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hereinabove, being an Assignment bearing even date herewith and made between the First Owner of the one part and the First Assignee of the other part and for the consideration therein expressed the First Owner assigned unto the First Assignee the First Assignee's Unit Subject to and with the benefit of the Government Lease and this Deed;

"**Assignment of Common Parts**" means the Assignment to be executed by the First Owner in accordance with Clause 76 of this Deed;

"**Authorised Person**" means Chan Wan Ming of P&T Architects and Engineers Limited whose registered office is situated at 33rd Floor, 633 King's Road, North Point, Hong Kong which expression shall include any other authorised person or persons for the time being appointed by the First Owner in the place of the said Chan Wan Ming;

"**Building Plans**" means the general building plans in respect of the Development approved by the Building Authority and includes any approved amendments or modifications thereto;

"**Common Parts**" means all areas, systems, equipment, facilities, machinery, fixtures, fittings, Conduits or other matters in the Lot:

- (a) which are intended for the common use and benefit of different Owners, occupiers, licensees or invitees of the Lot or any part thereof;
- (b) as will fall within the definition of "common parts" in Section 2 of the Building Management Ordinance (Cap.344); or
- (c) which are from time to time designated by an Owner to be Common Parts in accordance with this Deed.

The expression shall mean collectively, the Development Common Parts, Residential Common Parts and Parking Common Parts, and shall include, but not limited to, those areas of the Development which are (for identification purpose) coloured indigo, indigo stippled black and yellow on the Plans.

"**Conduits**" includes sewers, drains, pipes, wires, cables, ducts, risers, gutters, flues, watercourses, fibres and any medium for the passage or transmission of soil, sewage, water, gas, electricity, air, smoke, information or other matters, and associated equipment and structures;

"**Development**" means the whole of the development erected on the Lot known as "**2 Grampian Road (嘉琳)**", No.2 Grampian Road, Kowloon, Hong Kong as the same may be modified or redeveloped either wholly or in part;

"**Development Common Parts**" means:

- (a) those areas of the Development which are (for identification purpose) coloured indigo and indigo stippled black on the Plans ("**Coloured Indigo Areas**" in this definition);
- (b) the internal finishes of the Coloured Indigo Areas;
- (c) all structural or load bearing elements of the Development (save to the extent forming part of any Residential Unit, the Residential Common Parts or the Parking Common Parts);
- (d) all sanitary appliances, doors, door frames, grilles, louvers and louver frames of any Coloured Indigo Areas;

- (e) the foundations of the Development;
- (f) includes but not limited to electricity meter rooms, extra low voltage room (ELV. Room), security room (excluding the external parts surrounding the security room which forms part of the Residential Common Parts), driveway, cleansing meter box, water meter box, removable cover for pipe trench, gates of the Development and the entrances to the Development located at the Ground Floor;
- (g) common manholes and drainage systems (not forming part of a Residential Unit or the Parking Common Parts) connecting therewith together with the common sewage systems connecting to such common manholes;
- (h) floor slab of Ground Floor and floor slab of each Residential Unit immediately above the electricity meter rooms and ELV. Room;
- (i) the waterproofing membrane above the floor slab of each Residential Unit immediately above the electricity meter rooms and ELV. Room;
- (j) CCTV system and devices (excluding those forming part of the Residential Unit), air-conditioning system and device serving the main lobby and security room;
- (k) fire-fighting facilities and equipment located in or serving the Common Parts, cleansing water tanks, pipes, fittings, taps and associated supports and accessories, main telecommunication network facilities and cables passing through the Development Common Parts and up to the ELV. Room;
- (l) external walls (if any) surrounding the Development and claddings and architectural features thereof (excluding those forming part of the Residential Common Parts and Residential Unit or otherwise expressly excluded in this Deed), fencing walls and the claddings and architectural features thereof of the Common Parts and including those surrounding the car parking area and gates and/or doors and lightings and façades (excluding those forming part of the Residential Unit), and portals thereof, and all those areas and facilities, including, without limitation, drains and sewers, surface channels, water courses and water pipes, electrical cables and wires, ducts for the Common Parts;
- (m) the space for loading/unloading;
- (n) the Development Common Parking Space;
- (o) main water pipes up to the meter of cleansing water equipment and the meters of individual Residential Unit; and
- (p) those Common Parts which (i) are provided or installed for the common use and benefit of the Owners, occupiers, licensees or invitees of the Development as a whole and not for a particular Unit or Units which facilities are subject to the provisions of this Deed to be used and enjoyed by

each Owner and occupier in common with all other Owners and occupiers of the Development; and (ii) do not form part of the Residential Common Parts or the Parking Common Parts.

“Development Common Parking Space” means the space for visitor parking (for identification purpose) coloured indigo stippled black on the Plans;

“Development Management Expenses” means all Management Expenses which are attributable to the Development Common Parts, or for the common benefit of the Owners, occupiers, licensees or invitees of different Residential Units and Parking Spaces; less the Residential Management Expenses and the Parking Management Expenses;

“Development Rules” means any rules and regulations as the Manager may make from time to time in accordance with and which shall not be inconsistent with the provisions of this Deed for the management of the Development;

“Disable Parking Space” means the space for the parking of motor vehicles by disabled persons as defined in the Road Traffic Ordinance (Cap. 374), any regulations made thereunder and any amending legislation, forming part of the Parking Space and marked as parking space number “6” and “D” on the Plans annexed hereto (for identification purpose);

“Estimated Management Expenses” means any of the following (as the case may be):

(a) the proposed Management Expenses set out in the approved Management Budget for the Financial Year in question;

(b) if and for so long as Clause 13(c)(i) applies, the Management Expenses (if any) for the previous Financial Year; and

(c) if and for so long as Clause 13(f) applies, the Management Expenses for the previous Financial Year, together with the additional amount permitted under Clause 13(f);

and the expressions **“Estimated Development Management Expenses”**, **“Estimated Residential Management Expenses”** and **“Estimated Parking Management Expenses”** shall be construed accordingly.

“Financial Year” means 1st January to 31st December in any year except that the first Financial Year shall start on the date of this Deed and end on:

(a) 31st December of the same year; or

(b) if this Deed is executed after 30th September of that year, 31st December of the next year;

or such other period as may be decided by the Manager provided that the Financial Year may not be changed more than once in every 5 years, unless that change is previously approved by a resolution of the Owners’ Committee (if any).

“First Assignee’s Unit” means all those [] Undivided Shares together with the sole and exclusive right and privilege to hold use occupy and enjoy All That [description of the First Assignee’s Unit];

“Government” means the Government of the Hong Kong Special Administrative Region of the People’s Republic of China;

“Government Lease” means the documents of title setting forth the rights and entitlements granted by the Government to the Government lessee in respect of the Lot, namely the new Government Lease deemed to have been granted under and by virtue of the Government Leases Ordinance (Cap.40) for the further term of 24 years less the last 3 days thereof commencing from the 1st day of July 1973 the said term is and extended to the 30th day of June 2047 under Section 6 of the New Territories Leases (Extension) Ordinance (Cap.150) upon the expiry of the original term of 75 years created by the Government Lease of Lot No.2577 dated the 27th day of September 1949 made between late King George VI of the one part and Mark Chun Sam of the other part and shall include any subsequent extensions or modifications thereto or renewal thereof, if any;

"**Lot**" means all that piece or parcel of ground registered in the Land Registry as New Kowloon Inland Lot No.2577;

"**Maintenance Manual for Works and Installations**" means the maintenance manual for the Works and Installations as mentioned in Clause 78 of Section VIII as may from time to time be amended or revised in accordance with the provisions of this Deed;

"**Management Budget**" means, in relation to a Financial Year, the budget of the Management Expenses which is prepared and sent or (as the case may be) displayed in accordance with Clause 13(b) by the Manager and has not been rejected under Clause 13(f) including all revisions thereto made in compliance with Clause 13(d); and "**approval**", when used in relation to the Management Budget, means the preparation and sending or (as the case may be) displaying of the budget in accordance with Clause 13(b) or Clause 13(d) and the fact of its not being rejected under Clause 13(f) and "**approve**", when used in relation to the Management Budget, shall be construed accordingly;

"**Management Expenses**" means the costs, charges and expenses necessarily and reasonably incurred or to be incurred for the management and maintenance of the Lot and the Development and the Common Parts as provided in this Deed and means collectively the Development Management Expenses, the Parking Management Expenses and the Residential Management Expenses;

"**Management Fund**" means and includes all monies (except only the remuneration of the Manager) received, recovered or held by the Manager pursuant to this Deed and any Sub- Deed (if any) and interest thereon;

"**Management Shares**" means the management shares allocated to the Units in accordance with Part B of the First Schedule;

"**Manager**" means the DMC Manager as the first manager or any other manager for the time being appointed as manager of the Lot and the Development pursuant to the provisions of this Deed and in the absence of any such appointment, the Owners' Committee shall act as the Manager;

"**Manager's Remuneration**" means the remuneration to the Manager for managing the Lot under this Deed;

"**Maintenance Manual(s)**" means the Slope Maintenance Manual(s) in relation to the maintenance of the Slopes and Retaining Walls (if any);

"**Monthly Management Fees**" means the monthly management fees payable by an Owner in respect of each Unit, calculated in accordance with Clause 14(c);

"**Non-enclosed Areas**" means all those balconies which form part of the Residential Unit and which are shown hatched black on the Plans marked "1/F plan" and "2/F plan" and marked "BAL.";

"**Occupation Permit**" means the Occupation Permit (including a temporary Occupation Permit) to be issued or issued by the Building Authority in respect of the Development or any part or parts thereof;

"**Owner**" means a person who for the time being appears from the records at the Land Registry to be the owner of an Undivided Share and a registered mortgagee in possession of an Undivided Share; and for this purpose, "**registered mortgagee**" means:

- (a) a person to whom the interest of a person referred to above in the Development has been mortgaged or charged under a mortgage or charge which has been registered in the Land Registry; and
- (b) a person in whose favour a charge upon a Unit has been created by virtue of any Ordinance;

"**Owners' Committee**" means a committee of the Owners of the Development established under the provisions of this Deed and, where an Owners' Corporation has been formed, the management committee of the Owners' Corporation ;

"**Owners' Corporation**" means the owners' incorporation of the Development formed in accordance with the provisions of the Building Management Ordinance (Cap.344);

"**Parking Common Parts**" means those Common Parts which are provided or installed for the common use and benefit of Owners, occupiers, licensees or invitees of different Parking Spaces (but for avoidance of doubt, excluding that of the Development Common Parking Space); and shall include, but not limited to:

- (a) petrol interceptors and the structure thereof (located underneath the driveway); and
- (b) all associated drainage pipes, systems, equipment, facilities, machinery, fixtures, fittings serving exclusively any Parking Space or any or some of the above (excluding those forming part of the Development Common Parts, Residential Common Parts and Residential Unit).

"**Parking Management Expenses**" means all Management Expenses which are attributable to the Parking Common Parts or for the common benefit of Owners, occupiers, licensees or invitees of different Parking Spaces;

"**Parking Space**" means a space intended for the parking of motor vehicles belonging to the Owners of the Residential Units or residents or occupiers of the Residential Units and their bona fide guests visitors or invitees, and to which Undivided Share(s) have been or will be allocated, and includes the Disable Parking Space, excluding for the avoidance of doubt any Development Common Parking Space, and "Parking Spaces" shall be construed accordingly;

"**Plans**" means the plans annexed to this Deed as Appendix 1, the accuracy of which has been certified by or on behalf of the Authorized Person;

"**Residential Common Parts**" means those Common Parts which are provided or installed for the common use and benefit of Owners, occupiers, licensees or invitees of different Residential Units; and shall include:

- (a) those areas of the Development which are (for identification purpose) coloured yellow, on the Plans (the "**Coloured Yellow Areas**" in this definition);
- (b) the internal finishes of the Coloured Yellow Areas;
- (c) any non-structural or non-load bearing internal partition of the Coloured Yellow Areas;
- (d) the inner half of any non-structural or non-load bearing elements separating any Coloured Yellow Areas from any other area coloured as a Development Common Part or Parking Common Part or any Residential Unit (or of any balcony(ies), roof, upper roofs and top roof or yard held with and forming part of such Residential Unit);
- (e) the structural and load bearing elements of the Development which only serve or support different Residential Units and/or any Coloured Yellow Areas, columns and beams supporting the Residential Unit (excluding those which form part of the Residential Unit);
- (f) all sanitary appliances, glazing, window panes, window frames, doors, door frames, louvers and louver frames of any Coloured Yellow Areas;

- (g) external walls surrounding all sides of the residential block of the Development and structures, claddings and architectural features and lightings thereof, including (i) the external walls of the roof, upper roof(s) and top roof(s) of Residential Unit A facing adjacent lot and Residential Unit E facing adjacent lots and structures, claddings and architectural features thereof and (ii) the parapet at the roof of the Residential Units (but excluding such external walls, structures, claddings and architectural features and lightings thereof forming part of the Residential Unit or otherwise expressly excluded in this Deed);
- (h) town gas chamber, corridor for maintenance only (“Backyard Lane”) including the staircase located therein, main lobby (excluding those forming part of the Residential Unit), main door(s) of the main lobby, mail boxes, and lights of or serving the main lobby and Backyard Lane;
- (i) the external parts surrounding the security room;
- (j) metal architectural feature (M.A.F.) and stone architectural feature (S.A.F) (excluding M.A.F. and S.A.F. which attached to the roof top structure on roof, upper roofs or top roof forming part of the Residential Unit), stone canopy, metal claddings, and the claddings installed at the Non-enclosed Areas which coloured yellow at 1/F, 2/F and above such Non-enclosed Areas at roof (which form part of the facades of the Development);
- (k) main gas pipes up to the meter of each Residential Unit, waterproof membrane on top of the floor slab of any of such Residential Common Parts including that located immediately above the main lobby and the Backyard Lane (excluding those forming part of the Residential Unit and Development Common Parts), structural part(s), bottom and enclosure structure(s) of the lift pit(s) and sump pit(s) which are below the Ground Floor level which do not exclusively serve the Residential Unit (i.e. excluding parts of the lift pit(s) which forms part of the Residential Unit);
- (l) outer part of the window frames of the Residential Unit forming part of the façade of the Development (excluding those forming part of the Residential Unit);
- (m) intercom system, lift supervisory panel in the security room;
- (n) lightning pits including those provided for each Residential Unit; and
- (o) all systems, equipment, facilities, machinery, fixtures, fittings, façade lighting, Conduits serving exclusively any Coloured Yellow Areas or any or some of the above.

