and buildings and for such purposes, the Manager shall be entitled to apportion any such items of expenditure which directly relate to the administration and/or management and/or maintenance of the Land and the Estate as well as any other land, developments and buildings in such manner as shall be reasonably determined by the Manager having regard to the relevant circumstances.

6.4.2 The Manager shall keep separate management accounts and budget for the Estate and each different specific parts thereof. The annual budget shall be in two parts. The first part shall cover all Management Expenses which in the opinion of the Manager (whose decision shall be conclusive save for manifest error) is to be expended for the benefit of all Owners or required for the proper management of the Estate and the Estate Common Areas and Estate Common Facilities. The second part shall cover Management Expenses which in the opinion of the Manager (whose decision shall be conclusive save for manifest error) is specifically referable to different specific parts of the Estate and shall be divided into two sections. The first section shall cover all Management Expenses which in the opinion of the Manager (whose decision shall be conclusive save for manifest error) is specifically referable to the Commercial Accommodation. The second section shall cover all Management Expenses which in the opinion of the Manager (whose decision shall be conclusive save for manifest error) is specifically referable to the Residential Common Areas and Residential Common Facilities providing service to Owners of Flats. The Management Expenses shall be apportioned between the Owners of the Estate in the following manner :-

- (a) Where any expenditure relates principally to the or the Residential Common Areas or the Residential Common Facilities providing services to Owners of Flats of the Estate, the expenditure shall form part of the Management Expenses of the Residential Tower and shall be borne by the Owners of Flats according to the proportions borne by the number of the Management Shares of their respective Flats to the total number of Management Shares allocated to all the Flats.
- (b) Where any expenditure relates principally to the Commercial Accommodation, such expenses shall be borne by the Owners of the Commercial Accommodation the expenditure shall form part of the Management Expenses of the Commercial Accommodation and shall be borne by the Owner(s) of Commercial Accommodation.
- (c) Where any expenditure relates principally to (i) the Estate Common Areas and/or Estate Common Facilities, or (ii) does not fall under any of the sub-paragraphs (a), (b), and (d) of this Clause 6.4.2 the expenditure shall form part of the Management

Expenses of the Estate as a whole and shall be borne by all Owners of the Estate in accordance with the proportion that the respective Management Shares of the relevant part of the Estate bear to the total number of Management Shares of the Estate.

- (d) Notwithstanding anything contained in sub-clauses (a) to (b) hereof, (i) where any expenditure relates solely to or is solely for the benefit of any Unit and no Owner other than the Owner entitled to the exclusive right and privilege to hold, use and occupy that Unit will receive any material benefit therefrom, then the full amount of such expenditure shall be borne by the Owner of such Unit and (ii) where any expenditure relates solely to or is solely for the benefit of a group of Owners but does not relate to or is not for the benefit of the other Owners, the full amount of such expenditure shall be apportioned between such Owners in proportion to their respective Management Shares.

6.4.3 Each Owner shall pay in full a due proportion of the cost and expenses mentioned in clause 6.3.1 (being Manager's Remuneration) and in Clause 6.4.1 (being the Management Expenses) of this Sub-Section D whether or not his Unit is occupied. No Owner shall be called upon to pay more than his fair share of the Management Expenses. The First Owner shall pay all Management Expenses for the Units unsold Provided that no Management Expenses shall be payable in respect of those Undivided Shares allocated to such separate building or phrase of the Estate the construction of which has not been completed except to the extent that such uncompleted building or phrase of the Estate benefits from the provisions of this Deed as to management and maintenance of the Estate. The Manager or the Owners' Corporation shall not be liable to pay the Management Expenses in respect of the Common Parts Undivided Shares held by them pursuant to this Deed.

- (a) The Owner of each Unit shall pay to the Manager monthly in advance the Management Fee calculated by reference to Clauses 6.4.2 and 6.3.1 hereof PROVIDED THAT if the total contributions receivable as aforesaid by the Manager shall be insufficient to meet the Management Expenses by reason of any further Management Expenses whether incurred or to be incurred over and above the budgeted Management Expenses, such deficiency shall be carried forward to and recouped by adjusting the annual budget and the Management Fee for the next financial year PROVIDED ALWAYS that the Manager may demand from each Owner on giving not less than one (1) month's prior notice in writing the additional monthly contribution payable by each Owner as determined by the Manager pursuant to the provisions of this Deed PROVIDED THAT :- (i) such demand shall not be made more than once for every financial year for the purpose of

management of the Land and the Estate; (ii) in exceptional circumstances it may be recovered by special contribution in one lump sum as the Manager shall deem fit to meet the said further Management Expenses including its remuneration due thereon; and (iii) all demands to be made by the Manager pursuant to this Clause 6.4.3(a) must be made by reference to a revised annual management budget which has followed the same procedures as apply to the draft budget and budget by virtue of Clause 6.6.2 hereof.

- (b) If there should be any surplus after payment of all the costs, charges and expenses then the surplus shall be credited to the General Fund and be applied towards the Management Expenses of the Land and the Estate in such manner as the Manager may decide.
- (c) The Manager shall be entitled to charge the Owner concerned a reasonable administrative fee for granting and processing any consent required from the Manager pursuant to this Deed PROVIDED THAT such consent shall not be unreasonably withheld and such fee shall be held by the Manager for the benefit of all Owners and be paid into the Special Fund.

6.4.4 The Manager shall from time to time notify each Owner in writing in the manner hereinafter mentioned of the amount of the Management Fee estimated as aforesaid and such amount shall be payable by each Owner monthly in advance from the commencement of the month immediately following the date of notification.

6.4.5 In the event of the Manager acquiring Undivided Shares in the Land and the Estate pursuant to SECTION VII hereof references to "Owners" in this Sub-Section D of SECTION VI shall be deemed to exclude the Manager.

E. Security for and Recovery of Moneys Due to the Manager

- 6.5.1 (a) Except where the First Owner has made payments in accordance with sub-clause (b) hereof, the first person who becomes the Owner of each Unit shall before taking possession of his Unit :-
 - (i) pay to the Manager a deposit referred to in Clause 6.5.2 hereof ("the Management Deposit") such sum not exceeding 3 month's Management Fee in respect of his Unit calculated on the basis of the first year's budgeted Management Expenses as security against his liabilities under this Deed and the

Management Deposit shall be placed in a specially designated Bank Account the title of which shall refer to the Management Deposit of the Estate Provided Always that no Owner may refuse to pay any money payable by him under this Deed or any part thereof by claiming any set off against the Management Deposit Provided Further that in the case of change of ownership of any Unit, the Management Deposit in respect of such Unit shall be transferred to the account of the new Owner and the previous Owner shall have no claim for any refund;

- (ii) pay to the Manager such sum not exceeding 2 month's Management Fee in respect of his Unit calculated on the basis of the first year's budgeted Management Expenses as payment in advance of the Management Fee;
- (iii) pay to the Manager 2 months' Management Fee in respect of his Unit calculated on the basis of the first year's budgeted Management Expenses as his initial contribution to the Special Fund;
- (iv) pay to the Manager a due proportion as contribution towards the public utility deposit for payment of deposit for water, electricity and other utilities supply to the General Common Areas and General Common Facilities, which sum shall be non-refundable but transferable in case of change of ownership; and
- (v) pay to the Manager such sum not exceeding 1 month's Management Fee calculated on the basis of the first year's budgeted Management Expenses as debris removal fee.

Provided that the funds and fees referred to in sub-clauses (iii) and (v) above shall be non-refundable and non-transferable in case of change of ownership of any Unit. Provided Further that any debris removal fee not used for debris collection or removal are to be paid into the Special Fund.

- (b) The First Owner shall pay the Management Deposits, the initial contribution to the Special Fund, the public utility deposit, the debris removal fee, if it remains the Owner of those Undivided Shares allocated to Units in that part of the Estate the construction of which has been completed and which remain unsold 3 months after (i) execution of this Deed or (ii) the date when the First Owner is in a position validly to assign those Undivided Shares (i.e. when the relevant consent to assign or certificate of compliance has been issued), whichever is the later. In the event of a change of ownership of such Units to new Owners, the public utility deposit, the Management Deposit, paid hereunder shall be transferred to the new Owners of such Units in the manner as provided in this Clause.
- (c) All outgoings including the Management Fee and any Government rent in respect of all Units held by the First Owner up to and inclusive of the date of the relevant

assignment(s) of the relevant Unit(s) held by the First Owner shall be paid by the First Owner. An Owner shall not be required to make any payment or reimburse the First Owner for these outgoings.

- (d) For the purpose of this Clause, a part or parts of the Estate shall be considered as remaining unsold where no assignment has been entered into between the First Owner and a prospective purchaser in respect of such part or parts.

6.5.2 The Manager shall be entitled from time to time at its absolute discretion to demand and the Owner shall pay to the Manager such amount on demand for the purpose of maintaining the Management Deposit at a level equal to three months' Management Fee for the time being payable in respect of the Unit held by such Owner Provided That the amount of the Management Deposit of a Unit shall be no more than 25% of any subsequent current year's budgeted Management Expenses for such Unit.

6.5.3 If any of the Owners shall fail to pay the Management Fee and/or to pay any sum payable under this Deed within thirty (30) days of demand, then the Manager shall be entitled to do any or all of the following, namely :

- (a) to forbid such defaulting Owner, his tenants, lessees, employees, licensees and visitors the use of the management services provided by the Manager provided that notwithstanding anything contained in this Deed or any relevant Sub-Deed of Mutual Covenant to the contrary, no provision of this Deed or any Sub-Deed of Mutual Covenant shall operate to empower, or shall be construed to have the effect of empowering, any person (including the Manager) to interrupt the supply of electricity, water, gas, telecommunications or other utilities which are provided by public utility or other services companies to any Unit or to prevent access to the Unit by reason of the Owner of that Unit failing to pay any fees or to comply with any other provisions under this Deed;
- (b) to recover from the defaulting Owner who fails to pay sums due under the provisions of this Deed within 30 days of demand interest on the defaulted amount at the rate of not exceeding 2% per annum over and above the prime rate from time to time specified by The Hongkong and Shanghai Banking Corporation Limited from the date on which the same become due and payable until the date of payment (such interest when collected shall be credited to the Special Fund);
- (c) to recover from the defaulting Owner who fails to pay sums due under the provisions

of this Deed within 30 days of demand a collection charge not exceeding 10% of the defaulted amount to cover the costs (other than legal costs of proceedings as hereinafter mentioned) of the extra work occasioned by the default which said collection charge when collected shall be credited to the Special Fund;

- (d) to recover the defaulted sum and all sums payable under this Clause by civil action;
- (e) to recover from the defaulting Owner all legal costs relating to the recovery of the defaulted sum and all sums payable under this Clause on a solicitor and own client basis;
- (f) to register a charge against the Undivided Shares of the defaulting Owner and the Unit held therewith, such charge shall remain valid and enforceable notwithstanding that judgement has been obtained for the amount thereof unless and until such judgement has been satisfied; and
- (g) to enforce the said charge by legal action for obtaining an order for the sale of the Undivided Shares of the defaulting Owner and the Unit held therewith.

Provided that nothing in this Deed shall entitle or operate to empower, or shall be construed to have the effect of empowering, any person (including the Manager) to interrupt the supply of electricity, water, gas, telecommunications or other utilities or other services which are provided by public utility companies to any Unit or to prevent access to the Unit by reason of the Owner of that Unit failing to pay any fees or to comply with any other provisions under this Deed.

F. Annual Budget

- 6.6.1 (a) The Manager shall prepare the annual budget for the ensuing year in consultation with the Owners' Committee (if already formed). The annual budget shall be in two parts :-
- (i) The first part shall cover all expenditure which is to be expended for the benefit of all Owners or required for the proper management of the Estate, the Estate Common Areas and the Estate Common Facilities therein.
 - (ii) The second part shall cover expenditure which is specifically referable to the Residential Common Areas and the Residential Common Facilities providing service to Owners of Flats and shall contain the following sub-sections:-

- (A) the first sub-section shall cover such expenditure as aforesaid which is specifically referable to the Recreational Areas and Facilities; and
- (B) the second sub-section shall cover expenditure as aforesaid which is specifically referable to the Residential Common Areas and the Residential Common Facilities (excluding the Recreational Areas and Facilities); and

Provided that if a Sub-Deed of Mutual Covenant is entered into in respect of the Commercial Accommodation, a new section of the annual management budget shall be established by the Manager, such section to cover all expenditure which is specifically referable to the Commercial Common Areas and the Commercial Common Facilities.

- (b) The first financial year shall commence from the date of this Deed and shall end on the 31st day of March of the following year and thereafter the subsequent financial year shall commence on the 1st day of April of that year and shall end on the 31st day of March of the following year PROVIDED THAT if the first financial year is less than a period of 6 months, the first financial year shall run from the date of this Deed until the 31st day of March in the next following year PROVIDED FURTHER THAT 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).

6.6.2 The Manager shall in respect of each financial year :-

- (a) prepare a draft budget setting out the proposed Management Expenses for the financial year;
- (b) send a copy of the draft budget to the Owners' Committee or, where there is no Owners' Committee, display a copy of the draft budget in a prominent place in the Estate and cause it to remain so displayed for a least 7 consecutive days;
- (c) send or display, as the case may be, with the copy of the draft budget a notice inviting each Owner to send his comments on the draft budget to the Manager within a period of fourteen (14) days from the date the draft budget was sent or first displayed;
- (d) after the end of that period, prepare a budget specifying the total proposed Management Expenses during the financial year; and

- (e) send a copy of the budget to the Owners' Committee or, where there is no Owners' Committee, display a copy of the budget in a prominent place in the Estate and cause it to remain so displayed for at least 7 consecutive days.

6.6.3 Where a budget has been sent or displayed in accordance with Clause 6.6.2 (e) hereof and the Manager wishes to revise it, it shall follow the same procedures in respect of the revised budget as apply to the draft budget or budget by virtue of Clause 6.6.2. Where a revised budget is duly sent or displayed, the total amount of the Management Expenses for that financial year shall be the total Management Expenses or proposed Management Expenses specified in the revised budget and the amount that the Owners shall contribute towards the Management Expenses shall be calculated and adjusted accordingly.

6.6.4 Where in respect of a financial year, the Manager has not complied with Clause 6.6.2 hereof before the start of that financial year, the total amount of the Management Expenses for that year shall :-

- (a) until it has so complied, be deemed to be the same as the total amount of Management Expenses (if any) for the previous financial year; and
- (b) when it has so complied, be the total proposed Management Expenses specified in the budget for that financial year, and the amount that the Owners shall contribute towards the Management Expenses shall be calculated and adjusted accordingly.

6.6.5 If any Owner requests in writing the Manager to supply him with a copy of any draft budget, budget or revised budget, the Manager shall, on payment of a reasonable copying charge, supply a copy to that person. Such charge shall be credited to the General Fund.

6.6.6 Subject to Clauses 6.6.3, 6.6.4, 6.6.7 and 6.6.8, the total amount of Management Fees payable by the Owners during any period of twelve (12) months adopted by the Manager as the financial year in respect of the management of the Estate shall be the total proposed Management Expenses during that year as budgeted in accordance with Clause 6.6.2 for that financial year.

6.6.7 If there is an Owners' Corporation and, within 1 month from the date that a budget or revised budget for a financial year is sent or first displayed in accordance with Clauses 6.6.2 or 6.6.3 hereof, the Owners' Corporation decides, by a resolution of the Owners, to reject the budget or revised budget, as the case may be, the total amount of the Management Expenses for that financial year shall, until another budget or revised budget is sent or displayed in

accordance with Clauses 6.6.2 or 6.6.3 hereof and is not so rejected by the Owners' Corporation, be deemed to be the same as the total amount of the Management Expenses for the previous financial year (if any) together with an amount not exceeding 10% of that total amount as the Manager may determine.

6.6.8 For the purposes of Clauses 6.6.2 to 6.6.7, "Management Expenses" includes all costs, charges and expenses to be borne by the Owners, including the Manager's Remuneration.