“Residential Management Expenses” means all Management Expenses which are attributable to the Residential Common Parts or for the common benefit of Owners, occupiers, licensees or invitees of different Residential Units;

"Residential Unit" means a Unit within the Development intended for residential use more particularly indicated on the Building Plans, and of which an Owner, as between himself and other Owners or occupiers of such other Units, is entitled to separate and exclusive use, possession and occupation, and to which equal undivided shares of the Lot and the Development has been or may be allocated in accordance with this Deed and including:

- (a) the Non-enclosed Areas, stairhood, roof, upper roofs and top roof, and yard held with and forming part of such residential unit;
- (b) the glass balustrades and railings enclosing the Non-enclosed Areas, roof, upper roofs, top roof or yard held with and forming part of such residential unit, claddings installed at the Non-enclosed Area at 1/F and 2/F (which form part of the facades of the Development) (excluding

- those forming part of the Residential Common Parts and Development Common Parts);
- (c) the glass balustrades, railings, claddings enclosing the yard and light well held with and forming part of such residential unit;
 - (d) external wall of yard (excluding those forming part of the Residential Common Parts and Development Common Parts);
 - (e) all sanitary appliances in such residential unit;
 - (f) pump room, gas heater cabinet, meters of such individual residential unit and the water pipes and gas pipes connecting from the meters of such individual residential unit, drainage and sewers within such residential unit (excluding those forming part of the Development Common Parts), roof, upper roofs and top roof (including the structures thereof), concrete plinths for air-conditioning outdoor units and any louvres, door(s)/gate(s) enclosing the same;
 - (g) waterproof system on the floor slab of such residential unit or the balcony, roof, upper roofs and top roof and above the floor slab of the First Floor level, yard or top of the stairhood held with and forming part of such residential unit (excluding those forming part of the Residential Common Parts and Development Common Parts);
 - (h) any air-conditioning plinth, rack or stand of such residential unit (save and except any air-conditioning rack which forms part of the Common Parts);
 - (i) lift, lift shaft, lift pit and sump pit of each of such residential unit (excluding those forming part of the Residential Common Parts) and the associate trunkings, wirings and accessories of/connecting from the lift to each of such residential unit;
 - (j) CCTV system installed at lift of such residential unit, fault and alarm signal and monitoring signals from CCTV system connected to the lift supervisory panel in the security room and the associate trunkings, wirings and accessories;
 - (k) television reception device(s) and antenna(e) and the associated system and wiring located in or on top of each of such residential unit or exclusively serving each of such residential unit;
 - (l) manholes in the yard of the Ground Floor of such residential unit and all sewage systems connecting to the common manholes in the Development Common Parts;
 - (m) floor slabs of such residential unit (excluding those forming part of the Development Common Parts and Residential Common Parts), stairhood, canopy, external walls of the roof, upper roofs and top roof of such residential unit and structures, claddings and architectural features thereof (excluding (i) the structural and load bearing elements of the Development which shall form part of the Development Common Parts and Residential Common Parts and (ii) the external walls of the roof, upper roofs and top roof of Residential Unit A facing adjacent lot(s) and Residential Unit E facing adjacent lot(s) and structures, claddings and architectural features thereof which form part of the Residential Common Parts), the inner half of the beams and bearing walls or parapet walls on roof between the yards and light wells between Residential Unit A and Residential Unit B and the inner half of the beams and bearing walls or parapet walls on roof between the yards and light wells for Residential Unit D and Residential Unit E;
 - (n) the non-structural or non-load bearing internal partitions of such residential unit (or of any Non-enclosed Areas, roof, upper roofs and top roof or yard held with and forming part of such residential unit);
 - (o) (i) the inner half of any non-structural or non-load bearing elements separating such residential

unit (or of any balcony, roof, upper roofs and top roof or yard held with and forming part of the such residential unit) from another residential unit (or of any balcony, roof, upper roofs and top roof or yard held with and forming part of such other residential unit);

(ii) the inner half of any non-structural or non-load bearing elements separating such residential unit (or of any balcony, or roof, upper roofs and top roof held with and forming part of such residential unit) from any Common Parts;

(iii) the inner half or entire thickness of parapet and internal finishes thereon expressly stated on the Plans to be forming part of such residential unit;

- (p) lightings which include, without limitation, wall lights, floor lights, ceiling lights and railing lights of the Non-enclosed Areas and yard (for the avoidance of doubt, excluding the lightings of the external walls that form part of Residential Common Parts);
- (q) all glazing, window panels (including the glass walls on the Ground Floor of such residential unit), window frames, doors, door frames, louvers, louver frames and internal finishes of such residential unit (or of any Non-enclosed Areas, stairhood, roof, upper roofs and top roof or yard held with and forming part of such residential unit); (but excluding those forming part of the Residential Common Parts);
- (r) metal architectural feature (M.A.F.), canopy(ies) and stone architectural feature (S.A.F.) which attached to the roof top structure on roof, upper roofs and top roof;
- (s) electrical provisions including cables, wirings, draw pits and associated accessories (whether underground or otherwise) exclusively serving the Parking Space(s) for such residential unit, including those electrical provisions passing through and installed within the Development Common Parts and connecting to the electricity meter of such residential unit;
- (t) fire services installations forming part or parts of such residential unit, including but not limited to all fire extinguishers placed in each of such residential unit, and the full height FRR Board - /60/60 (fire resistance rating board with minimum fire resistance rating -/60/60) installed in each of Residential Unit A and Residential Unit E;
- (u) all systems, equipment, facilities, machinery, fixtures, fittings, Conduits exclusively serving such residential unit (or any Non-enclosed Areas, upper roofs and top roof or yard held with and forming part of such residential unit);

but shall exclude (notwithstanding paragraphs (a) to (u) of this definition):

(a) the external walls and external parapets of the Development (except specifically stated above which shall form part of the Residential Unit) ; and

(b) any Conduits located inside such residential unit, or any Non-enclosed Areas, stairhood, roof, upper roofs and top roof or yard held with and forming part of such residential unit, which do not exclusively serve such residential unit, or any balcony, roof, upper roofs and top roof or yard held with and forming part of such residential unit, or any part thereof (if any);

and "Residential Units" shall be interpreted accordingly.

"Slope Maintenance Guidelines" means the guidelines known as **"Geoguide 5 - Guide to Slope Maintenance"** issued by the Geotechnical Engineering Office (as amended from time to time);

"Slopes and Retaining Walls" means such slopes, slope treatment works, retaining walls and/or other structures (if any) within or outside the Lot and the Development the maintenance

of which is the liability of the Owners under the provisions of the Government Lease or this Deed;

"**Special Fund**" means the non-refundable special fund maintained by the Manager under Clause 19;

"**Sub-Deed**" means a Sub-Deed of Mutual Covenant (if any) to be entered into between the First Owner and another co-owner or owners of the Development or between some of the owners of the Development setting forth the rights and obligations of any component part of the Development;

"**Undivided Shares**" means those equal undivided parts or shares of and in the Lot and of and in the Development allocated as set out in Part A of the First Schedule hereto or in accordance with any Sub-Deed;

"**Unit**" means a part of the Development being either a Residential Unit or a Parking Space of which the full and exclusive right and privilege to the use occupation and enjoyment has been or is intended to be assigned to an Owner and "**his Unit**" in relation to an Owner means the Unit or Units in respect of which that Owner has the full and exclusive right and privilege to hold use occupy and enjoy and shall have the same definition as "flat" under the Building Management Ordinance (Cap.344); and

"**Works and Installations**" means the major works and installations in the Development (whether forming part of the Common Parts or not) requiring regular maintenance on a recurrent basis which include but not limited to the items set out in the Fifth Schedule hereto.

Headings and sub-headings to the Clauses, Schedules and Appendices and paragraphs are inserted for reference purpose only and shall not be deemed to be part of or affect the interpretation of any provision herein.

References to any statute or statutory provision shall include any statute or statutory provision which amends or replaces, or has amended or replaced it and shall include any subordinate legislation made under the relevant statute.

In this Deed (if the context so permits or requires) words in plural shall include the singular and vice versa; words importing a gender shall include every gender; and words importing persons shall include individual, firm, body corporate or unincorporated body.

SECTION I

RIGHTS AND OBLIGATIONS OF OWNERS

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

2. First Assignee. The First Assignee shall at all times hereafter subject to and with the benefit of the Government Lease and this Deed have the full and exclusive right and privilege to hold, use, occupy and enjoy to the exclusion of the First Owner the First Assignee's Unit assigned to the First Assignee by the Assignment to the First Assignee together with the appurtenances thereto and the entire rents and profits thereof.

3. Rights of all Owners. Each Undivided Share and the full and exclusive right and privilege to hold, use, occupy and enjoy any part of the Development and to receive rents and profits

therefrom shall be held by the Owner or Owners from time to time entitled thereto subject to and with the benefit of the rights and privileges provided in the SECOND SCHEDULE hereto and the express covenants and provisions herein contained Provided Always that the enjoyment of such rights and privileges is subject to and conditional upon the Owner or Owners paying his or their due share of contribution to the Management Expenses and the Special Fund and any other payments payable under this Deed or the Development Rules.

4. Obligations of Owners and Easements. The Owner or Owners for the time being of each Undivided Share shall at all times hereafter be bound by and shall observe and perform the covenants, provisions and restrictions contained herein and in the THIRD SCHEDULE hereto so far as the same relate to such Undivided Share held by him or them and shall hold each Undivided Share subject to the easements, rights and privileges set out in the FOURTH SCHEDULE hereto.

5. Right to assign without reference to the other Owners. Subject to the Government Lease and this Deed and such restrictions (if any) as may be imposed in the assignment in favour of an owner by the First Owner, 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 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, license or otherwise dispose of or deal with his Undivided Shares together with the exclusive right and privilege to hold, use, occupy and enjoy such part or parts of the Development which may be held therewith PROVIDED THAT any such sale, assignment, mortgage, charge, lease or licence shall be made expressly subject to and with the benefit of this Deed and in the event of any lease or letting, such Owner shall be responsible to the other Owners for the due performance and observance by such lessee or tenant of the terms and conditions in the Government Lease and this Deed.

6. (a) Right to exclusive use, occupation and enjoyment not to be dealt with separately from Undivided Shares. The right to the exclusive use, occupation and enjoyment of any part of the Lot and the Development 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, subject to the Government Lease, not extend to leases or tenancies in respect of any part of the Lot and the Development the terms of which (including any right of renewal) shall not exceed 10 years.

(b) Right to exclusive use, occupation and enjoyment of part(s) of the Unit not to be dealt with separately from such Unit. The right to the exclusive use, occupation and enjoyment of any balcony(ies), yard, stairhood, roof, upper roofs and top roof specifically assigned by the First Owner shall not be sold, assigned, mortgaged, charged, leased or otherwise dealt with separately from the Unit with which the balcony(ies), yard, stairhood, roof, upper roofs and top roof are held .

7. Right to use Common Parts. Every Owner with the exclusive right and privilege to hold, use, occupy and enjoy any Unit together with his tenants, servants, agents, invitees and licensees shall have the full right and liberty (in common with the Manager and others having like rights) to go pass and repass over and along and to use the Common Parts for all purposes connected with the proper use and enjoyment of the same subject to the provisions of this Deed, the rights of the Manager and the Development Rules relating thereto.

SECTION II

ADDITIONAL RIGHTS OF THE FIRST OWNER

8. Each and every Owner covenants with the First Owner with the intent that the covenants, rights, entitlements, exceptions and reservations herein conferred upon the First Owner shall bind each and every Owner and their respective successors and assigns and are intended to run and shall run with the Lot and the Development and any interest therein and shall apply notwithstanding any provisions to the contrary contained in this Deed that the First Owner shall for as long as it remains the beneficial owner of any Undivided Share have the sole and absolute right in its absolute and unfettered discretion at any time or times and from time to time to do all or any of the following acts or deeds and to exercise all or any of the following rights which are hereby expressly excepted and reserved unto and (where appropriate) granted and conferred upon the First Owner without the concurrence or approval of any other Owner, the Manager or any other person interested in the Lot and the Development except where otherwise provided in the following sub-clauses:-

- (a) Right of entry. The right to enter into and upon all parts of the Lot and the Development (subject to the restrictions hereinafter mentioned regarding those parts of the Development already assigned or exclusively owned by other Owners) at all reasonable times with all necessary equipment, plant and materials for the purposes of constructing and completing the construction of the other parts of the Development and of constructing such other buildings or structures thereon at its own cost and may, for such purposes and carry out all such works in, under, on or over the Lot and the Development as it may from time to time see fit PROVIDED THAT nothing herein shall absolve the First Owner from obtaining any Government approval which may be required for the same. The right of the First Owner to enter the Lot and the Development as aforesaid to carry out such works shall extend equally to all necessary contractors, agents, workers and other persons authorised by the First Owner. The First Owner in pursuance of such works may from time to time issue in writing to the Owners instructions as to the areas or parts of the Lot and the Development that the Owners, their tenants, servants, agents or licensees may or may not use while such works are being carried out PROVIDED THAT the exercise of such right shall not interfere with an Owner's exclusive right to hold, use and occupy and enjoy the part or parts of the Development to which he is entitled or unreasonably impede or restrict the access to and from any such part or parts of the Development AND PROVIDED THAT the First Owner shall at its own expense make good any damage or loss that may be caused by or may arise from such construction works and shall cause as little disturbance as possible.

- (b) Designation of additional Common Parts. Subject to the prior approval of the Owners' Committee or the Owners' Corporation (if and when it is formed), the right to designate and declare by deed as it shall in its discretion deem fit any area or part or parts of the Development the sole and exclusive right to hold, use, occupy and enjoy which, and to receive the rents and profits in respect of which, is then beneficially owned by the First Owner to be additional Common Parts whereupon with effect from such designation and declaration such additional Common Parts shall form part of the Common Parts and the Owners shall contribute to the maintenance and upkeep of the same in accordance with this Deed and the Undivided Shares of such additional Common Parts shall as soon as practicable thereafter be assigned to the Manager or the Owners' Corporation (if formed) free of cost or consideration on trust for and on behalf of all the Owners, and PROVIDED THAT such designation is for the benefit of all Owners of the Development or the relevant part or parts thereof (as the case

may be) generally and in making such designation and declaration the First Owner shall not interfere with or unreasonably affect an Owner's exclusive right to hold, use and occupy the part of the Development which he is entitled; and the First Owner shall prepare a plan showing such additional Common Parts and certified as to their accuracy by or on behalf of the Authorised Person to be kept in the management office.

- (c) Common Parts. The right, upon execution of this Deed, to assign the whole of the Undivided Shares allocated to the Common Parts together with the Common Parts to the Manager free of cost or consideration to be held on trust for the benefit of all the Owners for the time being of Undivided Shares in the Lot Subject to the Government Lease and to this Deed. Such Undivided Shares together with the exclusive right to hold, use, occupy and enjoy the Common Parts shall upon such assignment to the Manager be held by the Manager as trustee for all the Owners for the time being and in the event that the appointment of the Manager is terminated or the Manager shall resign or be wound up or have a receiving order made against it or is removed or dismissed and another manager be appointed in its stead in accordance with this Deed, then the outgoing Manager or the liquidator or the receiver shall assign such Undivided Shares together with the Common Parts which they represent to the new manager free of costs or consideration and the costs and expenses for and incidental to such assignment shall be paid out of the Management Fund (if any) PROVIDED ALWAYS THAT nothing herein contained shall in any way fetter or diminish the rights, powers, authorities and entitlements of the Manager contained in this Deed or any relevant Sub-Deed (if any) PROVIDED FURTHER THAT when the Owners' Corporation has been formed, it may request the Manager to assign the Undivided Shares in the Common Parts together with the Common Parts and transfer the management responsibilities to it free of costs or consideration in which event the Owners' Corporation must hold them on trust for the benefit of all the Owners for the time being of Undivided Shares in the Lot and the costs and expenses for and incidental to such assignment shall be paid out of the Management Fund.
- (d) Deal with Undivided Shares retained by First Owner. At all times hereafter but subject to and with the benefit of the Government Lease 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 or beneficially owned by the First Owner (other than the Undivided Shares allocated to the Common Parts) and to allocate and from time to time re-allocate the Undivided Shares so retained by the First Owner to any part of the Development retained by the First Owner and to assign, mortgage, charge, lease, license or franchise the full and exclusive right and privilege to hold, use, occupy and enjoy any such premises within the Development PROVIDED THAT such dealings shall not contravene the terms and conditions of the Government Lease and this Deed.
- (e) Amendments to the Building Plans and other plans. The right to change, amend, vary, add to or alter the master layout plans and/or the landscaping proposal and/or the Building Plans existing at the date hereof from time to time without the concurrence or approval of any Owner or any of the parties hereto but nothing herein shall absolve the First Owner from the requirements of obtaining the prior written consent (if required) of the Director of Lands or other Government Authorities pursuant to the Government Lease or other relevant legislation PROVIDED THAT any such change, amendment, variation, addition or alteration shall not adversely affect or interfere with an Owner's exclusive right to hold, use and occupy the part

of the Development to which he is entitled or unreasonably impede or restrict the access to and from any such part of the Development.