G. Management Accounts

6.7.1 The Manager shall :

- (a) keep and maintain true and proper books or records of all accounts 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 six (6) years;
- (b) within one (1) month after each consecutive period of three (3) months, or such shorter period as the Manager may select, prepare a summary of income and expenditure and a balance sheet in respect of that period, display a copy of the summary and balance sheet in a prominent place in the Estate and cause it to remain so displayed for at least 7 consecutive days;
- (c) within two (2) months after the end of each financial year, 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 Estate, and cause it to remain so displayed for at least 7 consecutive days;
- (d) ensure that each income and expenditure account and balance sheet required under sub-clauses (b) and (c) shall include details of the Special Fund and an estimate of the time when there will be a need to draw on the Special Fund and the amount of money that will then be needed;
- (e) permit any Owner at any reasonable time to inspect the books or records of account and any income and expenditure account or balance sheet and on payment of a reasonable copying charge, supply any Owner with a copy of any record or document requested by him Provided that such copying charge shall be credited to the General Fund;

- (f) if a resolution of the Owners passed in a general meeting convened under this Deed requires 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, without delay arrange for such an audit to be carried out by that person, and (i) permit any Owner, at any reasonable time, to inspect the audited income and expenditure account and balance sheet and the report made by the accountant or auditor in respect of the income and expenditure account and balance sheet, and (ii) on payment of a reasonable copying charge, supply any Owner with a copy of the audited income and expenditure account and balance sheet, or the report made by the accountant or auditor in respect of the income and expenditure account and balance sheet, or both, as requested by the Owner Provided that such copying charge shall be credited to the General Fund; and
- (g) before an Owners' Corporation is formed, upon request of the Owners at an Owners' meeting appoint an accountant or some other independent auditor nominated by the Owners at the said Owners' meeting to audit any annual income and expenditure account and balance sheet prepared by the Manager under Clause 6.7.1(c).

6.7.2 Each income and expenditure account and balance sheet required under sub-clauses (b) and (c) of Clause 6.7.1 hereof shall include details of the Special Fund and an estimate of the time when there will be a need to draw on the Special Fund and the amount of money that will then be needed.

H. Management by Owners' Corporation

6.8.1 The management of the Land and the Estate shall be given free of costs or consideration to the Owners' Corporation at its request when it is formed pursuant to the Building Management Ordinance (Cap.344). During the existence of the Owners' Corporation, the general meeting of Owners' Corporation convened under this Deed shall take the place of the meeting of Owners under this Deed and the management committee of the Owners' Corporation convened under the Building Management Ordinance shall take the place of the Owners' Committee under this Deed.

6.8.2 (a) The Owners' Corporation may, in its capacity as the Manager, appoint any professional management company to be its professional management agent on such terms and conditions to be agreed to manage the Land and the Estate as its agent and on its behalf in accordance with this Deed. The provisions in this Section VI shall only apply to the extent that they do not conflict with or are not inconsistent with the

provisions of the Building Management Ordinance and, in case of conflict, the latter shall prevail.

- (b) The Owners' Corporation may also appoint any professional management company to act as the Manager in its place and stead on such terms and conditions to be agreed between the Owners' Corporation and such professional management company subject to the relevant provisions of this Deed and the Building Management Ordinance.

6.8.3 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 Estate.

I. Application of the Building Management Ordinance

- 6.9.1. Notwithstanding anything contained in this Section VI, nothing herein shall in any way prejudice any provisions in or the application of the Building Management Ordinance. For the avoidance of doubt, the provisions in the Schedule 7 (as amended from time to time) to the Building Management Ordinance shall be incorporated into this Deed and shall prevail over any other provisions in this Deed that are inconsistent with them.

SECTION VII

EXTINGUISHMENT OF RIGHTS UNDER THIS DEED

7.1.1 In the event of the Estate or any part or parts thereof being so damaged by fire, typhoon, earthquake, subsidence or other cause so as to render the same substantially unfit for use or habitation or occupation, the Manager shall convene a meeting of the Owners of the part or parts of the Estate so affected and such meeting may resolve by not less than 75% majority at a meeting of the Owners of not less than 75% of the Undivided Shares allocated to the part or parts of the Estate so affected (excluding the Common Parts Undivided Shares) present or by proxy and voting that by reason of insufficiency of insurance moneys, changes in building law and/or regulations or any other circumstances whatsoever, it is not practicable to reinstate and rebuild such part or parts of the Estate then in such event the Undivided Shares in the Land and the Estate representing such part or parts of the Estate so affected shall be acquired by the Manager and the Owners (excluding the Common Parts Undivided Shares) of such Undivided Shares shall in such event be obliged to assign the same and all rights and appurtenances thereto to the Manager upon trust to forthwith dispose of the same by public auction and to distribute the net proceeds of sale amongst the Owners of such Undivided Shares (excluding the Common Parts Undivided Shares) in the proportion that the respective Undivided Shares previously held by such former Owners (except the Manager) bears to the total number of Undivided Shares of the part of the Estate in question (less the Common Parts Undivided Shares). All insurance moneys received in respect of any policy of insurance on such parts of the Estate shall likewise be distributed amongst such former Owners. In such event all the rights, privileges, obligations and covenants of such former Owners under this Deed shall be extinguished so far as the same relate to such former Owners of such part or parts of the Estate Provided Always that if it is resolved to reinstate or rebuild such part or parts of the Estate each Owner (excluding the Common Parts Undivided Shares) of such part or parts shall pay the excess of the costs of reinstatement or rebuilding of such part or parts over and above the proceeds from the insurance of such part or parts in the proportion that the respective number of Undivided Shares held by him bears to the total number of Undivided Shares of the part of the Estate in question (less the Common Parts Undivided Shares) and that until such payment the same shall be a charge upon his interest in the Land and the Estate and be recovered as a civil debt.

7.1.2 The following provisions shall apply to a meeting convened by the Manager as provided in Clause 7.1.1 hereof in addition to the provisions of Schedule 8 of the Building Management Ordinance:-

- (a) Every such meeting shall be convened by the person or persons convening the

meeting serving notice of such meeting upon the Owners of the part or parts of the Estate so affected at least 14 days before the date of the meeting, and that notice shall specify the place, date and time of the meeting and the resolutions that are to be proposed;

- (b) Service of a notice required to be served under the preceding sub-clause (a) may be effected :-
 - (i) personally upon the Owner;
 - (ii) by post addressed to the Owner at his last known address; or
 - (iii) by leaving the notice at the part of the Estate owned by the Owner or depositing the notice in his letter box.
- (c) No business shall be transacted at any meeting unless a quorum is present. A quorum shall consist of the Owners (excluding the Owner of the Common Parts Undivided Shares) present in person or by proxy in whom not less than seventy five per cent (75%) of the total number of Undivided Shares of the part or parts of the Estate in question (but excluding the Common Parts Undivided Shares) are vested. If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to the same time and day in the next week at the same place;
- (d) The chairman of the Owners' Committee shall preside over at every such meeting or, in his absence, the Owners then present shall choose one of the Owners present at the meeting to be the chairman of the meeting;
- (e) The chairman shall cause a record to be kept of the persons present at the meeting and notes of the proceedings thereof;
- (f) Every Owner shall have one vote for each Undivided Share allocated to the part of the Estate vested in him and in the case of Owners who together are entitled to one such Undivided Share the vote in respect of that Undivided Share may be cast :-
 - (i) by a proxy jointly appointed by the co-Owners; or
 - (ii) by one of the co-Owners duly appointed by the other co-Owners; or
 - (iii) if no appointment has been made under the preceding sub-sub-clauses (i) or (ii), then either personally or by proxy by one of the co-Owners; and, in the case of any meeting where more than one of the co-Owners seeks to cast a vote in respect of the Undivided Share, only the vote that is cast, in person 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;

- (g) If there is an equality of votes, the person presiding over the meeting shall have, in addition to a deliberative vote, a casting vote;
- (h) Votes may be given either personally or by proxy;
- (i) An instrument appointing a proxy shall be in writing signed by the Owner or, if the Owner is a body corporate, under the seal of that body corporate and signed by a person authorized by the body corporate in that behalf. The appointment of proxy shall have no effect unless the instrument appointing the proxy is lodged with the person, or one of the persons, as the case may be, who convened the meeting not less than 48 hours before the time for the holding of the meeting at which the proxy proposes to vote, or within such lesser time as the chairman shall allow.
- (j) A resolution passed at a duly convened meeting by not less than seventy-five per cent (75%) of votes of the Owners (excluding the Owner of the Common Parts Undivided Shares) present in person or by proxy and voting shall be binding on all the Owners of the relevant part of the Estate 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 or any relevant Sub-Deed of Mutual Covenant;
- (k) A resolution in writing signed by Owners (excluding the Owner of the Common Parts Undivided Shares) who in the aggregate have vested in them for the time being not less than seventy-five per cent (75%) of the Undivided Shares allocated to the part of the Estate in question (but excluding the Common Parts Undivided Shares) shall be as valid and effectual as if it had been passed at a duly convened meeting of such Owners;
- (l) The procedure at a meeting of Owners shall be as is determined by the Owners; and

- (m) A resolution passed at any meeting convened under Clause 7.1.1 hereof shall not be invalid by reason only of the accidental omission to give notice of the meeting to any person entitled to such notice. PROVIDED ALWAYS THAT no right to vote shall attach to the Common Parts Undivided Shares and such Shares shall not be counted for the purposes of sub-clauses (c), (j) or (k) above.

SECTION VIII

MEETINGS OF THE OWNERS AND OWNERS' COMMITTEE

8.1.1 Any Owners holding not less than five per cent (5%) of the total number of Undivided Shares or the Manager may at any time convene an Owners' meeting for the purpose of determining any matters concerning or affecting or in any way relating to the Land and the Estate and the management thereof (subject to the provisions of this Deed and the Building Management Ordinance). The Manager shall as soon as possible but not later than nine (9) months from the date of this Deed convene the first meeting of Owners (and to call further and subsequent meetings, if required), which meeting shall appoint a chairman and the Owners' Committee or appoint a management committee for the purpose of forming the Owners' Corporation under the Building Management Ordinance. The following provisions shall apply to any Owners' meeting, namely :-

- (a) a meeting may be validly convened by (i) the Manager, (ii) the Owners' Committee, or (iii) an Owner appointed to convene such a meeting by the Owners not less than 5% of the total number of the Undivided Shares (less the Common Parts Undivided Shares) in aggregate;
- (b) 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 :-
 - (i) the date, time and place of the meeting; and
 - (ii) the resolutions (if any) that are to be proposed at the meeting;
- (c) all notices required to be given hereunder shall be sufficiently given to an Owner if a copy of the notice is given by delivering it personally to the Owner or it is sent by post to the Owner at his last known address or it is left at his Unit or deposited in the letter box for his Unit;
- (d) 10% of the Owners of the Estate (excluding the General Common Areas) (whether present in person or by proxy) shall be a quorum and no business shall be transacted at any meeting unless a quorum is present when the meeting proceeds to business. For the purposes of this sub-clause, the reference to "10% of the Owners" shall :-
 - (i) 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 Estate is divided; and

- (ii) not be construed as the Owners of 10% of the Undivided Shares.
- (e) a meeting of Owners shall be presided over by the chairman of the Owners' Committee or, if the meeting is convened under sub-clause (a)(i) or (iii), the person convening the meeting;
- (f) the chairman shall cause a record to be kept of the persons present in person or by proxy at the meeting, the proceedings and the resolutions of the Owners' Committee;
- (g) every Owner shall have one vote for each Undivided Share he owns and where 2 or more persons are the co-Owners of one Undivided Shares the vote in respect of that Undivided Share may be cast :-
 - (i) by a proxy jointly appointed by the co-owners; or
 - (ii) by a person appointed by the co-Owners from amongst themselves; or
 - (iii) if no appointment has been made under sub-clause (i) hereof, then either by one of co-Owners personally or by a proxy appointed by one of the co-Owners; and, in the case of any meeting where more than one of the co-Owners seeks to cast a vote in respect of the Undivided Share, only the vote that is cast, in person 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;
- (h) in case of any equality of votes the person presiding over the meeting shall have in addition to a deliberative vote, a casting vote;
- (i) Owner may cast a vote personally or by proxy;
- (j) an instrument appointing a proxy shall be in the form set out in Form 1 in Schedule 1A to the Building Management Ordinance, and
 - (i) shall be signed by the Owner; or
 - (ii) 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;

- (k) the instrument appointing a proxy shall be lodged with the chairman of the Owners' Committee or, if the meeting is convened under sub-clause (a)(i) or (iii), the person convening the meeting at least 48 hours before the time for the holding of the meeting;
- (l) 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;
- (m) any resolution on any matter concerning the Land and the Estate passed at a duly convened meeting by a majority of votes of the Owners present in person or by proxy and voting shall be binding on all the Owners Provided that :-
 - (i) the fourteen (14) days prior written notice convening the meeting shall specify the intention to propose a resolution concerning such matter;
 - (ii) any resolution purported to be passed at such meeting concerning any other matters shall not be valid; and
 - (iii) no resolution shall be valid if it is contrary to the provisions of this Deed or any relevant Sub-Deed of Mutual Covenant or the Government Grant.
- (n) A resolution passed at any meeting convened under Clause 8.1.1 shall not be invalid by reason only of the accidental omission to give notice of the meeting to any person entitled to such notice;
- (o) the procedure at the meeting shall be as is determined by the Owners;
- (p) for the avoidance of doubt and notwithstanding anything to the contrary herein contained, no right to vote shall attach to the Common Parts Undivided Shares; and
- (q) an annual general meeting of the Owners shall be held every year for the purposes of considering and resolving on matters which this Deed requires to be approved or decided by the annual general meeting of the Owners. The first of such annual general meeting shall be held within 12 calendar months after the first meeting of the Owners and annual general meetings for each ensuing year shall be held within 12 calendar months from the previous annual general meeting.

- 8.1.2 (a) (i) Any Owners' Committee formed under this Deed shall consist of not less than 3 members elected in an Owners' meeting to represent the Owners in all matters concerning the management of the Land and the Estate, undertaking other functions conferred on the Owners' Committee by this Deed, and in

particular, to communicate with the Manager on behalf of the Owners and to consider such matters required to be approved or decided by the Owners' Committee under this Deed. The Owners' Committee shall comprise of not less than 3 Owners.

- (ii) A chairman, a vice-chairman, a secretary and such other officers (if any) as the Owners may from time to time determine shall be elected in the Owners' meeting among the abovementioned members by the Owners present.
- (b) Any Owner and any representative appointed by an Owner in the event of such Owner being a corporate body shall be eligible for election to the Owners' Committee. The appointment of a representative by a corporate Owner shall be in writing addressed to the Owners' Committee and such appointment may be revoked at any time by notice in writing given to the Owners' Committee.
- (c) No person shall be appointed as a member of the Owners' Committee who :-
 - (i) has been declared bankrupt or insolvent; or
 - (ii) has been convicted of a criminal offence other than a summary offence not involving dishonesty; or
 - (iii) has entered into composition with his creditors.
- (d) An Owner's Committee shall be appointed for a term of one (1) year and its members shall hold office until a new Owners' Committee is appointed and in the event of no new Owners' Committee is appointed for whatever reasons after the said term of one (1) year, the members of the existing Owners' Committee shall continue to act until a new Owners' Committee is appointed Provided Always that a member shall cease to hold office if :-
 - (i) he ceases to be an Owner;
 - (ii) he becomes disqualified for appointment as a member of an Owners' Committee under sub-clause (c) hereof;
 - (iii) he resigns from the office by notice in writing given to the Owners' Committee;
 - (iv) he is removed by a resolution passed at an Owners' meeting; or
 - (v) he has become incapacitated by mental illness.
- (e) Retiring members of the Owners' Committee shall be eligible for re-election.
- (f) The Owners' Committee may continue to act notwithstanding any vacancies in their

number Provided That the number is not reduced below 3. In the event that the number is reduced below 3, the remaining members of the Owners' Committee may act but only for the purpose of convening an Owners' meeting for purpose of electing eligible persons to be members of the Owners' Committee.

- (g) A meeting of the Owners' Committee may be convened at any time by the chairman or any 2 members of the Owners' Committee.
 - (h) 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. Such notice of meeting shall specify :-
 - (i) the date, time and place of the meeting; and
 - (ii) the resolutions (if any) that are to be proposed at the meeting.
 - (i) All notices required to be given herunder shall be sufficiently given to a member of the Owners' Committee if a copy of the notice is given by delivering it personally to the member of the Owners' Committee or it is sent by post to the member of the Owners' Committee at his last known address or it is left at his Unit or deposited in the letter box for his Unit.
 - (j) The quorum at a meeting of the Owners' Committee shall be fifty per cent (50%) of the members of the Owners' Committee (rounded up to the nearest whole number) or 3 such members, whichever is the greater.
 - (k) A meeting of the Owners' Committee shall be presided by the chairman or in the absence of the chairman, a member of the Owners' Committee appointed as chairman for that meeting.
 - (l) At a meeting of the Owners' Committee, each member present shall have one (1) vote on a question before the Committee and if there is an equality of votes the chairman shall have, in addition to a deliberative vote, a casting vote.
 - (m) The procedure at meetings of the Owners' Committee shall be as is determined by the Owners' Committee.
- 8.1.3 No member of the Owners' Committee, acting in good faith and in a reasonable manner, shall be personally liable for any act done or default made by or on behalf of

the Owners' Committee :-

- (a) in the exercise or purported exercise of the powers conferred by this Deed or the Building Management Ordinance on the Owners' Committee; or
- (b) in the performance or purported performance of the duties imposed by this Deed or the Building Management Ordinance on the Owners' Committee.