- (f) Amendments to plans of part(s) of Development owned by First Owner. Subject to the approval of the relevant government authorities, at any time hereafter and from time to time to change, amend, vary, add to or alter the plans of any part or parts of the Development owned by the First Owner without the concurrence or approval of any other Owner Provided That the right of other Owners to the exclusive use and enjoyment of such part or parts of the Development owned by them shall not be adversely affected And Provided That access to and from any part or parts of the Development shall not be impeded or restricted;
- (g) Reservation of rights. Without prejudice to the rights of the First Owner under Sub clause (c) of the Fourth Schedule :-
- (i) subject to the written approval of the Owners' Committee or the Owners' Corporation (if and when it is formed), the right to affix, maintain, alter, repair, service, replace, renew and remove any one or more chimneys, flues, pipes, masts, conduits, plant, machinery, equipment, lightning conductors and lighting fixtures, systems for broadcast transmission and reception, information distribution and communication, including, without limitation, communal aerial broadcast and distribution systems, microwave distribution systems, cable and wireless communications systems, telecommunications transmission, reception and transponder systems, aerials, dishes, antennae (if any), transmitters, transponders, receivers, tuners and the ancillary equipment and collections thereto and other fixtures or structures of whatsoever kind on any part or parts of the Common Parts, and such other areas within the Lot and the Development the exclusive right to hold, use, occupy and enjoy is owned by the First Owner Provided that the First Owner shall make good any damage caused in exercising such right; and
- (ii) the right to enter into and upon any part of the Lot and the Development (other than the Units) with or without workmen and equipment at all reasonable times on giving prior reasonable written notice (except in the case of emergency) for any or all of the purposes aforesaid and to license or otherwise permit or grant the right so to do to any other person on such terms as the First Owner may deem fit

PROVIDED ALWAYS THAT the exercise of any of such rights shall not interfere with the exclusive use and occupation by other Owners of the part or parts of the Development to which they are entitled or reasonably affect the enjoyment of the Development by the Owners AND PROVIDED ALSO THAT any consideration received for the exercise of any of such rights on or within any part or parts of the Common Parts shall be paid to the Manager and shall form part of the Management Fund and shall be credited to the management account for the benefit of all Owners.

- (h) Name of Development. The right to change the name of the Development or any part or parts thereof or any or all of the buildings on the Development at any time upon giving 6 months' prior written notice to the Owners, PROVIDED THAT the approval of the Owners' Committee or the Owners' Corporation (if formed) will be required for any change of the name of the Development.
- (i) Enter into Sub-Deeds. The right without the necessity of making any Owner entitled to the exclusive use occupation and enjoyment of any part or parts of the Lot or

the Development outside the part or parts of the Lot or the Development in question a party thereto to enter into Sub-Deeds in respect of any parts or parts of the Lot or the Development PROVIDED THAT such Sub-Deeds shall not conflict with the provisions of this Deed or the terms and conditions of the Government Lease or adversely affect the rights, interests or obligations of the other Owners bound by this Deed or any other previous Sub-Deeds.

- (j) Grant of rights of way etc., over adjoining lands. The right to obtain the grant of any rights, rights of way or easements or quasi- easements (including but not limited to the right to use any roads, passageways, walkways, footpaths, footbridges, pedestrian bridges, subways, walkways, yards, open spaces, nullahs and culverts, recreational areas and facilities, sewage treatment plants and facilities, refuse collection and disposal areas and facilities, drainage system and gas, water and electricity storage, transformation and supply systems) over any adjoining or neighbouring lands or to obtain any similar rights by licence for the benefit of the Lot and the Development PROVIDED THAT the prior written approval from the Owners' Committee (if and when it is formed) or the Owners' Corporation (if any) shall be obtained.
- (k) Grant of rights of way etc., over Common Parts. Subject to the prior approval of the Owners' Committee or the Owners' Corporation (if and when it is formed), the right to grant any rights, rights of way or easements or quasi-easements (including but not limited to the right to use any roads, passageways, walkways, footpaths, footbridges, pedestrian bridges, subways, walkways, yards, open spaces, nullahs and culverts, sewage treatment plants and facilities, refuse collection and disposal areas and facilities, drainage system and gas, water and electricity storage transformation and supply systems) over any part or parts of the Common Parts or to grant any similar rights by licence for the benefit of any adjoining or neighbouring lands PROVIDED THAT the exercise of such right shall not adversely affect or interfere with an Owner's exclusive right to hold, use and occupy the part of the Development to which he is entitled or unreasonably impede or restrict the access to and from any such part(s) of the Development and PROVIDED ALSO THAT any compensation arising therefrom shall accrue to the benefit of the Owners and form part of the Management Fund.
- (l) Designation of numbering and/or layout of Parking Spaces of First Owner. Subject to the approval of the relevant government authorities (if required), the full and unrestricted right without interference by the other Owners to designate or re-designate the numbering and/or the layout of the Parking Spaces which are wholly owned by the First Owner PROVIDED THAT the designation or re-designation does not conflict with or cause confusion to the existing numbering of the Parking Spaces (if any) and PROVIDED FURTHER THAT no such designation or re-designation shall affect the rights, obligations, interests and enjoyment of the Owners of the Parking Spaces.
- (m) Allocation of Undivided Shares of Development owned by First Owner. The right to adjust and/or allocate and/or reallocate and/or sub-allocate the number of Undivided Shares in the Lot and the Development retained by the First Owner relating thereto and the manner in which the same shall be notionally divided and the fraction which each such Undivided Share bears to the whole provided that such adjustment and/or allocation and/or re-allocation and/or sub-allocation shall not affect the other Owners' sole and exclusive right and privilege to hold use and occupy their part or parts of the Development or impede or restrict the access to or from such part or parts of the Development and provided also that no such

adjustment and/or allocation and/or re-allocation and/or sub-allocation shall affect such other Owners' rights, obligations, interests and enjoyment in the Development.

- (n) Construct drains, pipes etc.. Subject to the approval by the Owners' Committee or the Owners' Corporation (if formed) the right to construct maintain lay alter remove re- route and renew drains, pipes, cables, sewers and other installations, fittings, chambers and other similar structures within the Lot and the Development or partly within the Lot and the Development and adjoining land to supply utilities services to the Lot and the Development and/or to any other adjoining adjacent or neighbouring lands and to grant licence or otherwise permit or grant the right so to do any of the aforesaid to any person on such terms and conditions as the First Owner may deem appropriate.
- (o) Extension to the Lot. Subject to the approval by the Owners' Committee or the Owners' Corporation (if formed) the right and privilege to negotiate and agree with the Government to incorporate any lands as extensions to the Lot Provided that unless the same is done at the request or for the benefit of the Owners all premiums and fees payable for the same shall be borne by the First Owner Provided that as from the date of such incorporation the relevant extension shall form part of the Lot and shall be subject to this Deed and any relevant Sub-Deed (if any).
- (p) Deeds of Easement. Without prejudice to the generality of any of the sub-clauses above and subject to the approval by the Owners' Committee or the Owners' Corporation (if formed), the right to enter into any deed or deeds of grant of easement at any time or times or to enter into any deed or deeds, at any time or times, to vary, amend or otherwise alter the terms, conditions or covenants of or contained in such deed or deeds of grant of easement so long as the same does not or do not unreasonably affect the right of any Owner to the exclusive use of or the proper use and enjoyment of his part of the Development or impede or restrict the access to or from such part or parts of the Development.
- (q) User. The right (subject to obtaining any necessary consent under the Government Lease and the law) to change the user of any part of the Lot which the First Owner has the exclusive right and privilege of an Owner, vis-à-vis the other Owners, and the Manager or (as the case may be) the Owners' Corporation as owner of the Common Parts, to hold, use, occupy and enjoy a Unit attached to any Undivided Share owned by him and to receive the rents and profits arising from the Unit.

The First Owner shall have the right from time to time to confer grant or assign any of its rights in this Clause on or to any other person or permit the exercise of any such rights by any other person.

- 9. (a) Power of Attorney. Except as provided otherwise in this Deed, the Owners hereby jointly and severally and irrevocably APPOINT the First Owner to be their attorney and grant unto the First Owner the full right power and authority to do all acts deeds matters and things and to execute and sign seal and as their acts and deeds deliver such deeds and to sign such documents or instruments as may be necessary for the exercise of or incidental to the First Owner's rights mentioned in Clause 8 with the full power of delegation and the Owners hereby further jointly and severally and irrevocably undertake to do all acts deeds matters and things and to execute sign seal and deliver such deed or deeds and to sign such documents or instruments as may be necessary to give effect to the abovementioned grant.

- (b) Covenant in assignment. An Owner (other than the First Owner) shall not be entitled to assign his Undivided Shares unless the assignment includes the following covenant:

“The Purchaser hereby covenants with the Vendor for itself and as agent of each of King Rays Limited (明帝有限公司) and its successors, assigns and attorneys (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 “**Covenantor**”) and shall enure for the benefit of New Kowloon Inland Lot No.2577 and the buildings thereon known as “**2 Grampian Road (嘉琳)**”, No.2 Grampian Road, Kowloon, Hong Kong (collectively, the “**Land**”) and be enforceable by the Vendor and each Relevant Owner that:-

- (a) the Covenantor will notify the Manager (as defined in a Deed of Mutual Covenant and Management Agreement registered in the Land Registry by Memorial No. (*insert Memorial No. of this Deed here*) (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 Covenantor hereby acknowledges and confirms the rights conferred by Clause 8 of the Deed of Mutual Covenant (collectively, the “**Additional Rights**” and each an “**Additional Right**”) and hereby covenants not to do or permit to be done anything which will affect the exercise of the Additional Rights by a person lawfully entitled to exercise them;
- (c) the Covenantor 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 Additional Rights granted to the Relevant Owner. If the Relevant Owner comprises more than one person, the Covenantor 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 any 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 Covenantor 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);
- (e) the Covenantor 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
- (f) in the event of the Covenantor selling or otherwise disposing of the Property, the Covenantor 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) and (e) and this covenant (f) hereinbefore contained;

Provided That upon the Covenantor complying with and performing the covenant (f) hereinbefore contained the Covenantor shall not be liable for any breach of the aforesaid covenants (a), (b), (c), (d) and (e) which may happen after the Covenantor 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) and (f) as aforesaid.”

SECTION III

MANAGER AND MANAGEMENT CHARGES

10. (a) Appointment as the Manager. Subject to the provisions of the Building Management Ordinance (Cap.344), the parties hereto have agreed with the DMC Manager for the DMC Manager to undertake the management, operation, servicing, cleansing, maintenance, repair, renovation, improvement, replacement, security and insurance of the Lot and the Development (all or any of which activities where not inapplicable herein shall be included under the word "management") from the date of this Deed for an initial term of two (2) years after the date of this Deed, and shall thereafter continue until terminated as provided in this Clause 10.
- (b) Termination of Manager's Appointment by the Manager or Owner's Committee. No resignation of the Manager shall take effect unless he has previously given not less than 3 months' notice in writing of his intention to resign:
- (i) the appointment is terminated by the Manager by giving not less than three (3) months' notice of termination in writing:-
 - (1) by sending such notice to the Owners' Committee; or
 - (2) where there is no Owners' Committee, by giving such a notice on each of the Owners and by displaying such a notice in a prominent place in the Development.
 - (ii) The notice referred to in Clause 10(b)(i)(2) may be given:-
 - (1) by delivering it personally to the Owner; or
 - (2) by sending it by post to the Owner at his last known address; or
 - (3) by leaving it at the Owner's Residential Unit or depositing it in the letter box for that Residential Unit; or
 - (iii) prior to the formation of the Owners' Corporation, the Owners' Committee may at any time terminate the Manager's appointment without compensation by a resolution passed by a majority of votes of the Owners voting either personally or by proxy in the meeting of the Owners and supported by not less than fifty per cent (50%) of all the Undivided Shares in aggregate (excluding those Undivided Shares allocated to the Common Parts) and by giving to the Manager not less than three (3) months' notice of termination in writing; or
 - (iv) in the event that the Manager is wound up or has a receiving order made against it or has become the subject of a winding-up petition/order;

Provided always that nothing in this Clause shall entitle the Manager to manage the Development prior to the date of this Deed in respect of any part of the Development, and Provided further that without limiting the generality of Clause 75, no provision of this Deed shall limit the application of the Schedule 7 to the Building Management Ordinance (Cap.344) by restricting or prohibiting the termination of the Manager's appointment or his resignation

during the initial term of two (2) years of his appointment.

- (c) Termination of Manager's Appointment by Owner's Corporation.
- (i) Where an Owners' Corporation has been formed and subject to Clause 10(c)(iv), at a general meeting convened for the purpose, the Owners' Corporation may, by a resolution:-
- (1) passed by a majority of the votes of the Owners voting either personally or by proxy; and
 - (2) supported by the Owners of not less than fifty per cent (50%) of the Undivided Shares in aggregate (excluding the Undivided Shares for Common Parts),
- termination by notice the appointment of the DMC Manager without compensation.
- (ii) The resolution under Clause 10(c)(i) shall have effect only if
- (1) such notice of termination of appointment is in writing;
 - (2) 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;
 - (3) such notice is accompanied by a copy of the resolution terminating the DMC Manager's appointment; and
 - (4) such notice and the copy of the resolution is given to the DMC Manager within fourteen (14) days after the date of the meeting.
- (iii) The notice and the copy of the resolution referred to in Clause 10(c)(ii)(4) may be given:-
- (1) by delivering them personally to the DMC Manager;
 - (2) by sending them by post to the DMC Manager at its last known address.