8.1.4 On the formation of the Owner's Corporation, the provisions contained in Schedule 2 of the Building Management Ordinance shall apply in respect of all meetings and resolutions of the management committee which shall take the place of the Owners' Committee formed under this Deed, and the provisions contained in Schedule 3 to the Building Management Ordinance shall apply to all general meetings of the Owners' Corporation which shall take the place of the Owners' meetings under this Deed.

8.1.5 The Management Committee (if any) appointed under this Deed or the Building Management Ordinance shall within 28 days of its appointment apply to the Land Registrar for the registration of the Owners as an Owners' Corporation.

8.1.6 Notwithstanding anything contained in this Section VIII, nothing herein shall in any way prejudice any provisions in or the application of the Building Management Ordinance. For the avoidance of doubt, the provisions in the Schedule 8 (as amended from time to time) to the Building Management Ordinance shall be incorporated into and form part of this Deed and shall prevail over any other provisions in this Deed that are inconsistent with them.

SECTION IX

WORKS AND INSTALLATIONS

9.1.1 It is provided in the Land and the Estate the Works and Installations, which require regular maintenance on a recurrent basis. The Works and Installations include (but not limited to) the following items :-

- (a) the curtain walls;
- (b) plumbing system;
- (c) drainage system;
- (d) fire services installations and equipment;
- (e) electrical system with related electrical wiring;
- (f) lift installations;
- (g) window installations;
- (h) security system;
- (i) landscape;
- (j) air-conditioning and mechanical ventilation system;
- (k) structural elements;
- (l) external walls finishes and roofing materials; and
- (m) fire safety elements.

9.1.2 The First Owner shall at its own costs compile for the reference of the Owners and the Manager a Maintenance Manual for the Works and Installations setting out the following details :

- (a) As-built record plans of the building and services installations together with the necessary technical information (such as specifications of materials and design standard) for maintenance of all facilities and equipment;
- (b) All warranties and guarantees provided by contractors (together with the names of the companies providing the warranty and the contact telephone numbers) in respect of all facilities and equipment;
- (c) Recommended maintenance strategy and procedures;
- (d) A list of items of the Works and Installations requiring routine maintenance;

- (e) Recommended frequency of routine maintenance inspection;
- (f) Checklist and typical inspection record sheets for routine maintenance inspection; and
- (g) Recommended maintenance cycle of the Works and Installations.

9.1.3 The First Owner shall at its own costs deposit a full copy of the Maintenance Manual for the Works and Installations in the management office of the Estate within one month of the date hereof and the Manager shall keep the same available for inspection by the Owners free of charge during normal office hours and taking copies by any Owner at his request and on payment of such a charge . The Manager shall credit all charges so received to the Special Fund.

9.1.4 (a) The Manager shall on behalf of and at the cost and expense of the Owners inspect, maintain and carry out all necessary works for the maintenance of the General Common Areas and the General Common Facilities including those part or parts of the Works and Installations (in so far as they are in existence) forming part of the General Common Areas and/or the General Common Facilities.

(b) The Owners shall at their own costs and expenses inspect, maintain and carry out all necessary works for the maintenance of the Units including those part or parts of the Works and Installations (in so far as they are in existence) forming part of their Units.

9.1.5. (a) The Owners may, by a resolution of Owners passed at an Owners' meeting convened under this Deed revise the schedule set out in Clause 9.1.1 hereof and the Maintenance Manual for the Works and Installations or any part thereof, 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 said Owners' resolution.

(b) All costs of and 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.

(c) The Manager shall deposit the revised Maintenance Manual for the Works and Installations in the management office of the Estate within one month from the

date of its preparation for inspection by the Owners free of charge during normal office hours and taking copies by any Owner at his request and on payment of a reasonable. The Manager shall credit all charges so received to the Special Fund.

SECTION X

MISCELLANEOUS

10.1.1 Subject to the provisions of the Building Management Ordinance, in any civil action initiated or defended by the Manager under the powers given in this Deed, the Manager shall conclusively be deemed to be acting as the agent for and on behalf of all Owners other than the Owner (if any) against whom the action is being initiated or defended and no Owner shall raise or be entitled to raise any defence of want of authority or make any objection to the right of the Manager to initiate or defend such action.

10.1.2 The Manager shall keep at the management office of the plans prepared by the First Owner certified by or on behalf of the Authorised Person as to their accuracy showing for the purpose of identification only the General Common Areas for inspection by the Owners free of costs and charge during normal office hours.

10.1.3 All Owners of the Estate not occupying or in physical possession of their Units must provide the Manager with an address within the jurisdiction of the Hong Kong Special Administrative Region for service of notices under the terms of this Deed.

10.1.4 Within one (1) month from the date hereof, the First Owner shall provide at its own cost a copy of this Deed and a direct translation in Chinese of this Deed which shall be available for inspection at the management office of the Estate by any Owner during office hours and copies of which shall be furnished to any Owner at his request and on payment of such reasonable copying charges. All charges received shall be credited to the Special Fund. In case of any differences or dispute as to the effect of the Chinese translation and the English version of this Deed, the English version of this Deed shall prevail. The First Owner shall also deposit a full set of the Maintenance Manual for Slopes and Retaining Walls at the management office of the Estate within one month from the date hereof and the Manager shall keep the same available for inspection by the Owners free of charge during normal office hours and for taking copies by any Owner at his request and on payment of such reasonable charges to the Special Fund.

10.1.5 Subject to Section VII hereof, the rights, privileges, obligations and covenants herein contained shall be binding on the Owners and their respective executors, administrators, successors in title, assigns and mortgagees or chargees in possession or those who have foreclosed and the covenants herein contained and the interest herein both as to the benefit and burden of such covenants shall run with the Land. The Conveyancing and Property Ordinance

shall apply to this Deed Provided That no Owner shall be bound after ceasing to own any part or share of and in the Land and the Estate or any interest therein save and except in respect of any matter arising previously to his ceasing to own such part or share or interest therein.

10.1.6 Save as herein expressly provided, all notices in writing required to be given hereunder (if any) shall be sufficiently given to or served on an Owner if a copy of such notice is sent by delivering it to him or is left at his Unit or deposited in the letter box for his Unit even if such Owner is not personally occupying his Unit or if a copy is sent by post to his last known address in the Hong Kong Special Administrative Region.

10.1.7 Save and except such notice to the Manager required for termination of its appointment, all notices required to be given to the Manager shall be sufficiently served if sent by prepaid post addressed to or by hand delivered to the management office of the Estate or such other address as may be notified by the Manager from time to time.

10.1.8 To the extent that any provisions contained herein shall be in conflict with the Building Management Ordinance or the Schedules thereto, the Building Management Ordinance and the Schedules thereto shall prevail.

10.1.9 Notwithstanding anything contained in this Deed to the contrary but for the avoidance of doubt, the Common Parts Undivided Shares shall not carry any liabilities to pay charge under this Deed of any voting right at any meeting whether under this Deed, the Building Management Ordinance or otherwise, nor shall the Common Parts Undivided Shares be taken into account for the purpose of calculating the quorum of any meeting.

10.1.10 No provisions in this Deed shall conflict with or be in breach of the Government Grant and each Owner shall comply with the terms and conditions of the Government Grant in so far as the same relate to his part of the Estate and as one of the Owners for the time being of the Land and the Manager shall comply with the terms and conditions of the Government Grant so long as it is the manager of the Estate.

IN WITNESS whereof the First Owner, the Second Owner and the Manager hereto have caused this Deed to be duly executed the day and year first above written.