- (iv) For the purposes of this Clause 10(c):-
 - (1) only the Owners of Undivided Shares who pay or who are liable to pay contribution towards the Management Expenses relating to those Undivided Shares shall be entitled to vote;
 - (2) the reference in Clause 10(c)(i) to "the Owners of not less than fifty per cent (50%) of the Undivided Shares in aggregate" shall be construed as a reference to the Owners of not less than fifty per cent (50%) of the Undivided Shares in aggregate who are entitled to vote.
- (v) 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, Clauses 10(c)(i), (ii), (iii) and (iv) apply to the termination of the Manager's appointment as they apply to the termination of the DMC Manager's appointment.
- (vi) Clause 10(c)(v) 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.
- (vii) If a notice to terminate a Manager's appointment is given under this Clause 10(c):-
 - (1) no appointment of a new Manager shall take effect unless the appointment is approved by a resolution of the Owners' Committee (if any); and
 - (2) if no such appointment is approved under Clause 10(c)(vii)(1) above 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.
- (d) If any person has given an undertaking in writing to, or has entered into an agreement with, the Government to manage or be responsible for the management of the Development, and the Owners' Corporation has appointed a manager under Clause 10(c)(vii) above, the Owners' Corporation shall be deemed to have given to that person an instrument of indemnity under which the Owners' Corporation shall be liable to indemnify that person in respect of any act or omission by the manager appointed under Clause 10(c)(vii) above that may otherwise render that person liable for a breach of that undertaking or agreement.
- (e) Sub-clauses (a) to (d) above are subject to any notice relating to the Development that may be published by the Secretary for Home Affairs under Section 34E(4) of the Building Management Ordinance (Cap.344) but do not apply to any single manager referred to in Section 34E(4) of the Building Management Ordinance (Cap.344).

- (f) Obligations after Manager's appointment ends.
- (i) Subject to Clause 10(f)(ii), if the Manager's appointment ends for any reason, it shall, as soon as practicable after its appointment ends, and in any event within 14 days of the date his appointment ends, deliver to the Owners' Committee (if any) or the Manager appointed in its place any movable property in respect of the control, management and administration of the Lot and the Development that is under its control or its custody or possession, and that belongs to the Owners' Corporation (if any) or the Owners.
- (ii) If the Manager's appointment ends for any reason, the Manager shall within two (2) months of the date the Manager's appointment ends :-
- (1) prepare 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 ended; and a balance sheet as at the date the Manager's appointment ended and shall arrange for that account and balance sheet to be audited by a certified public accountant or by some other independent auditor specified in a 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; and
- (2) deliver to the Owners' Committee (if any) or the Manager appointed in its place any books or records of accounts, papers, documents and other records which are required for the purposes of Clause 10(f)(ii)(1) and have not been delivered under Clause 10(f)(i).

11. Appointment of new Manager. Upon termination of the Manager's employment in whatever manner this may occur, a meeting of the Owners' Committee shall immediately be convened to appoint a manager to take its place and such meeting shall appoint a manager who shall on the expiry of the notice given by or, as the case may be, to the Manager be immediately thereupon and thenceforth become vested with all the powers and duties of the Manager hereunder and the Owners' Committee shall on behalf of the Owners enter into a Management Agreement with such new manager defining its rights duties and obligations. Notwithstanding anything hereinbefore contained, it is hereby declared and agreed that at no time shall the Lot and the Development be without a responsible duly appointed manager to manage the Development.

12. Manager's Remuneration

- (a) Manager's Remuneration. The Manager's Remuneration in a Financial Year shall be 20% of the total Management Expenses incurred in the Financial Year Provided That:
- (i) such percentage may not be varied except with approval by a resolution of Owners passed at an Owners' meeting convened under this Deed;
- (ii) for the purpose of calculating the Manager's Remuneration, the total Management Expenses must exclude:
- (1) any capital expenditure or expenditure drawn out of the Special Fund (in this Clause 12(a) , "**Capital Expenditure**") provided that by a resolution

of Owners at an Owners' meeting convened under this Deed, any Capital Expenditure may be included for calculating the Manager's Remuneration; and

- (2) the Manager's Remuneration itself; and
- (iii) the Owners may by a resolution of Owners passed at an Owners' meeting convened under this Deed decide that a rate applicable under the previous provisions of this Clause 12(a) or at any lower rate as considered appropriate by the Owners shall, for the purpose of calculating the Manager's Remuneration, be applied to the Capital Expenditure included under Clause 12(a)(ii)(1).
- (iv) Manner of Payment. The Manager's Remuneration shall be paid to the Manager in advance on the first day of each month of the Financial Year concerned by deductions made by the Manager from the Monthly Management Fees collected from the Owners. Such deductions shall be in priority to all other payments to be made out of the Management Funds. The amount of each deduction shall be:

$$\frac{a}{b}$$

where:

"a" is the amount which would be payable as Manager's Remuneration in the Financial Year if the Estimated Management Expenses were the actual Management Expenses incurred in the Financial Year; and
"b" the total number of months in that Financial Year.

- (b) The Owners shall as from the date immediately after the date of the assignment in their favour as the Owners pay to the Manager the Manager's Remuneration hereunder in advance on the first day (or such other day as the Manager may deem appropriate) of each month by twelve equal monthly installments each such payment to be in the sum of one twelfth of the annual remuneration of the Manager to be determined as aforesaid based on the annual Management Budget or revised Management Budget for the year in question to be prepared as provided in Clauses 13, 14, 15 and 16 and any adjustment payment that needs to be made to bring the amount paid to the Manager by way of remuneration for the year in question to the correct amount for such year will be made within 21 days from the completion of the auditing of the management accounts for such year as provided in Clause 35. The percentage of total annual expenditure against which the Manager's Remuneration is calculated may be reviewed by resolution of Owners passed at an Owner's meeting convened under this Deed.
- (c) The Manager's Remuneration as aforesaid shall be the net remuneration of the Manager for its services as Manager and shall not include the costs, expenses, salary and fees for any staff, facilities, accountancy services or other professional supervision for the Lot and the Development and all disbursements and out of pocket expenses properly incurred in the course of carrying out its duties hereunder which said costs and expenses shall form part of the Management Expenses and shall be a direct charge upon the Management Fund.

13. Management Expenses

- (a) Management Expenses. Subject to Sub-clauses (c), (e), (f) and (h) below, the total amount of Management Expenses payable by the Owners during any period of 12

months adopted by the Manager as the Financial Year (except for the period from the date of this Deed until the 31st day of December of the same year in respect of which the first draft Management Budget will be prepared) in respect of the management of the Lot and the Development shall be the total estimated management expenditure during that year as specified by the Manager in accordance with Sub-clause (b) below.

Procedure for preparing annual Management Budget.

- (b) In respect of each Financial Year, the Manager shall:-
- (i) prepare a draft annual Management Budget setting out the estimated management expenditure of the Lot and the Development during the Financial Year, provided that the first draft annual management budget shall be prepared by the Manager as soon as practicable after its appointment and shall cover only the period from the date of this Deed until the 31st day of December of the same year and all subsequent draft annual Management Budgets shall be prepared by the Manager in consultation with the Owners' Committee (if the same has been established pursuant to the provisions of this Deed) at least 1 month prior to the commencement of the relevant financial year and such subsequent draft annual management budgets (other than the first draft annual management budget) shall be reviewed by the Owners' Committee (if the same has already been formed by then);
 - (ii) send a copy of the draft annual Management Budget to the Owners' Committee or, where the Owners' Committee has not yet been formed, display a copy of the draft annual Management Budget in a prominent place in the Development, and cause it to remain so displayed for at least 7 consecutive days;
 - (iii) send or display, as the case may be, with the copy draft annual Management Budget a notice inviting each Owner to send his comments on the draft annual Management Budget to the Manager within a period of 14 days from the date on which the draft annual Management Budget was sent or first displayed;
 - (iv) after the end of that period, prepare an annual Management Budget specifying the total estimated management expenditure during the Financial Year and for the purposes of the preparation of such annual Management Budget, the Manager may, but shall not be obliged to, alter the draft annual management budget after considering the comments made by the Owners' Committee or the Owners;
 - (v) send a copy of the annual Management Budget to the Owners' Committee or, where the Owners' Committee has not yet been formed, display a copy of the annual Management Budget in a prominent place in the Development, and cause it to remain so displayed for at least 7 consecutive days.
- (c) Where, in respect of a Financial Year, the Manager has not complied with Sub-clause (b) above before the start of that Financial Year, the total amount of the Management Expenses to be contributed by the Owners for that year shall :-
- (i) until the Manager has so complied with those provisions, be deemed to be

the same as the total amount of Management Expenses (if any) in the previous Financial Year (adjusted accordingly if the previous Financial Year is not a full 12 month period);

- (ii) when the Manager has so complied with those provisions, be the total estimated management expenditure specified in the annual Management Budget for that Financial Year, and the amount that the Owners shall contribute towards the Management Expenses shall be calculated and adjusted accordingly.
- (d) Where an annual Management Budget has been sent or displayed in accordance with Sub-clause (b)(v) above and the Manager wishes to revise the same, the Manager shall follow the same procedures in respect of the revised annual Management Budget as apply to the draft annual Management Budget and the annual Management Budget by virtue of Sub-clause (b) above.
- (e) Where a revised annual Management Budget is sent or displayed in accordance with Sub-clause (d) above, the total amount of the Management Expenses to be contributed by the Owners for that Financial Year shall be the total management expenditure or estimated management expenditure specified in the revised annual Management Budget and the amount that Owners shall contribute towards the Management Expenses shall be calculated and adjusted accordingly.
- (f) If there is an Owners' Corporation and, within a period of 1 month from the date that an annual Management Budget or a revised annual Management Budget for a Financial Year is sent or first displayed in accordance with Sub-clause (b) or Sub-clause (d) above, the Owners' Corporation decides, by a resolution of the Owners, to reject the annual Management Budget or the revised annual Management Budget, as the case may be, the total amount of Management Expenses to be contributed by the Owners for the Financial Year shall, until another annual Management Budget or revised annual Management Budget is sent or displayed in accordance with Sub-clause (b) or Sub-clause (d) above and is not so rejected under this Sub-clause (f), be the same amount as the total amount of Management Expenses (if any) for the previous Financial Year (adjusted accordingly if the previous Financial Year is not a full 12 month period), together with an amount not exceeding 10% of that total amount as the Manager may determine.
- (g) If any Owner requests in writing the Manager to supply him with a copy of any draft annual Management Budget, annual Management Budget or revised annual Management Budget, the Manager shall, on payment of a reasonable copying charge, supply a copy to that Owner.
- (h) Costs charges and expenses that may be covered by Management Expenses. The Management Expenses in the annual Management Budget shall cover all expenditure and expenses which in the opinion of the Manager (whose decision shall be conclusive save for manifest error) are to be expended or incurred for the benefit of all Owners or required for the proper management and maintenance of the Lot and the Development and the Common Parts therein, including but without prejudice to the generality of the foregoing the following costs charges and expenses :-
 - (i) The expenses for maintenance, operation, control, repair, cleansing, painting, decorating, improving and keeping in good condition of all Common Parts

- and the lighting thereof and the provision and lighting for the Common Parts;
- (ii) the expenses for cultivation, irrigation and maintenance of plants on the Common Parts;
 - (iii) the cost for the supply and consumption of all electricity, gas, water, telephone and other utilities serving the Common Parts and charges, assessments, impositions and outgoings payable in respect of the Common Parts and all utility charges necessarily and reasonably incurred by the Manager in connection with the management and maintenance of the Lot and the Development other than the Units;
 - (iv) the remuneration and related expenses for the provision of security guard services for the Lot and the Development and the cost of employing accountants, caretakers, security guards, watchmen, cleaners, fitters, gardeners, clerks, lift operators and attendants, on-site staff and such other staff to manage and administer the Lot and the Development and the Common Parts therein and the expenses of purchasing or hiring all necessary plant, equipment and machinery;
 - (v) the cost and expense of inspecting, operating, maintaining, managing, keeping in good condition of and repairing the Common Parts, Slopes and Retaining Walls (if any), foundations, columns and other structures constructed or to be constructed for the support of the Development and the drains nullahs sewers pipes water mains and channels and such other areas whether within or outside the Lot that are required to be maintained under the Government Lease (if any);
 - (vi) the cost and expense of maintaining the drains and channels whether within or outside the Lot serving the Development or that are required to be maintained under the Government Lease;
 - (vii) the costs and expenses for the hiring or otherwise employing vehicles including but not limited to light vans and shuttle bus (if any) for the general amenity of the Owners and residents of the Development, together with the charges and expenses in connection with the maintenance of such vehicles;
 - (viii) the Government rent of the Lot payable under the Government Lease Provided only if no apportionment or separate assessments have been made for individual units and the Manager decides, in its discretion, that the same shall be included as part of the management expenditure and the Government rent (if any) in respect of the Common Parts ;
 - (ix) the expenses of refuse collection, storage and disposal in respect of the Lot and the Development and the Common Parts;
 - (x) the expenses and all sums payable under or pursuant to any deed or deeds of grant of easement entered into by the First Owner and/or the Manager (if any);
 - (xi) the Manager's Remuneration calculated in accordance with Clause 12 for providing its services hereunder;
 - (xii) the premia for insurance of all those parts of the Development and the Common Parts against damage by fire and/or such other risks up to the full new reinstatement value thereof and of the Manager covering public

liability or occupiers' liability or employer's liability or any other insurance policy considered necessary by the Manager;

- (xiii) legal and accounting and surveying fees and all other professional fees and costs properly necessarily and reasonably incurred by the Manager in carrying out the services provided under this Deed and/or in connection with the maintenance and management of the Development;
- (xiv) all recurring costs incurred in the proper maintenance and management of the Common Parts;
- (xv) any tax payable by the Manager on any of the sums held by it under the provisions of this Deed and on the Management Fund Provided however that any tax payable on the Manager's Remuneration shall be borne and paid by the Manager;
- (xvi) the cost of repairing and maintaining all roads, slopes, footbridges, retaining walls, Government land and other structures on outside or adjacent to the Lot or forming part of the Development including but not limited to the Slopes and Retaining Walls (if any) in accordance with the Slope Maintenance Guidelines or other guidelines issued from time to time by the appropriate government department regarding the maintenance of slopes, retaining walls and related structures and/or to engage suitable personnel to carry out such works;
- (xvii) the licence fees (if any) payable to the Government for laying of drains and channels which serve the Development within or under the Government land adjacent to the Lot;
- (xviii) the costs of operating and displaying festive decorations during Christmas, Chinese New Year and other festivals and organising community entertainments and activities;
- (xix) any payments payable for the surfacing, kerbing, draining and channelling of any private streets, roads or lanes within the Lot;
- (xx) any other costs, charges and expenses necessarily and reasonably incurred by the Manager in the performance of any duty or in the exercise of any power under this Deed or under any Sub-Deeds in respect of any part or parts of the Lot and the Development;
- (xxi) the expenses in connection with the carrying out of all or any of the duties of the Manager as set out in this Deed or any Sub-Deeds (if any); and
- (xxii) any other items of expenditure which are necessary for the administration, management and maintenance of the Lot and the Development including but not limited to all staff, facilities, office, accountancy, professional, supervisory and clerical expenses incurred by the Manager in respect thereof or such proportionate part thereof which are provided by the head office of the Manager for the Development as well as any other lands, developments and buildings and for such purposes, the Manager shall be entitled to apportion any such items of expenditure which directly relate to the administration and/or management and/or maintenance of the Lot and the Development.

Annual Management Budget.

- (i) Each annual Management Budget shall set out, in separate sections, the following:
 - (i) Development Management Expenses;
 - (ii) Residential Management Expenses; and
 - (iii) Parking Management Expenses

- (j) For the purposes of this Clause 13, “expenditure” includes all costs, charges and expenses to be borne by the Owners, including the Manager’s Remuneration.

- (k) The annual Management Budget shall cover all expenditure and expenses with in the opinion of the Manager (whose decision shall be conclusive save for manifest error) are specially referable to the Common Parts and/or other areas and facilities which are required to be constructed and/or maintained by the Owners under the Government Lease or are for the providing service to Owners of the Development generally including but not limited to the charges for the control, operation, maintenance, repair, replacement, cleansing, lighting and security of the Common Parts and equipment therein, the charges for the supply of electricity, flushing water and lighting and such proportionate part of the general expenditure for the cost of staff, caretakers, watchmen and security forces and removal and disposal of rubbish and other similar expenses as the Manager shall consider fair and reasonable and such expenditure and expenses shall form part of the Management Expenses of the Lot and the Development and shall be shared by the Owners of the Development in accordance with this Deed

PROVIDED THAT :

- (a) In the event that a Sub-Deed is entered into in respect of any component part of the Development and in the Sub-Deed any areas and facilities which do not otherwise fall within the definition of Common Parts are designated as Common Parts as a consequence of which the same thereby become part of the Common Parts a new section of the annual Management Budget shall be established by the Manager such section to cover all expenditure and expenses which in the opinion of the Manager (whose decision shall be conclusive save for manifest error) are specifically referable to such common parts, such expenditure shall be shared by Owners of that component part of the Development;

- (b) Expenditure of a capital and/or improvement nature for the improvement of the Development and/or the replacement or improvement of installations, systems, equipment, tools, plant, machinery and apparatus within or forming part of the Common Parts and/or for the efficient management and maintenance of the Development including the initial costs of setting up a management office (if any) and the cost of maintaining and repairing any of the Slopes and Retaining Walls or other structures (if any) in compliance with the Government Lease shall be compiled in a separate heading within the appropriate section of the annual Management Budget and shall be payable out of the Special Fund mentioned in Clause 19 when the same is established;

- (c) (i) Subject to proviso (c)(ii) and (iii) below, the Manager shall not enter into any contract for the procurement of any supplies, goods or services the value of which exceeds or is likely to be in excess of the sum of HK\$200,000 or such other sum in substitution therefor as the Secretary of Home Affairs may specify by notice in the Gazette unless
 - (1) the supplies, goods or services are procured by invitation to

tender; and

- (2) the procurement complies with the Code of Practice referred to in Section 20A(1) of the Building Management Ordinance (Cap.344).
- (ii) Subject to proviso (c)(iii) below, the Manager shall not enter into any contract for the procurement of any supplies, goods or services the amount of which is or likely to be more than 20% of the annual Management Budget or such other percentage in substitution therefor as the Secretary of Home Affairs may specify by notice in Gazette unless
- (1) if there is an Owners' Corporation
 - (a) the supplies, goods or services are procured by invitation to tender;
 - (b) the procurement complies with the Code of Practice referred to in Section 20A(1) of the Building Management Ordinance; and
 - (c) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the Owners passed at a general meeting of the Owners' Corporation, and the contract is entered into with the successful tenderer; or
 - (2) if there is no Owners' Corporation
 - (a) the supplies, goods or services are procured by invitation to tender;
 - (b) the procurement complies with the Code of Practice referred to in Section 20A(1) of the Building Management Ordinance; and
 - (c) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the Owners passed at a meeting of the Owners convened and conducted in accordance with this Deed, and the contract is entered into with the successful tenderer.
- (iii) Proviso (c)(i) and (ii) do not apply to any supplies, goods or services which but for this Proviso (3)(c) would be required to be procured by invitation to tender (referred to in this Proviso (c)(iii) as "relevant supplies, goods or services")
- (a) where there is an Owners' Corporation, if
 - (i) the relevant supplies, goods or services are of the same type as any supplies, goods or services which are for the time being supplied to the Owners' Corporation by a supplier; and
 - (ii) the Owners' Corporation decides by a resolution of

the Owners passed at a general meeting of the Owners' Corporation that the relevant supplies, goods or services shall be procured from that supplier on such terms and conditions as specified in the resolution, instead of by invitation to tender; or

- (b) where there is no Owners' Corporation, if
 - (i) the relevant supplies, goods or services are of the same type as any supplies, goods or services which are for the time being supplied to the Owners by a supplier; and
 - (ii) the Owners decide by a resolution of the Owners passed at a meeting of the Owners convened and conducted in accordance with this Deed that the relevant supplies, goods or services shall be procured from that supplier on such terms and conditions as specified in the resolution, instead of by invitation to tender.

14. Payment of Monthly Management Fees

- (a) Each Owner (except the First Owner) shall pay to the Manager the Advance Payment (defined in Clause 20(a)(i)) in respect of each Unit which he owns on the date of the completion of the purchase of his Unit from the First Owner.
- (b) Each Owner (including the First Owner notwithstanding Clause 14(a)) shall in respect of each Unit which he owns pay to the Manager in advance on the first day of each month (following the expiry of the period in respect of which any Advance Payment has been paid) the Monthly Management Fees and such Owner shall be personally liable to make such payments whether or not his Unit is vacant or occupied and whether it has been let or licensed or is occupied by the Owner himself. For the avoidance of doubt, if the date of this Deed does not fall on the first day of a month, the First Owner shall in respect of each Unit which he owns pay the Monthly Management Fees of the first month on the date of this Deed.
- (c) Each Owner shall contribute monthly towards the Management Expenses of the Development (including the Manager's Remuneration) in such manner in such amount and in such proportion as shall be fixed by the Manager in the manner hereinafter provided (the "**Monthly Management Fees**"). The Monthly Management Fees payable by an Owner in respect of each Unit which he owns shall be:

$$\frac{f}{g} + h$$

where:

"f" is the total contribution to the Estimated Management Expenses which the Owner is required to make under Clause 14 (d) for the Unit concerned;

"g" is the total number of months in the Financial Year; and

"h" is the total amount of increases in Monthly Management Fees under Clause 14(g)(v).

(d) The contribution of an Owner to the Estimated Management Expenses for each Unit which he owns shall be ascertained according to the following principles and formulae:

(i) The Owner of a Unit shall, in respect of each Unit which he owns, contribute to the Estimated Development Management Expenses in the following proportion:

$$\frac{i}{j}$$

where:

“i” is the number of Management Shares allocated to the Unit; and

“j” is the total number of Management Shares.

(ii) The Owner of a Residential Unit shall contribute to the Estimated Residential Management Expenses in the following proportion:

$$\frac{k}{l}$$

where:

“k” is the number of Management Shares allocated to the Residential Unit; and

“l” is the total number of Management Shares allocated to all Residential Units.

(iii) The Owner of a Parking Space shall contribute to the Estimated Parking Management Expenses in the following proportion:

$$\frac{m}{n}$$

where:

“m” is the number of Management Shares allocated to the Parking Space; and

“n” is the total number of Management Shares allocated to all Parking Spaces.

(e) If, during any period of time, the total Monthly Management Fees received by the Manager in respect of all the Units are insufficient to meet the Management Expenses actually incurred during that period the Manager shall revise the Management Budget for the Financial Year concerned in accordance with the relevant procedures set out in Clause 13. The Manager may require each Owner to make a contribution to such deficiency after the Management Budget has been so revised.

(f) If, as a result of a revision of the Management Budget in accordance with Clause 13 or the approval of the Management Budget, the Estimated Management Expenses are increased, the Manager may require the Owners to contribute to the increase.

(g) In ascertaining the contribution to be made by an Owner under Clause 14(e) or (f), the provisions of Clause 14(d) shall, mutatis mutandis, apply so that any part of the deficiency or increase determined by the Manager to be attributable to:

- (i) the Development Common Parts, or expenses for the common benefit of the Owners, occupiers, licensees or invitees of different Units, or expenses not covered by Clauses 14(g)(ii) and (iii), shall be borne by the Owners in the proportion set out in Clause 14(d)(i);
- (ii) the Residential Common Parts, or expenses for the common benefit of Owners, occupiers, licensees or invitees of different Residential Units, shall be borne by the Owners of the Residential Units in the proportion set out in Clause 14(d)(ii); and
- (iii) the Parking Common Parts, or expenses for the common benefit of Owners, occupiers, licensees or invitees of the Parking Spaces shall be borne by the Owners of the Parking Spaces set out in Clause 14(d)(iii).

The contribution which an Owner is required to make under Clause 14(e) or (f) shall be made in such manner as the Manager may determine including:

- (iv) payment in one lump sum within 14 days of notification by the Manager; or
 - (v) by increasing the Monthly Management Fees payable by the Owner by such amount and over such period as the Manager may determine.
- (h) If there is any surplus after payment of all the Management Expenses, such surplus shall be held by the Manager and shall be applied towards payment of future Management Expenses in the following manner:
- (i) any part of the surplus determined by the Manager to be attributable to contributions made by the Owners towards the Development Management Expenses or Estimated Development Management Expenses shall be notionally credited to all the Units and be taken into account when preparing the section of future Management Budget(s) dealing with Development Management Expenses or used for covering Development Management Expenses or Estimated Development Management Expenses;
 - (ii) any part of the surplus determined by the Manager to be attributable to contributions made by the Owners of the Residential Units towards the Residential Management Expenses or Estimated Residential Management Expenses shall be notionally credited to all the Residential Units and be taken into account when preparing the section of future Management Budget(s) dealing with Residential Management Expenses or used for covering Residential Management Expenses or Estimated Residential Management Expenses; and
 - (iii) any part of the surplus determined by the Manager to be attributable to contributions made by the Owners of the Parking Spaces towards the Parking Management Expenses or Estimated Parking Management Expenses shall be notionally credited to all the Parking Spaces and be taken into account when preparing the section of future Management Budget(s) dealing with Parking Management Expenses or used for covering Parking Management Expenses or Estimated Parking Management Expenses.

15. (a) No Owner may be called upon to pay more than his appropriate share of Management Expenses, having regard to the number of Management Shares allocated to the Unit and the provisions of this Deed.

(b) If a Sub-Deed (if any) is entered into in respect of any component part of the Development and a new section of the annual Management Budget is established for that component part in accordance with Clause 13 Proviso (a) each Owner of that component part shall in addition contribute his due proportion of the budgeted Management Expenses for that section in the manner provided in the Sub-Deed;

(c) An Owner's liability to make such payment or contribution will not be reduced by reason of his premises being left vacant or unoccupied,

PROVIDED THAT:-

- (i) For the avoidance of doubt and without prejudice to the generality of the foregoing, the First Owner shall be responsible to make payments and contributions towards Management Expenses in respect of Undivided Shares unsold and owned by the First Owner save and except that the First Owner shall not be obliged to make the payments and contributions as aforesaid in respect of Undivided Shares allocated to any part(s) of the Development the construction of which has not been completed except to the extent that such part(s) of the Development benefits from the provisions in this Deed as to management and maintenance;
- (ii) Notwithstanding any provisions to the contrary herein contained, no Owner may be called upon to pay more than his fair share of Management Expenses and if the Manager is of the opinion (whose decision shall be conclusive save for manifest error) that the Management Budget and/or the sharing of management expenditure and expenses assessed under any or some sections of the Management Budget in accordance with the manner set out in the above provisions may lead to or result in any Owner or the Owners of any part or parts of the Development unfairly or inequitably paying some higher or lesser contributions, the Manager shall be entitled in its absolute discretion to modify any Management Budget in such manner as the Manager may in its absolute discretion think fit (but subject to compliance with the procedures applicable to the draft annual Management Budget, the annual Management Budget and the revised annual Management Budget as provided in the relevant provisions of Clause 13), (whether by creating new sections or abolishing existing sections of the Management Budget or otherwise) and to prepare new Management Budget in the modified manner as aforementioned and/or to vary or modify the manner of sharing the amounts of management expenditure assessed under any or some sections of the Management Budget by the relevant Owners in such way as the Manager may in its absolute discretion think fit and the modified Management Budget and the modified manner of sharing the management expenditure and expenses shall, (save for manifest error), be binding on the Owners and provided always that the Manager's determination of the amount of contribution payable by each Owner as aforesaid shall (in the absence of manifest error) be conclusive and binding on all Owners;
- (iii) Notwithstanding anything herein contained, the Undivided Shares allocated to the Common Parts together with the Common Parts held therewith shall be exempt from payment towards the management expenditure, expenses or any charges as provided in this Deed, and there shall not be attached to such Undivided Shares any voting right, nor shall such Undivided Shares be taken into account for determining the quorum

of any meeting; and

- (iv) Notwithstanding anything herein contained, all outgoings including management fees up to and inclusive of the date of assignment of the Units by the First Owner shall be paid by the First Owner and the Owner shall not be required to make any payment or reimburse the First Owner for such outgoings.

16. Revised Management Budget. Without prejudice to anything herein contained, in the event of the Manager finding at any time that the annual Management Budget is insufficient to cover all expenditure or in the event of a deficiency occurring or seeming to occur or if there shall be any change in circumstances which in the opinion of the Manager (whose decision shall be conclusive save for manifest error) require any revision to the annual Management Budget, the Manager may at any time during the Financial Year subject to the provisions of Clause 17 below, prepare a revised Management Budget and once completed shall have the same reviewed by the Owners' Committee (only if and when it has been established pursuant to this Deed) and the provisions of paragraph (a) to (k) of Clause 13 shall apply mutatis mutandis to the revised Management Budget as to the annual Management Budget. A revised Management Budget may be further revised as often as may be necessary in the manner as aforesaid. Any surplus shall be applied towards the Management Expenses of the Lot and the Development and be taken into account when calculating the relevant Management Budget for the next Financial Year.

17. Contribution of additional amount. The Manager shall also have the power, in the event of a revised Management Budget completed pursuant to and in accordance with Clause 16 above, to add to the amount to be contributed monthly by any Owner such additional amount as shall be necessary to meet revised estimated management expenditure and expenses in the relevant Financial Year.

18. Items not included as Management Expenses. Notwithstanding anything herein contained and for the avoidance of any doubt, the Management Expenses payable by the Owners in accordance with this Deed shall not include :-

- (a) Any sum attributable or relating to the cost of completing the construction of the Development in accordance with the Building Plans all of which sums shall be borne solely by the First Owner;
- (b) All existing and future Government rent (other than the Government rent of the Lot referred to in Clause 13(h) (viii)), taxes, rates, assessments, property tax, water rates (if separately metered) and outgoings of every description for the time being payable in respect of any part of the Development the exclusive right to hold, use, occupy and enjoy is owned by any particular Owner(s), all of which sums shall be borne and paid by that particular Owner(s);
- (c) The expenses for keeping in proper repair and condition the interior fixtures and fittings, windows and doors of any part of the Development the exclusive right to hold, use, occupy and enjoy is owned by any Owner(s) and the plumbing, electrical installations, plant, equipment, apparatus or services thereof which do not form part of the Common Parts, all of which expenses shall be borne solely by such Owner(s).

19. Special Fund

- (a) Manager shall establish and maintain as trustee for all Owners a Special Fund to provide for expenditure of a capital nature or of a kind not expected by the Manager to be incurred annually including but not limited to expenses for the renovation, improvement and repair

of the Common Parts, the purchase, setting up, replacement, improvement and addition of installations, systems, equipment, tools, plant and machineries for the Common Parts and the costs of relevant investigation works and professional services and the costs and expense of preparing the revised Fifth Schedule and/or the revised Maintenance Manual for the Works and Installations under Clause 78 (in this Clause 19 the “**Non-Recurrent Expenditure**”).