THE FIRST SCHEDULE ABOVE REFERRED TO

Allocation of Undivided Shares
of and in the Land and the Estate

(A) Flats

Undivided Share for each Flat	Flat	A	B	C	D	Sub-Total
Floor						
3		39#	24#	24#	48#	135
5		40	26	26	49	141
6		40	26	26	49	141
7		40	26	26	49	141
8		40	26	26	49	141
9		40	26	26	49	141
10		40	26	26	49	141
11		40	26	26	49	141
12		40	26	26	49	141
15		40	26	26	49	141
16		40	26	26	49	141
17		40	26	26	49	141
18		40	26	26	49	141
19		40	26	26	49	141
20		40	26	26	49	141
21		40	26	26	49	141
22		40	26	26	49	141
23		40	26	26	49	141
25		40	26	26	49	141
26		40	25	26	49	140
27		40	25	26	49	140
28		40	25	26	49	140
29		40	25	26	49	140
30		40	25	26	49	140
31		121=#	112=#	-	-	233
32						
						3,606

Notes:

- a) There is no 4th, 13th, 14th and 24th Floors
- b) = Duplex unit
- c) # together with flat roof(s) thereof

(B) Commercial Accommodation

53 shares

(C) General Common Areas

(comprising Residential Common Areas and Estate Common Areas)

100 shares

Grand Total :

3,759 shares

THE SECOND SCHEDULE ABOVE REFERRED TO

Allocation of Management Shares
of and in the Land and the Estate

(A) Flats

Management Share for each Flat	Flat	A	B	C	D	Sub-Total
Floor						
3		39#	24#	24#	48#	135
5		40	26	26	49	141
6		40	26	26	49	141
7		40	26	26	49	141
8		40	26	26	49	141
9		40	26	26	49	141
10		40	26	26	49	141
11		40	26	26	49	141
12		40	26	26	49	141
15		40	26	26	49	141
16		40	26	26	49	141
17		40	26	26	49	141
18		40	26	26	49	141
19		40	26	26	49	141
20		40	26	26	49	141
21		40	26	26	49	141
22		40	26	26	49	141
23		40	26	26	49	141
25		40	26	26	49	141
26		40	25	26	49	140
27		40	25	26	49	140
28		40	25	26	49	140
29		40	25	26	49	140
30		40	25	26	49	140
31		121=#	112=#	-	-	233
32						3,606

Notes:

- a) There is no 4th, 13th, 14th and 24th Floors
- b) = Duplex unit
- c) # together with flat roof(s) thereof

(B) Commercial Accommodation

53 shares

Grand Total :

3,659 shares

THE THIRD SCHEDULE ABOVE REFERRED TO

“Fire Safety Management Plan”

(Copy of the Fire Safety Management Plan to be attached)

Proposed Residential Development at

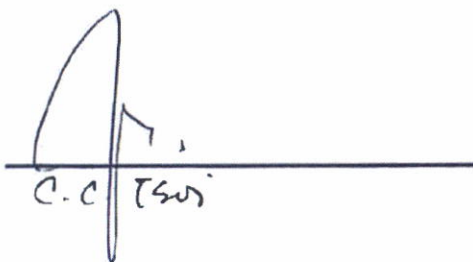
**Nos. 21-27 Shaukeiwan Main Street East and Nos. 1-5 Tai Wong Lane,
Hong Kong**

Fire Safety Management Plan for Open Kitchen Designs

**Authorized Person and
Registered Structural Engineer**



T.K. Tsui



C.C. Tsui

**Prepared by
Building Management Company**

Version 2.0

May 2012

1 Introduction

1.1 GENERAL

The Fire Safety Management Plan ("the Plan") is an elaboration on the fire safety strategy for open kitchen design in the flats of the proposed composite building at Nos. 21-27 Shaukeiwan Main Street East and 1-5 Tai Wong Lane and Piece of land between Nos. 21-23 Shaukeiwan Main Street East and 1-2 Tai Wong Lane ("the Development"), prepared in accordance with the Code of Practice for Fire Safety in Buildings 2011.

The Plan provides guidance on managing and maintaining the fire safety provisions of the buildings; to ensure safe evacuation of occupants from the premises; necessary fire safety actions and precautionary measures to be carried out and the roles and duties of the fire safety management staff.

The Plan is divided into three sections: Maintenance Plan, Training Plan and Fire Action Plan in accordance with Clause F4.5 of FS Code 2011.

Section 1 on Maintenance Plan includes (a) approved GBP with exit routes highlighted, (b) documents indicating the details/ specifications of the fire safety provisions installed; (c) period for regular maintenance of the fire safety provisions installed; (d) method statements for maintenance; (e) Repair methods; (f) Records of maintenance or repair works carried out; and (g) Housekeeping.

Section 2 on Training Plan focuses on roles and duties of the fire safety management staff for ensuring that they are familiar with the fire safety provisions installed and the actions to be taken in case of fire.

Section 3 outlines the procedures to be taken in case of fire.

The Plan is a "live" document, which requires periodic review. All aspects, recommendations and procedures of the fire safety strategy should be reassessed on a regular basis and updated to reflect any modifications / changes in use and operation of any area of the premises and the design assumptions adopted.

1.2 READERSHIP

The following parties or individuals should read and understand the procedures listed in this document:-

- Building management staff and all staff members who will work for the Development.
- Architects, building services engineers, contractors and other building professionals who involve in any alteration/renovation/repair/maintenance work, which may affect the established fire safety management and evacuation operation.
- The Plan shall be made available at the fire control room/office of the development at all times

1.3 BUILDING DESCRIPTION

The open kitchen design in the flats is provided in compliance with the fire safety provisions provided to the subject flat in accordance with FS Code 2011 Clause C13.4.

1.3.1 Location of the Open Kitchens

The open kitchen design in the flats are located in Flats A, B, and C from 3/F to 30/F (4/F, 13/F, 14/F and 24/F omitted).

1.3.2 Enhanced Fire Safety Provisions for Individual Flat

The individual flat is equipped with the following enhanced fire safety provisions in accordance with FS Code 2011 Clause C13.4 for the protection of lives and property. The building management company has the duty and liability to ensure the fire safety designs are not removed or tampered.

Fire Protection, Detection and Warning Measures

1. Addressable type with sounder base and multi sense detectors should be provided inside the flat and at the lobby outside the flat with open kitchen. The smoke detectors should be classified as fire service installation and should comply with the Code of Practice for Minimum Fire Service Installations and Equipment. The alarm signal of the smoke detectors should be linked to the fire services control panel/ the building management office/ the caretaker's office and the common fire alarm system of the floor which the premises with open kitchen is located; (The smoke detectors will be installed in living areas and placed away from the kitchen and bathroom, all the detector will connect to direct link to FSCC except the detector inside the flat – Detail, please refer to the attached schematic for FS detection system)
2. Sprinkler head should be provided at the ceiling immediately above the open kitchen. The sprinkler head should be classified as fire service installation and should comply with the Code of Practice for Minimum Fire Service Installations and Equipment. The alarm signal of the system should be linked to the fire services control panel/ the building management office/ the caretaker's office, the building fire alarm system and directly to the Fire Services Communication Centre; and
3. A full height wall having an FRR of not less than -/30/30 should be provided adjacent to the flat exit door. The width of the wall should not be less than 600mm. The wall will be constructed in reinforced concrete.
4. The smoke detectors and sprinklers will be annual inspected and certified by a registered fire services installation contractor.

1.3.3 Main Building Fire Safety Provisions

The residential portion of this development is equipped with various fire protection systems to protect the occupants and the property. These include:

1. Fire Hydrant / Hose Reel System

1.3.4 Purpose of the Fire Safety Management Plan

The fire safety management plan should be endorsed and implemented by the building management company as the duty of the Building Management Company (BMC) under Deed of Mutual Covenant (DMC).

In addition, the fire safety management plan and the DMC should contain the following fire safety requirements for implementation:-

1. The Fire Services Installation ("FSI") (including sprinkler heads, smoke detectors and any fire services measure mentioned herein) shall not be removed or tampered. Permanent notice will also be provided at common areas (such as in lift lobbies and on notice board) to remind occupants not to remove or tamper any FSI.
2. The corresponding responsibilities on the maintenance, testing and commissioning of the abovementioned FSI among the landlord, the building management staff and the flat owner to facilitate legal execution of the related conditions / requirements.
3. Courses of action(s) to be undertaken by BMC for preventing flat owners from illegal alteration of the FSI.
4. FSI contractor shall be responsible for the maintenance and inspection work (FS 251) of the FSI with appropriate maintenance procedures.
5. Staff training including the course of actions to be carried out by building management staff, and the training frequency.
6. Fire drill will be carried out annually.

1.4 STAFFING AT OFFICE

Arrangements will be made for office from which supervision of all matters relating to the fire safety can be efficiently carried out. Provision of facilities to the office will be made such that intervention to ensure life safety from fire under the emergency condition can be achieved.