- (b) Each Owner (except the First Owner) shall, in respect of each Unit which he owns, pay to the Manager on the date of completion of the purchase of his Unit from the First Owner the a sum equal to two (2) months of his monthly management contribution based on the first annual Management Budget as an initial payment to the Special Fund, unless the First Owner has already paid the Special Fund Initial Contribution in respect of that Unit under Clause 19(n) (in this Clause 19 the “**Special Fund Initial Contributions**”).
Each Owner (except the Owner of the Common Parts) hereby covenants with each other also on demand pay to the Manager such further annual sum in each subsequent year based on the approved annual Management Budget to maintain the Special Fund at such level as the Manager shall recommend and approved by a resolutions of Owners at an Owners' meeting convened under this Deed;
- (c) (i) 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.
- (ii) If there is no Owners’ Corporation, each Owner shall pay to the Manager such amount of further periodic contribution to the Special Fund at such time as determined by a resolution of Owners at an Owners’ meeting convened under this Deed so as to maintain the Special Fund at an appropriate level.
- (d) All contributions to the Special Fund (including for the avoidance of doubt all Special Fund Initial Contributions) and all other amounts required by this Deed to be credited to the Special Fund shall be non-refundable and non-transferable.
- (e) The Manager shall open and maintain at a bank within the meaning of Section 2 of the Banking Ordinance (Cap. 155) an interest bearing account. The account shall be designated for the purposes of the Special Fund and the title of the account shall refer to the Special Fund for the Development and all monies received for and contributions to the Special Fund (including for the avoidance of doubt all Special Fund Initial Contributions) and all other amounts required by this Deed to be credited to the Special Fund shall be deposited by the Manager into the account. The Manager shall use such account exclusively for the purpose referred to in Clause 19(a).
- (f) Without prejudice to the generality of Clause 19(e), if there is an Owners’ Corporation, the Manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a trust account or client account, for holding money received by the Manager from or on behalf of the Owners’ Corporation in respect of the Special Fund.
- (g) The Manager shall display a document showing evidence of any account opened and maintained under Clause 19(e) or (f) in a prominent place in the Development.
- (h) The Manager shall without delay pay all money received by the Manager in respect of the Special Fund into the account opened and maintained under Clause 19(e) or, if there is an Owners’ Corporation, the account or accounts opened and maintained under Clause 19(f).

- (i) Except in a situation considered by the Manager to be an emergency, no money shall be paid out of the Special Fund unless it is for a purpose approved by a resolution of the Owners' Committee (if any). 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 Lot.
- (j) The Special Fund shall be notionally divided into the following parts, namely:
 - (i) “**Special Fund (Residential Unit)**”; and
 - (ii) “**Special Fund (Parking)**”.
- (k) Contributions to the Special Fund (including for the avoidance of doubt all Special Fund Initial Contributions) made by:
 - (i) the Owners of the Residential Units shall be notionally credited to Special Fund (Residential Units); and
 - (ii) the Owners of the Parking Spaces shall be notionally credited to Special Fund (Parking).
- (l) Funds notionally credited to each part of the Special Fund shall be applied as follows:
 - (i) Non-Recurrent Expenditure relating to the Development Common Parts, or which are for the common benefit of the Owners, occupiers, licensees or invitees of different Residential Units and different Parking Spaces or which is not covered by Clauses 19(l)(ii) and (iii), shall only be paid out of different parts of the Special Fund as follows:

(1) the amount to be paid out of Special Fund (Residential Unit) is:

$$A \times \frac{B}{C}$$

where:

“**A**” is the total amount of such Non-Recurrent Expenditure;

“**B**” is the total number of Management Shares allocated to all Residential Units

“**C**” is the total number of Management Shares; and

(2) the amount to be paid out of Special Fund (Parking) is:

$$D \times \frac{E}{F}$$

where:

“**D**” is the total amount of such Non-Recurrent Expenditure;

“**E**” is the number of Management Shares allocated to all Parking Spaces; and

“**F**” is the total number of Management Shares.

- (ii) Non-Recurrent Expenditure relating to the Residential Common Parts, or which is for the common benefit of Owners, occupiers, licensees or invitees of different Residential Units, shall only be paid out of Special Fund (Residential Unit).
 - (iii) Non-Recurrent Expenditure relating to the Parking Common Parts, or which is for the common benefit of Owners, occupiers, licensees or invitees of different Parking Spaces, shall only be paid out of the Special Fund (Parking).
- (m) Unless otherwise specifically provided in this Deed, where any provision of this Deed requires any amount to be credited to the Special Fund, the following provisions shall apply:
- (i) where the amount is received in relation to the Residential Common Parts (including any approval or consent given in relation thereto under this Deed or the Ordinance), the amount shall be credited to Special Fund (Residential Unit);
 - (ii) where the amount is received in relation to the Parking Common Parts (including any approval or consent given in relation thereto under this Deed or the Ordinance), the amount shall be credited to Special Fund (Parking);
 - (iii) In any other case:
 - (1) the following proportion of the amount shall be credited to the Special Fund (Residential Unit):

$$\frac{G}{H}$$
 where:

“G” is the total number of Management Shares allocated to all Residential Units; and

“H” is the total number of all Management Shares; and
 - (2) the following proportion of the amount shall be credited to the Special Fund (Parking):

$$\frac{I}{J}$$
 where:

“I” is the total number of Management Shares allocated to all Parking Spaces; and

“J” is the total number of all Management Shares.
- (n) The First Owner shall in respect of each of the Units remaining unsold after three (3) months from the date of this Deed in respect of such unsold Unit deposit with the Manager as an initial contribution to the Special Fund a sum equivalent to its monthly management contribution for each unsold Unit. For the purpose of this

sub-clause, a Unit shall be considered as remaining unsold where no assignment has been executed by the First Owner in favour of a prospective purchaser in respect of such Unit;

20. Owner's contribution.

- (a) Subject to Clause 32, each Owner (save and except the First Owner as provided in Clause 20(b) below) shall upon taking up the assignment of his Undivided Shares from the First Owner and in addition to the payment under Clause 19 above :-
- (i) Advance Payment. pay to the Manager a sum equivalent to 2 months' management contribution based on the first annual Management Budget as payment in advance of management contribution of his part of the Development of which he is the Owner ("**Advance Payment**");
 - (ii) Deposit. deposit with the Manager as security for the due payment of amounts which may be or become payable by him under this Deed a sum equal to 3 months' management contribution payable by him in respect of his part of the Development of which he is the Owner based on the first annual Management Budget which deposit shall be non-interest bearing and shall not be used by such Owner to set off against any contribution payable by him under this Deed and which deposit shall be non-refundable but transferable to the new Owner on change of ownership of the Undivided Shares in the Lot and the Development.
 - (iii) Debris removal charge. pay to the Manager a debris removal fee which shall be non-refundable and non-transferable of not more than 1 month's monthly management contribution payable by him in respect of his Residential Unit in such sum as reasonably determined by the Manager for the removal of debris arising from decoration works carried out in his Residential Unit and the First Owner is required to make such contribution in respect of any Unit which have been completed and remain unsold for three (3) months after the date of this Deed. Any portion of such debris removal fees which has not been used for debris removal as aforesaid shall form part of the Special Fund (Residential Unit). For the avoidance of doubt, the Owners of the Parking Space shall not be liable to pay any debris removal fee was mentioned in this sub-clause.

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

- (b) The First Owner shall in respect of each of the Units remaining unsold after three (3) months from the date of this Deed deposit with the Manager as security for the due payment of amounts which may be or become payable by it under this Deed a sum equal to the monthly management contribution payable in respect of such unsold Unit based on the first annual Management Budget which deposit shall be transferable and refundable and shall be non-interest bearing and shall not be used by the First Owner to set off against any contribution payable by it under this Deed. For the purpose of this sub-clause (b), the relevant property shall be considered as remaining unsold where no assignment has been executed by the First Owner in favour of a prospective purchaser in respect of such property.
- (c) Each Owner shall also on demand pay to the Manager such additional deposit (in addition to the deposit payable under Clause 20(a)(ii) and Clause 20(b) (as the case may be)) as security for payment of sums which may be or become payable by it under this Deed, Provided that (i) the proposed increase in deposit is contained in the approved annual Management Budget and (ii) the total deposit paid and payable by any Owner does not exceed 25% of the management contribution payable by such Owner under the approved budget.

21. Contributions and payments to be made by each Owner under this Deed shall normally be made in advance on the first day of each month but this shall not interfere with the Manager's discretion to call for any particular payment or contribution to be made on any other day or days it may deem necessary or desirable.

22. Levy additional charge for Manager services and consent. Notwithstanding anything contained in this Deed, the Manager shall be entitled in its discretion:-

- (a) With the agreement of the Owner concerned to levy and to retain an additional charge against such Owner in respect of services rendered by the Manager to the Owner beyond what is provided for in this Deed, provided that such charge shall form part of the Management Fund;
- (b) To charge the Owner concerned a reasonable sum as consideration for granting and processing any consent required from the Manager pursuant to this Deed provided that such consideration shall form part of the Special Fund.

For the avoidance of doubt, any consent or approval granted by the Manager pursuant to any application by any Owner shall not relieve the responsibility of such Owner to obtain all requisite consent or approval from the relevant Government and/or other competent

authority.

23. Collection of sums from licensees, tenants etc.

(a) Subject to Section 34I of the Building Management Ordinance (Cap.344), the Manager may collect from licensees, tenants and other occupiers of the Common Parts or any part thereof such sum or sums as the Manager shall in his absolute discretion determine and such sum or sums collected shall form part of the Management Fund.

(b) All moneys, income fees, charges, penalties or other consideration received by the Manager in respect of the grant of franchises, leases, tenancy agreements, licences or permission for the use of any part of the Common Parts or enforcement of the provisions of this Deed or any Development Rules shall form part of the Management Fund and be notionally credited to the budget for Management Expenses to the intent that the notional credit or estimated notional credit shall be taken into account in the preparation of the annual Management Budget or revised annual Management Budget.

24. Interest and Collection Charge on late payment. If any Owner shall fail to pay the Manager any amount payable hereunder within 30 days from the date on which the same falls due, he shall further pay to the Manager :-

(a) Interest calculated at the rate of 2% per annum above the prime rate from time to time specified by The Hongkong and Shanghai Banking Corporation Limited in respect of any sum remaining unpaid for each month or part thereof for which it remains unpaid and shall be payable from the due date until payment; and

(b) A collection charge of not exceeding 10% of the amount due

Provided that all monies paid to the Manager by way of interest and collection charges shall be credited to the Special Fund. The Manager expressly reserves its rights to waive any interest payable under this Clause 24.

25. Civil action against defaulting Owner. All amounts which become payable by any Owner in accordance with the provisions of this Deed or any relevant Sub-Deed (if any) together with interest thereon as aforesaid and the said collection charge and all damages claimed for breach of any of the provisions of this Deed and any relevant Sub-Deed (if any) and legal costs and all other expenses incurred in or in connection with recovering or attempting to recover the same (on a solicitor and own client basis) shall be recoverable by civil action at the suit of the Manager (and the claim in any such action may include a claim for the costs of the Manager in such action on a solicitor and own client basis and such defaulting Owner shall in addition to the amount claimed in such action be liable for such costs). In any such action the Manager shall conclusively be deemed to be acting as the agent for and on behalf of the other Owners as a whole and no Owner sued under the provisions of this Deed or any relevant Sub-Deed (if any) shall raise or be entitled to raise any defence of want of authority or take objection to the right of the Manager as plaintiff to sue or to recover such amounts as may be found to be due.

26. Registration of Charge against Undivided Shares of defaulting Owner. In the event of any Owner failing to pay any sum due and payable by him in accordance with the provisions of this Deed and any relevant Sub-Deed (if any) or failing to pay any damages awarded by any court for breach of any of the terms or conditions of this Deed and any relevant Sub-Deed (if any) within 14 days from the date on which the same become payable, the Manager may discontinue providing management services to such Owner and the amount thereof together with interest and the collection charge at the rate and for the amount as specified in Clause 24 hereof together with all costs and expenses which may be incurred in recovering or attempting to recover the same including the legal costs referred to in Clause 25 hereof and in registering the charge hereinafter referred to shall stand charged on the Undivided Share or Shares of such defaulting Owner and the Manager shall be

entitled without prejudice to any other remedy hereunder to register a Memorial of such charge in the relevant Land Registry against the Undivided Share or Shares of such defaulting Owner. Such charge shall remain valid and enforceable as hereinafter mentioned notwithstanding that judgment has been obtained for the amount thereof unless and until such judgment has been satisfied in full.

27. Order for sale. Any charge registered in accordance with Clause 26 hereof shall be enforceable as an equitable charge by action at the suit of the Manager for an order for sale of the Undivided Share or Shares of such defaulting Owner together with the right to the exclusive use, occupation and enjoyment of the part of the Lot and the Development held therewith and the provisions of Clause 25 of this Deed shall apply equally to any such action.

28. Commencement of proceedings. The Manager shall without prejudice to anything herein mentioned further have power to commence proceedings for the purpose of enforcing the observance and performance, by any Owner and any person occupying any part of the Lot and the Development through, under or with the consent of any such Owner, of the covenants, conditions and provisions of this Deed and any relevant Sub-Deed (if any) and of the Development Rules so far as the same are binding on such Owner and of recovering damages for the breach, non-observance or non-performance thereof. The provisions of Clause 25 of this Deed shall apply to all such proceedings.

29. Damages etc. recovered by Manager regarding Lot/Development. Subject to Clause 63 of this Deed all insurance money, compensation or damages recovered by the Manager in respect of any damage or loss suffered in respect of any part of the Lot and the Development shall be expended by the Manager in the repair, rebuilding or reinstatement of that part of the Lot and the Development and any surplus thereof shall form part of the Management Fund.

30. Damages etc. recovered by Manager regarding claim against an Owner. Where any insurance money, compensation, damages, costs and expenses or refunds are received or recovered (as the case may be) by the Manager in respect of any matter or thing for which any claim has been made against an Owner as provided in Clauses 24 to 28 of this Deed the same shall, after deduction of any costs or expenses incurred by the Manager in recovering the same, be credited to the account of the Owner against whom a claim has been made.

31. Sums paid to Manager held on trust. All money paid to the Manager including but not limited to those sums collected pursuant to Clause 20 hereof and those by way of interest and collection charges and the interest earned on interest bearing bank accounts maintained by the Manager pursuant to this Deed or in the form of fee or other consideration which the Manager is entitled to charge under Clause 22 of this Deed for granting any consent to an Owner where the same is required (save and except sufficient petty cash for day to day requirements in such amount as approved by the Owners' Committee (if the same has been established) from time to time) shall be held on trust for all the Owners for the time being and shall be paid into an interest bearing account or accounts maintained with a licensed bank PROVIDED THAT the Manager may, out of money received in respect of the management of the Development, retain or pay into a current account a reasonable amount to cover day-to-day 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 (only if and when it has been established pursuant to the terms of this Deed) and shall be subject to such conditions as may be approved by a resolution of the Owners' Committee.