A mimic panel is installed in the office and interconnected to the main AFA panel. Since the zone indicator shown on the mimic panel will be automatically switched on upon activation of the fire protection system in a zone, there should be at least a Security Guard (Fire Warden) on duty in the house such that he / she can report the case to the Duty Officer (Chief Fire Warden) immediately in case of any abnormality. In order to fulfill this particular requirement, this guard house will be provided with 24-hour a day, 7-day a week, security attendance.

In addition, this office will contain the following facilities / information:

1. an exchange telephone with direct dialing for external calls;
2. site layout plans indicating fire escape routes; and
3. internal telephone numbers of the principal site staff including Facilities Manager (Chief Fire Warden), Security Personnel(Fire Warden)and office operator (Supervisor)

2 Maintenance Plan

2.1 GENERAL

For day-to-day operation of the premises, a structured and organized fire safety management plan is necessary to ensure all aspects related to its evacuation will be implemented and exercised regularly and competently. The plan shall be implemented in parallel with effective management which is fundamental to achieve fire safety. Without effective management, parts or all components of the fire protection systems could be rendered ineffective.

The fire safety management plan is intended to ensure all provisions made for fire safety of the premises are kept in good working condition. While active measures integrated into the system design including fire hydrant and hose reel systems, automatic sprinkler system, fire detection and alarm systems, portable fire extinguishers and other fire safety provisions within the Development shall be checked regularly and properly by routine maintenance, passive measures including timely repair of all damages to construction elements with particular attention to maintenance and operation of fire doors in the entrance lobby should also be taken.

The fire safety management plan should be brought to the attention of the Building Management Company and her management staff.

2.2 MAINTENANCE PLAN

In addition to responsibilities for routine inspection, the fire safety management staff should ensure all fire safety equipment is adequately and routinely tested and maintained. The fire safety of the occupants is dependent on a large number of inter-related features. Failure to maintain any one of the fire safety provisions in functional working order will cause the fire safety management of the whole premises to be ineffective.

A set of this fire safety management plan shall be kept in office and the counter in the entrance lobby. Alterations or modifications to an existing installation should not be carried out without consultation with the enforcing authorities, and where possible, the original system designer, fire safety engineer or installer (or other qualified persons). Implications of any alteration or modification also need to be checked against requirements of the Fire Engineering Report and relevant drawings.

2.2.1 Approved GBP with exit routes highlighted

A set of approved GBP with exit routes highlighted together with this fire safety management plan shall be kept in office and the counter in the entrance lobby.

2.2.2 Documents indicating the details/ specifications of the fire safety provisions installed

A set of documents indicating the details/ specifications of the fire safety provisions installed together with this fire safety management plan shall be kept in office and the counter in the entrance lobby.

2.2.3 Period for regular maintenance of the fire safety provisions installed

The Chief Fire Warden is required to ensure the following systems to be functional and regular checking of the FSI at least once every 4 months and also be checked by a Registered Fire Service Installation Contractor ("RFSIC") at least once in every 12 month.

2.2.4 Method statements for maintenance

Active fire services installations need to be well maintained in accordance with the statutory requirements. It is vital that they operate in accordance with the original design intent. All fire safety installations should be tested individually. The systems should be tested as a complete entity and the followings shall be observed:

a. Fire hydrant and hose reel system

- The fire hydrant and hose reel system shall be regularly checked to ensure the hydrant / hose reel nozzles, valves, fittings etc. remain intact at all times and are not damages or misused for other purposes. In addition, all fire hydrants and hose reels must not be obstructed for operations.

b. Automatic sprinkler system

- The automatic sprinkler system shall be maintained in efficient working order at all times and shall be inspected by a Registered Fire Service Installation Contractor (RFSIC) at least once in every 12 months. Sprinkler subsidiary valves management system (SSSVMS) must be installed in accordance with FSD Circular Letter No. 4/2010.

c. Fire detection and alarm systems

- The fire detectors and alarm systems shall be maintained in efficient working order at all times and shall be inspected by a RFSIC at least once in every 12 months.
- The direct line connection should be tested once every 2 weeks or at such time and interval as required by the requirements currently in force.

d. Portable fire extinguishers

- Apart from annual inspection, portable fire extinguishers shall undergo a hydraulic pressure test at least once in every 5 years and such test shall be carried out by a Class 3 RFSIC.

2.2.5 Repair methods

The repair for all Fire Services Installations shall be done by a Registered Fire Services Installation contractor in accordance with the methods as recommended by them.

2.2.6 Records of maintenance or repair works carried out

The Fire Warden should keep proper records of such inspections to be easily retrievable when required

The Fire Warden is required to submit the "Maintenance Report" to the Chief Fire Warden for record. Copies of the maintenance certificate (FS251) issued by FSD and records of inspection issued by the RFSIC are to be included in the Maintenance Report.

In addition, all maintenance records / logs should be kept orderly in a secure place, including:

1. Maintenance and testing records
2. Record of issuance of "Hot works" permits
3. Log of contractor's attendance

2.2.7 Housekeeping

Good housekeeping and sensible fire precautions will reduce the possibility of a fire occurring. Management staff / security guards should ensure that the accumulation of rubbish or the unauthorized stacking of combustible materials will not occur, as this will be detrimental to the functionality of the site.

In addition, the development will be regularly inspected by management staff / security guard and monitored by CCTV system, so as to ensure good housekeeping is in place.

The housekeeping will be carried out in accordance with the 'sample checklist on housekeeping' as attached in Appendix F1 in FS Code 2011.

3 Training Plan

3.1 CHIEF FIRE WARDEN

The Chief Fire Warden should be the Facilities Manager and is to assume responsibility for the occupants of the premises from the time of sounding of the fire alarm.

1. In the event of a fire incident (notified via the office), the Chief Fire Warden should take the following actions:

- a. Respond to the office;
 - b. Coordinate with the Fire Warden to identify the area where the alarm is activated, and ascertain the nature and location of the fire incident; and
 - c. Determine whether fire safety actions such as initiating the fire incident broadcast needs to be taken.
2. Upon determining evacuation is necessary, the Chief Fire Warden should:
- a. Advise the Fire Warden located at affected alarm operation zone to announce emergency message to occupants and assist occupants in evacuation;
 - b. Inform the Fire Warden located at un-affected alarm operation zones to standby and if necessary, announce emergency message to occupants and assist occupants to evacuate; and
 - c. Ensure all evacuated floors / zones have been searched and cleared of occupants.
3. Upon arrival of the fireman
- a. The Chief Fire Warden shall handover control of the situation to the FSD Commanding Officer;
 - b. Brief the Commanding Officer on details of the fire incident; and
 - c. Cooperate and assist the fireman where necessary.
4. Following a fire incident, the Chief Fire Warden should:
- a. Conduct a debrief to fire safety management staff for review;
 - b. Report all details to the BMC; and
 - c. Plan for continuous improvement in fire safety aspect of the premises.
5. The Chief Fire Warden is also responsible for the upkeep of this Manual.

3.2 FIRE WARDEN

The Fire Warden should be trained in fire safety and assigned by the Chief Fire Warden.

Under the normal circumstances, the Fire Warden should be the security staff and in charge of their own patrolling zone.

In the event of a fire alarm or emergency (notified via the office), the Fire Warden should take the following actions:

1. Check or arrange to have the floor checked for any sign of fire;
2. Report to the Supervisor of the office by using walkie-talkie or other communication system such as the AVA system;
3. Initiate fire fighting by fire extinguishers etc., but only when it is safe to do so; and
4. Ensure clear routes, including EVA route are available for evacuation / fire fighting.

Upon determining evacuation is necessary and upon instruction from the Chief Fire Warden, the Fire Warden should take the following actions:

1. Respond to the office and advise the current situation;
2. Announce emergency broadcast to the occupants in affected area;
3. Assist the occupants inside the affected floors/zones in evacuation and lead them to the appropriate safe areas or protected staircases. Assistance should be provided to the mobility impaired, pregnant occupants as well as the elderly and infants;
4. Coordinate with Fire Warden in other compartments;
5. Prevent occupants using the lifts;
6. Ensure evacuated floors have been searched and cleared of occupants

3.3 SUPERVISOR

The Supervisor stationed in the office shall be trained in fire safety and assigned by the Chief Fire Warden. There should be at least one staff member on duty in the office who is familiar with the use and operation of the fire services installations and equipment.