32. Cessation of Owner's interest in Management Funds. Any person ceasing to be the Owner of any Undivided Share or Shares in the Lot and the Development shall in respect of the Undivided Share or Shares of which he ceases to be the Owner thereupon cease to have any interest in the funds held by the Manager including the deposit paid under Clause 20 of this Deed and his contributions towards the Special Fund paid under Clause 19 of this Deed to the intent that all such funds shall be held and applied for the management of the Lot and the Development irrespective

of changes in ownership of the Undivided Shares in the Lot and the Development PROVIDED THAT the deposits paid by such Owner pursuant to Clause 20(a)(ii) or 20(b) held by the Manager may be transferred into the name of the new owner of such Undivided Share(s) AND PROVIDED FURTHER THAT upon the Lot reverting to the Government and no further lease being obtainable, any balance of the said funds, or in the case of extinguishment of rights and obligations as provided in Clause 63 of this Deed, an appropriate part of the said funds, shall be divided proportionately between the Owners contributing to the Management Expenses immediately prior to such reversion (save and except the Owner of the Common Parts) or, in the case of extinguishment of rights and obligations as aforesaid, between the Owners (save and except the Owner of the Common Parts) whose rights and obligations are extinguished in proportion to their Undivided Share or Shares.

33. First financial year. The first financial year for the purpose of management of the Lot and the Development or any part or parts thereof shall commence on the date of this Deed and shall terminate on the 31st day of December of the same year (or if this Deed is executed after 30th September of that year, shall terminate on 31st December of the next year) but thereafter the subsequent financial years shall commence on the 1st day of January and shall terminate on the 31st day of December of such years PROVIDED THAT the Manager shall have the right to change the Financial Year at any time but the Financial Year may not be changed more than once in every 5 years unless that change is previously approved by a resolution of the Owners' Committee (if the same has been established) upon giving notice published in the public notice boards of the Development.

34. Manager to open and maintain bank account.

- (a) The Manager shall maintain an interest-bearing account in the name of the Manager and to be held on trust by the Manager for and on behalf of the Owners for the time being of the Lot and the Development and the Manager shall use that account exclusively in respect of the management of the Lot and the Development. Without prejudice to the generality of the foregoing, if there is an Owners' Corporation, the Manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a trust account or client account, for holding money received by the Manager from or on behalf of the Owners' Corporation in respect of the management of the Lot. The Manager shall display a document showing evidence of any account opened and maintained under this paragraph in a prominent place of the Development.
- (b) Subject to Sub-clauses (c) and (d) below, the Manager shall without delay pay all money and deposits received by the Manager in respect of the management of the Lot and the Development into such interest-bearing account maintained by the Manager under Sub-clause (a) above.
- (c) Subject to Sub-clause (d) below, the Manager may, out of money received by the Manager in respect of the management of the Lot and the Development, retain or pay into a current account a reasonable amount to cover expenditure of a minor nature, but that amount shall not exceed such figure as is approved or determined from time to time by a resolution of the Owners' Committee (if the same has been established).
- (d) The retention of a reasonable amount of money under Sub-clause (c) above or the payment of that amount into a current account in accordance with Sub-clause (c) 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 the same has been established).

- (e) Any reference in this Clause to an account is a reference to an account or accounts opened with one or more banks within the meaning of section 2 of the Banking Ordinance (Cap.155), the title of which refers to the management of the Lot and the Development.

- (f) Keeping of accounts. The Manager shall maintain proper books or records of account and other financial records of all payments made to and all expenditure incurred by the Manager in the exercise of its powers and duties hereunder and shall keep all bills, invoices, vouchers, receipts and other documents referred to in those books and records for at least 6 years. The Manager shall keep separate management accounts and budgets for:
 - i. the Development Common Parts and the Development Management Expenses;
 - ii. the Residential Common Parts and the Residential Management Expenses; and
 - iii. the Parking Common Parts and the Parking Management Expenses.

In addition, within 1 month after each consecutive period of 3 months, or such shorter period as the Manager may select, the Manager shall prepare a summary of income and expenditure and a balance sheet in respect of its management of the Lot and the Development for that period and shall display a copy of the summary and balance sheet in a prominent place in the Development for at least 7 consecutive days.

35. Audit of accounts. Within 2 months after the close of each Financial Year, the Manager shall prepare an income and expenditure account and balance sheet for that preceding Financial Year and shall display a copy of it in a prominent place in the Development for at least 7 consecutive days. Each income and expenditure account and balance sheet shall be certified by a firm of certified public accountants appointed by the Manager and shall provide an accurate summary of all items of income and expenditure during that preceding Financial Year including details of the Special Fund and an estimate of the time when there will be a need to draw on the Special Fund and the amount of money that will be then needed. The Manager shall upon request of the Owners in their annual general meeting appoint an accountant or some other independent auditor nominated by the Owners at the said annual general meeting to audit any income and expenditure account and balance sheet prepared by the Manager as aforesaid. If there is an Owners' Corporation and the Owners' Corporation decides by a resolution of the Owners, that any income and expenditure account and balance sheet prepared by the Manager as aforesaid should be audited by an accountant or by some other independent auditor as may be specified in that resolution, the Manager shall without delay arrange for such an audit to be carried out by that person.

36. Inspection of books by Owner. The Manager shall upon reasonable notice being given by any Owner permit such Owner at any reasonable time to inspect the books or records of account and any income and expenditure account or balance sheet, or the audited income and expenditure account and balance sheet and report made by the accountant or auditor in respect of the income and expenditure account and balance sheet prepared pursuant to this Deed. The Manager shall also upon request of any Owner and upon payment of a reasonable copying charge for copying the same supply such Owner with a copy of any such of the record or document, 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 requested by such Owner in writing and such amount of copying charge shall be credited to the management account.

37. Manager to represent Owners. The management of the Lot and the Development shall subject to Clause 10 of this Deed and the provision of the Building Management Ordinance (Cap.344) be undertaken by the Manager and each Owner hereby irrevocably APPOINTS the Manager as agent and attorney with power of delegation to enforce the provisions of this Deed

against the other Owner or Owners and in respect of any matter concerning the Common Parts duly authorised in accordance with the provisions of this Deed. In addition to the other powers expressly provided in this Deed, the Manager shall have full and unrestricted authority to do all such acts and things as may be necessary or expedient for or in connection with the Lot and the Development and the management thereof including in particular but without in any way limiting the generality of the foregoing :-

- (a) To demand, collect and receive all amounts payable by Owners under the provisions of this Deed and any relevant Sub-Deed (if any);
- (b) To manage, maintain and control the parking of vehicles in the Common Parts and to remove any cars parked in any area not reserved for parking or car parked in any parking space without the permission of the Manager;
- (c) (unless otherwise directed by the Owners' Corporation) To insure and keep insured to the full new reinstatement value in respect of the Common Parts as comprehensively as reasonably possible and in particular against loss or damage by fire or such other risks as the Manager shall deem fit, and in respect of public liability and/or occupier's liability and employer's liability with some reputable insurance company or companies in the name of the Manager for and on behalf of the Owners for the time being of the Development according to their respective interests and in such sum or sums as the Manager shall deem fit and to pay all premia required to keep such insurance policies in force;
- (d) Without limiting the generality of Sub-Clause (c) above, to procure master insurance for the Development as a whole including those areas which are not the Common Parts and to pay all premia required to keep such insurance policies in force;
- (e) To arrange for refuse collection and disposal from the Common Parts and from areas designated as refuse collection points in the Lot and the Development;
- (f) To keep and maintain in good order and repair and condition the lighting of the Common Parts, and to keep the Common Parts in a clean and sanitary state and condition;
- (g) To repair, maintain, clean, paint or otherwise treat or decorate as appropriate, the structure and fabric of the Development and the external walls forming part of the Common Parts elevations and facade thereof but excluding windows and window frames except those situate in the Common Parts PROVIDED HOWEVER THAT the Manager shall have the power at the reasonable expense of the Owner concerned to replace broken window glass if any such shall be broken and remain unreplaced for 7 days (except in the case of emergency) after the Manager shall have served a notice on the Owner or occupier of the part of the Development concerned requiring him to replace the same;

- (h) To landscape, plant with trees and shrubs, flowers, bushes, grass and other vegetation on any part or parts of the Common Parts and maintain the same including any access steps staircases and ramps, whether the same are within or outside the Lot and for such purpose to engage a landscape architect or consultant in accordance with the Government Lease PROVIDED THAT the provision of any additional facilities for and any improvements to the Common Parts which involves expenditure exceeding 10% of the current annual Management Budget for the Lot and the Development shall be subject to obtaining the prior approval from the Owners' Committee (if formed) or the Owners' Corporation (if any);
- (i) To keep all the sewers, drains, watercourses and pipes forming part of the Common Parts free and clear from obstructions;
- (j) To keep all the Common Parts in good condition and working order and to extend or provide additional facilities as the Manager shall reasonably deem necessary or desirable PROVIDED THAT the provision of any additional facilities for and any improvements to the Common Parts or facilities or services which involves expenditure exceeding 10% of the current annual Management Budget for the Lot and the Development shall be subject to obtaining the prior approval from the Owners' Committee (if formed) or the Owners' Corporation (if any) and to keep fire-fighting facilities and equipment in accordance with any laws and regulations applicable thereto and whenever it shall be necessary or convenient so to do at the Manager's discretion to enter into contracts with third parties for the maintenance of any such Common Parts or facilities or services;
- (k) To prevent so far as is possible any refuse or other matter being deposited, washed, eroded or falling from the Development onto any part of any public roads or any road-culverts, sewers, drains, nullahs or other Government property or land owned by the First Owner and to remove any such matter therefrom and to ensure that no damage or obstruction is done to any drains, waterways, watercourses, footpaths, sewers, nullahs, pipes, cables, wires, utility services or other works being in, under, over or adjacent to the Lot or the Development or any part thereof by reason of any maintenance or other works carried out by the Manager as herein provided and to make good any such damage and/or obstruction;
- (l) To paint, white-wash, tile or otherwise treat as may be appropriate the exterior or interior of the Common Parts at such intervals as the same may reasonably require to be done;
- (m) To keep the Common Parts well lighted and in a tidy condition;
- (n) To keep in good order and repair the ventilation of the enclosed part or parts of the Common Parts;
- (o) To prevent refuse from being deposited on the Lot and the Development or any part thereof not designated for refuse collection and to remove all refuse from all parts of the Lot and the Development and arrange for its disposal at such regular intervals and to maintain in the Lot and the Development refuse

collection facilities to the satisfaction of the Director of Food and Environmental Hygiene;

- (p) To prevent unauthorised obstruction of the Common Parts and to remove and impound any structure article or thing causing the obstruction;
- (q) To replace any glass in the Common Parts that has been or are likely to be broken;
- (r) To make suitable arrangements for the supply of fresh and flushing water, gas and electricity and any other utility or service to or for the Lot and the Development or any part thereof;
- (s) To provide and maintain as are necessary security force, watchmen, porters, caretakers, closed circuit television system and burglar alarms and other security measures in the Lot and the Development at all times;
- (t) To lease, license, install, maintain and operate or contract for the leasing, licensing, installation, maintenance and operation of or connections or interconnections to communal radio and/or television aerials and/or satellite dishes and/or satellite master antenna television system (if any) and/or cable television system and/or other communications systems which serve the Development (if any) provided that, in case of new installations, the prior approval of the Owners' Committee or the Owners' Corporation (if formed) shall be obtained;
- (u) To remove any structure or installation, signboard, advertisement, sunshade, bracket, fitting, obstruction, device, aerial or anything in or on the Lot and the Development or any part thereof which is illegal, unauthorised or which contravenes the terms herein contained or any of the provisions of the Government Lease or of the regulations of the Buildings Ordinance (Cap. 123) or this Deed or any deed or deeds of grant of easement affecting the Lot and the Development and/or without the prior written permission of the Manager and to demand and recover on a full indemnity basis from the Owner or person by whom such structure or other thing as aforesaid was erected or installed the costs and expenses of such removal and the making good of any damage caused thereby to the satisfaction of the Manager;
- (v) To appoint solicitor or other appropriate legal counsel to advise upon any point which arises in the management of the Lot and the Development necessitating professional legal advice and with authority to accept service on behalf of all the Owners for the time being of the Lot and the Development of all legal proceedings relating to the Lot and the Development (except proceedings relating to the rights or obligations of individual Owners) and, in particular but without limiting the foregoing, in all proceedings in which the Government shall be a party and at all times within 7 days of being requested so to do by the Director of Lands or other competent authority or officer, to appoint a solicitor who shall undertake to accept service on behalf of all such Owners whether for the purpose of Order 10 Rule I of the Rules of the High Court (or any provision amending or in substitution for the same) or otherwise;
- (w) To prevent (by legal action if necessary) any person including an Owner from occupying or using any part of the Lot and the Development in any manner in contravention of the Government Lease or this Deed the Occupation Permit or

any deed or deeds of grant of easement affecting the Lot and the Development any of the Common Parts or any part of the Lot and the Development;

- (x) To prevent (by legal action if necessary) and to take action to remedy any breach by any Owner or other person occupying or visiting the Lot and the Development any provisions of the Government Lease or this Deed or any statutory or Government legislation or regulations;
- (y) To prevent any person from detrimentally altering or injuring any part or parts of the Lot and the Development or any of the Common Parts thereof ;
- (z) To prevent any person from overloading the floors or lifts of the Development or any part or parts thereof;
- (aa) To engage suitable qualified personnel to inspect or carry out a structural survey of the Lot and the Development or any part thereof including the drains and channels within or outside the Lot serving the Development as and when the Manager in its reasonable opinion, thinks necessary or desirable;
- (ab) To prevent any person from overloading any of the electrical installations and circuits or any of the mains or wiring in the Development;
- (ac) To represent the Owners in all matters and dealings with any statutory body or any utility or other competent authority or any other person whomsoever in any way touching or concerning the management of the Lot and the Development as a whole or the Common Parts so long as such matters and dealings do not contravene or are not in conflict with any of the provisions of this Deed;
- (ad) To enter into contracts and to engage, employ, remunerate and dismiss solicitors, architects, accountants, surveyors and other professional advisers and consultants, contractors, workmen, servants, agents, watchmen, caretakers and other building staff and attendants and to commence, conduct, carry on and defend in its own name legal and other proceedings touching or concerning the management of the Lot and the Development, Provided that where any contract involves sums in excess of 20% (or such percentage as the Secretary for Home Affairs may specify by notice in the Gazette) of the total amount of the relevant annual Management Budget or the revised annual Management Budget, as the case may be, for that Financial Year or of such lesser amount as the Secretary for Home Affairs may specify by notice in the Gazette, such contract shall be awarded in accordance with the provisions in Clause 13 above;
- (ae) To enforce the due observance and performance by the Owners and occupiers of the terms and conditions of the Government Lease and this Deed and any relevant Sub-Deed (if any) and the Development Rules and to take action in respect of any breach thereof including the commencement, conduct and defence of legal proceedings and/or to recover damages for any breach non-observance or non-performance thereof and the registration and enforcement of charges as herein mentioned;
- (af) To ensure that all Owners or occupiers of any part of the Development maintain the part owned or occupied by them in a proper and satisfactory manner and if there be any default on the part of any such Owners or occupiers, to put in hand any necessary maintenance and to take all possible steps to recover the cost therefor from the defaulting Owner or occupiers;