Shift duty of the Supervisor must be allocated and assigned by the Chief Fire Warden / Fire Warden.

The duties of the Supervisor include the following:

1. Monitor the FS alarm panel;
2. Receive information from the Fire Warden in case of fire or emergency and report to the Chief Fire Warden instantly; and
3. Contact the Control Centre of Computerized Fire Alarm Transmission System (CFATS) by direct telephone line as instructed by the Chief Fire Warden.

4 Fire Action Plan

4.1 GENERAL

This section includes an emergency evacuation plan for the premises in case of fire incident. The purpose of establishing this plan is to ensure the means of escape in case of fire incident and fire safety measures provided for the occupants are both adequate and reasonable.

4.2 EMERGENCY EVACUATION PLAN

Means of escape for occupants are provided in accordance with Code of Practice for the Provision of Means of Escape In Case of Fire. The emergency evacuation plan is to take into account circumstances of a fire incident to ensure the provided means of escape and fire safety precautionary measures are both adequate and reasonable.

The emergency evacuation plan defines procedures of emergency evacuation under different circumstances for fire safety management staff. The fire safety management staff members involved includes Chief Fire Warden (Facilities Manager), Fire Warden (Security Personnel) and Supervisor (Office Operator). The proposed organization chart is shown in Figure 1 below:

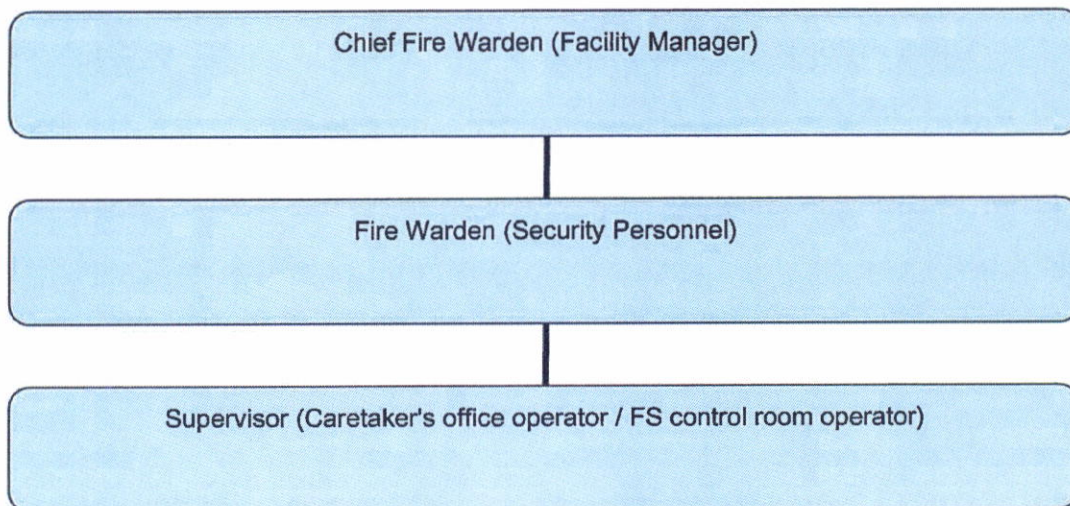


Figure 1: Organization Chart of Fire Safety Management Staff

The Chief Fire Warden will be the key decision maker, responding to a fire for emergency incident. The Chief Warden must be the person who in charge for security in this building and must be available on site 24-hours a day, 7-days a week.

The Supervisor of the office will act as the coordinating officer, receiving and dispatching all information about the incident. The Fire Warden can be a number of security personnel, fully aware of their roles and actions in the event of a fire incident apart from their normal daily operational duties.

All fire safety management staff involved in responding to a fire incident and assisting in the evacuation process shall be briefed and fully conversant with the evacuation procedures. This understanding will assume occupants can be directed to a place of ultimate safety, minimizing confusion by giving clear directions relating to escape routes. The specific duties of the Chief Fire Warden, Fire Warden and Supervisor of the FS Control Room are detailed in Section 4.

4.2.1 Response to alarms

Fire in a building would be indicated by an alarm signal received in the FS Control Room and office or discovered by management staff.

All fire signals, except those from the multi-criteria detectors at individual flats with open kitchen, received in the FS control room will be automatically relayed to the Computerized Fire Alarm Transmission System (CFATS) through direct link. Upon receiving any fire signal, the Fire Warden shall be sent to the affected flat or affected area to check and confirm if there is no false alarm.

The response time of management staff upon receipt of a fire alarm signal for the sounder base smoke detector should be within 2.5 minutes. If any fire safety management staff discovers a fire, they shall report it to the office immediately by using walkie-talkie or other communication systems and initiate the fire alarm through break glass unit. The management staff shall also report the incident to FSD at the first instance by dialing 999.

After confirming a fire incident, the fire safety management staff shall describe the situation of the fire and report injury, if any, to the Fire Services Department. If safe to do so, staff should attempt to put out the fire using first aid fire fighting equipment (e.g. Portable fire extinguisher or fire hose reel). If the situation is critical, the fire safety management staff should prompt the commencement of evacuation of the affected area immediately. The evacuation procedure in Section 2.3 shall be followed.

4.2.2 Assisting the Firemen

The Chief Fire Warden should report to the FSD Incident Commander on the current evacuation situation upon their arrival. All evacuation procedures should be taken over by FSD. The FS Control Room and office shall have detail floor and compartment plans available at all times for their information and use. Fire safety management staff shall assist fireman if required.

4.3 EVACUATION PROCEDURES IN CASE OF A FIRE IN THE FLAT

All management staff / security guard involved in responding to a fire event and assisting in the evacuation process shall be fully conversant with the evacuation procedures. This understanding will mean that they can dissuade occupants from entering the affected floor and give clear directions relating to routes of escape.

The common fire alarm system of the development will be divided into two zones. One will comprise podium floors and the other zone will be for the residential floors. Once a fire alarm signal in the residential floor is received, the common fire alarm system serving the residential floors will be actuated and all affected residential floors shall be immediately evacuated first prior to the rest of the building. The podium floors will NOT be evacuated unless advised by Fire Services Department.

Fire signal from local fire alarm of individual flat will not trigger off the evacuation procedures unless a fire is discovered or reported.

The following evacuation procedures shall be conducted:

- The chief fire warden shall be in charge of the evacuation process prior to the arrival of the Fire Services Department.
- Fire warden should be informed of the exact fire location through walkie-talkie or other communication system.
- Fire Warden should be present at designated locations directing occupants to the evacuation routes such as escape staircases with EXIT indication.
- Management / security staff will direct and ensure that everyone evacuates to the escape staircases in an orderly manner:
 - Keep calm
 - Walk, DO NOT run, DO NOT use lift;
 - DO NOT carry any bulky or heavy belongings;
 - Remain in the designated assemble area and await arrival of Fire Services Department;
 - Do not re-enter building until advised by Fire Services Department.
- Management / security staff should be locating on the affected floor and announces the emergency message in English, Cantonese and Putonghua to occupants by using the hand-held loudspeaker. The content of the message is suggested as "There is a fire at ____, please evacuation now. Proceed to nearest escape staircase or exit. Do not run. Do not use any lifts. Thank you"

SEALED with the Common Seal)
of the First Owner and SIGNED by)
)
)
persons duly authorized by its board of)
directors whose signature(s) is/are)
verified by:-)

Solicitor, Hong Kong SAR,
Woo, Kwan, Lee & Lo

[SIGNED SEALED AND DELIVERED])
by the Second Owner in the)
)
presence of :-)

INTERPRETED to the Second Owner by :-

SEALED with the Common Seal of the)
Manager and SIGNED by)
)
)
)
persons duly authorized by its board of)
directors whose signature(s) is/are)
verified by :-)

Solicitor, Hong Kong SAR,
Woo, Kwan, Lee & Lo

Dated the _____ day of _____ 20

(First Owner)

and

(Second Owner)

and

(Manager)

**DEED OF MUTUAL COVENANT
INCORPORATING MANAGEMENT AGREEMENT**

in respect of

II

WOO, KWAN, LEE & LO
SOLICITORS & NOTARIES
ROOMS 2801, 28TH FLOOR,
SUN HUNG KAI CENTRE
NO.30 HARBOUR ROAD
WANCHAI
HONG KONG

Ref.: SHK/HFM/LYF/A44
[21 July 2014 (v.7)]