- (ag) To post of the Unit number of any Owner in default or in breach of the terms and conditions of this Deed or any relevant Sub-Deed (if any) or the Development Rules together with particulars of the default or breach on the public notice boards of the Development, provided that seven (7) days' prior written notice has been given to the defaulting Owner/resident;
- (ah) To ensure that no hawkers shall carry on business on any part of the Lot or the Development and remove any hawker found to be so doing and to post up and display notices to the effect that hawker is prohibited on the Lot and the Development prominently near all entrances of the Lot and the Development in accordance with the Government Lease;
- (ai) Subject to the prior approval of the Owners' Committee (if and when it is formed) or the Owners' Corporation (if any), to grant rights of way or access or use at any level to the owners or occupiers of any other premises adjoining the Lot or to such person and persons and upon such terms and conditions as the Manager may reasonably think fit in respect of the Common Parts 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 such grant of rights of way or access or use shall not contravene the terms and conditions contained in the Government Lease nor interfere with an Owner's exclusive right to hold, use, occupy and enjoy the part of the Development which he is entitled nor unreasonably affect an Owner's rights and interests and PROVIDED FURTHER that any charges or fees arising from the granting of such rights of way, access or use shall form part of the Management Fund of the Development and PROVIDED ALWAYS THAT the grantee(s) of such rights shall cause the least disturbance and shall at their own expense make good any damage caused thereby or arising out of the exercise of such right;
- (aj) Subject to the prior approval of the Owners' Committee (if and when it is formed) or the Owners' Corporation (if any), 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 Lot and the Development PROVIDED that any charges, rent or fees payable and arising from the granting of such easements or rights shall form part of the Management Fund of the Lot and the Development and PROVIDED FURTHER that the exercise of such right shall not unreasonably affect an Owner's exclusive right to hold, use, occupy and enjoy the part of the Development which he is entitled or unreasonably impede or restrict the access to and from such part of the Development owned by him and PROVIDED ALWAYS THAT the grantee(s) of such rights shall cause the least disturbance and shall at their own expense make good any damage caused thereby or arising out of the exercise of such right;
- (ak) To recruit, employ and dismiss such staff as may from time to time be necessary to enable the Manager to perform and discharge its duties in accordance with this Deed on such terms as the Manager shall in its reasonable discretion decide and to provide accommodation, uniforms, working clothes, tools, appliances, cleaning and other materials and all equipment necessary therefor;
- (al) To deal with all enquiries, complaints, reports and correspondence relating to the Lot and the Development as a whole;
- (am) Subject to the prior approval of the Owners' Committee (if and when it is formed) or the Owners' Corporation (if any), to grant franchises, leases, tenancy

agreements and licences to other persons to use such of the Common Parts and on such terms and conditions as the Manager shall consider appropriate Subject Always to the provisions of the Government Lease and this Deed PROVIDED THAT all income arising therefrom shall form part of the Management Fund and be dealt with in accordance with the provisions of this Deed and any relevant Sub-Deed (if any) and PROVIDED FURTHER THAT the grant of such franchises, leases, tenancy agreements and licences shall not interfere with an Owner's exclusive right to hold, use, occupy and enjoy the part of the Development which he is entitled or unreasonably impede or restrict the access to and from any such part of the Development;

- (an) Subject to any applicable law and regulations in force in Hong Kong from time to time and subject to and in accordance with the Development Rules, pets may be kept in a Residential Unit unless the same has been the cause of reasonable written complaint by at least two Owners or occupiers of any part of the Development, the reasonableness of the complaint shall be determined by the Manager at its absolute discretion.

To ensure that all Owners or occupiers shall not to, in any event, bring in or permit any dog (except guide dogs) in any Common Parts unless that dog is (1) carried; (2) on leash; (3) wearing a mouth strap and for any small dog of such kind that cannot wear a mouth strap there is the Manager's consent of not wear a mouth strap; and (4) licensed by the Agriculture, Fisheries and Conservation Department.

Notwithstanding anything above, to ensure that all Owners or occupiers shall not to, in any event, bring in or permit any dog (except guide dogs) in any Common Parts, save for those areas where dogs are allowed as may be designated by the Manager from time to time.

- (ao) To provide such Christmas, Chinese New Year, festive and other decorations and to organise such celebrations or activities for the Development as the Manager shall consider desirable;
- (ap) From time to time with the prior approval of the Owners' Committee (if and when it is formed) or the Owners' Corporation if any, to make, revoke or amend the Development Rules as it shall deem appropriate which shall not be inconsistent with this Deed;
- (aq) Subject as otherwise provided in this Deed to give or withhold its written consent or approval to anything which the Owners are required to obtain its written consent or approval (provided that the Manager shall not unreasonably withheld its consent or approval) pursuant to this Deed or any relevant Sub- Deed (if any) or the Development Rules and to impose conditions or additional conditions including payment of appropriate fees relating thereto on such Owners and where any consent or approval is required from the Manager by an Owner, the Manager shall be entitled to charge a reasonable administrative fee for processing such consent and any such fee imposed by the Manager as a consideration for the granting of such consent or approval shall be held by the Manager for the benefit of the Owners and paid into the Special Fund and the giving or withholding by the Manager of such consent or approval shall be final and conclusive and binding on the Owners;
- (ar) To convene such meetings of the Owners or meetings of the Owners' Committee as may be necessary or requisite and to act as secretary to keep the minutes of such meetings;
- (as) To do all things which the Manager shall in consultation with the Owners'

Committee (if formed) deem necessary or desirable for the purposes of maintaining repairing replacing and improving all facilities and services in or on the Lot and the Development for the better enjoyment or use of the Lot and the Development by its Owners occupiers and their licensees subject to the provisions of this Deed;

- (at) In the event that the Government agrees to take over or resume any part or parts of the Common Parts vested in the Manager to surrender the same or any part thereof to the Government and the Manager is HEREBY APPOINTED the lawful attorney to execute and sign all relevant documents on behalf of all the Owners for such purpose including matters relating to payment of compensation and in the event of any land being resumed by the Government, to execute any necessary document in relation to such reversion Provided Always that prior approval of the Owners' Committee or the Owners' Corporation (if formed) has been obtained and Provided Further that in the event that any land being surrendered covers any private streets, roads or lanes, to make payment (if any) to the Government as required for the surfacing, kerbing, draining (both foul and storm water sewers) and channelling thereof carried out by the Government in respect of such streets, roads and lanes surrendered;
- (au) Subject to the prior approval of the Owners' Committee (if and when it is formed) or the Owners' Corporation (if any), to grant such easements, quasi-easements, rights, privileges and licences to and to enter into such arrangements and agreements with the Government or the general public or any person or persons and upon such terms and conditions in respect of any part or parts of the Common Parts and any consideration received shall be credited to the management account PROVIDED THAT any such easements, quasi-easements, rights, privileges and licences shall not interfere with any Owner's exclusive right to hold, use, occupy and enjoy the part of the Development which he is entitled or unreasonably impede or restrict the access to and from any such part of the Development;
- (av) To, subject to the prior approval of the Owners' Committee or the Owners' Corporation (if formed), impose charges, restrictions, regulations and conditions for the use of the Common Parts and their ancillary facilities in the Common Parts, to remove any person thereon who fails to comply with or is in breach of any Development Rules relating to such facilities and to exclude any person who has been in persistent breach of such Development Rules from the use of such facilities for such period as the Manager shall in its reasonable discretion deem appropriate provided that any charges or fee collected hereunder shall be credited to the Special Fund;
- (aw) To make payment to the Government on demand of the cost incurred by the Government in connecting the drains and sewers from the Lot to the Government storm water drains and sewers;
- (ax) Subject to having obtained the relevant Government authority's approval (if required) and having given prior reasonable notice to Owners affected by the relevant works (except in case of emergency), to erect or place on the external wall, any roof, upper roofs and top roof, balcony(ies), stairhood, corridor, yard, and/or canopy scaffolding and/or other equipment necessary for proper repair and maintenance of the plumbing, drainage or other utility facilities, the external walls, cladding, canopy, windows, window frames and architectural features of the Development Provided that the Manager shall make good any damage caused thereby and shall ensure that the least disturbance is caused;

- (ay) To represent all Owners generally in dealing with all matters arising out of or in relation to installation of any communication network system or facilities;
- (az) To repair and maintain the drains and channels and drainage system whether within or outside the Lot serving the Development which is required to be maintained pursuant to the Government Lease;
- (ba) 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, any of the Slopes and Retaining Walls in compliance with the Government Lease (if applicable) and in accordance with all guidelines issued from time to time by the appropriate government department regarding the maintenance of slopes, retaining walls and related structures including, without limitation, the Slope Maintenance Guidelines and the Slope Maintenance Manual (if any) and to collect from the Owners all costs lawfully incurred or to be incurred by the Manager in carrying out such maintenance and to take all necessary steps to prevent and remove any illegal excavation or dumping carried out on such Slopes and Retaining Walls or other structures by any person Provided that the Manager shall not be made personally liable for carrying out any such requirements of the Government Lease which shall remain the responsibility of the Owners if, having used all reasonable endeavours, the Manager is unable to collect the costs of the required works from all Owners pursuant to the terms of this Deed;
- (bb) To enter into contracts with third parties for or to delegate or subcontract to other agents or managers the management, maintenance, operation and control of the Common Parts or any part or parts thereof on such terms and conditions as the Manager shall in its discretion think fit PROVIDED THAT the Manager shall not transfer or assign his rights or obligation under this Deed to any such persons, who must remain answerable to the Manager. The Manager shall at all times be responsible for the management and control of the Development (including any part thereof) and no provision herein shall attempt to take away or reduce such responsibility;
- (bc) To maintain all areas open spaces and facilities (if any) as are required to be maintained under the provisions of the Government Lease and in the manner as provided therein and/or in any statutory legislations and/or regulations of competent Government authorities;
- (bd) To take all steps necessary or expedient for complying with the Government Lease and any government requirements concerning the Lot and the Development or any part thereof for which no Owner or occupier of the Development is directly responsible;
- (be) To enter into contracts for the installation or use of any common aerial broadcast distribution or common telecommunications network facilities and contracts for the provision of broadcast distribution network or telecommunications network services for the Development PROVIDED THAT such contracts to be entered into by the Manager shall be subject to the following conditions:-
 - (i) the term of the contract will not exceed 3 years;
 - (ii) the right to be granted under the contract must be non-exclusive and must 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;
- (bf) To gain access with or without workmen at all reasonable times on prior written notice to the Owners (except in the case of emergency) and to take all steps necessary to enter into the Residential Unit for the purpose of removing any cover over the manhole(s) located in the yard of the Residential Unit (and the system thereof) and to carry out all necessary work in respect of the water pipes and gas pipes from the meters of individual Residential Unit, manholes in the yard of the Ground Floor of the Residential Unit and all sewage systems connecting to the common manholes in the Development Common Parts which forms part of the Residential Unit in order to keep all the sewers, drains, watercourses and pipes forming part of the Common Parts free and clear from obstructions.
- (bg) To maintain the fire-fighting facilities and equipment of the Development to the satisfaction of the Director of Fire Services if such facilities and equipment forming part of the Common Parts of the Development;
- (bh) To keep proper accounts of all income received and expenditure incurred by and all payments made to the Manager in respect of carrying out of its duties hereunder;
- (bi) To manage, maintain and control the space for Development Common Parking Space and space for loading/unloading, to allow, regulate and control the use of Development Common Parking Space and space for loading/unloading and to remove any cars or motor cycles parked in any area not reserved for parking or any car or motor cycles parked in any parking space without the consent of the Owner or lawful occupier of such parking space or any other object whatsoever and to do all such acts and things as may be necessary to provide unimpeded access thereto by the persons entitled for the time being to the use of such parking space;
- (bj) To do all such other things as are reasonably incidental to the management of the Lot and the Development.

38. Power of Manager. Without limiting the generality of the other express powers of the Manager herein contained, the Manager shall have power :-

- (a) To ban vehicles or any particular category of vehicles from the Lot and the Development PROVIDED ALWAYS that the right of the Owner or Owners to the proper use and enjoyment of the Parking Spaces in accordance with the provisions of the Government Lease, this Deed and any relevant Sub-Deed (if any) shall not be affected;
- (b) Subject to the prior approval of the Owners' Committee (if and when it is formed) or the Owners' Corporation (if already established), to designate any part of the Common Parts for the parking of vehicles or any particular class of vehicles provided that the prior written approval of the Director of Lands and all other competent government authorities to such designation (if required) has been obtained and further that any revenue generated therefrom shall be applied towards the Management Expenses of the Lot and the Development;

- (c) To impound and/or remove any vehicle parked anywhere on or in the Common Parts not so designated for parking or which shall cause an obstruction or which is contrary to the provisions of this Deed and any relevant Sub-Deed (if any) or any Development Rules or which an Owner has defaulted in paying parking fees and any damage caused to such vehicles during or as a consequence of such impoundment or removal shall be the sole responsibility of the owner thereof;
- (d) To impose charges for any such impoundment or removal and recover such penalties on default in payment of parking fees and to exercise a lien on the vehicle concerned for such charges, penalties and parking fees;
- (e) To impose and collect service charges on the owners of or other persons responsible for such offending vehicles or objects and in the event that the owners thereof or any other persons responsible therefor fail to turn up to claim such offending vehicles or objects within a time which the Manager in its discretion determines to be reasonable, to dispose of the same by whatever way which in its sole discretion the Manager deems fit and expedient without incurring any liabilities whatsoever and to put the proceeds of sale (if any) in the funds held and applied by the Manager towards the Management Expenses of the Lot and the Development.

39. Power of Manager. Without limiting the generality of the other express powers of the Manager herein contained, the Manager shall have the power :-

- (a) To charge the Owners for the temporary use of electricity, water or other utilities supplied by the Manager and for the collection and removal of fitting out or decoration debris provided that such charges shall form part of the Management Fund;
- (b) To charge the Owners for all reasonable costs and consultants fees incurred in approving their fitting out, decoration, construction or other plans submitted for approval by the Manager in accordance with the provisions of this Deed or any relevant Sub-Deed (if any) or the Development Rules;
- (c) To charge the Owners for the use of fresh or sea water supplied otherwise than through the individual meters of the Owners at such rates as are from time to time reasonably determined by the Manager provided such charges shall form part of the Management Fund;
- (d) To enter with or without workmen at all reasonable times on prior written notice (except in the case of emergency) into and upon all parts of the Lot and the Development and to erect scaffolding and other equipment thereon necessary for the purpose of laying, replacing, repairing, maintaining, altering or removing any of the fresh or sea water mains and drains and pipes thereon serving any part of the Lot whether or not the same belong exclusively to any other part or parts of the Development or to abate any hazard or nuisance which does not affect the Common Parts or other Owners provided that the Manager shall make good any damage caused thereby and the costs for making good the damage shall be paid out of the Management Fund, but if such damage is caused by the negligent, wilful or criminal acts of the Manager or negligent,

wilful or criminal acts of the staff or contractors of the Manager, the Manager shall at his own expense make good such damage;

- (e) To enter with or without workmen at all reasonable times on prior written notice (except in the case of emergency) into all parts of the Lot and the Development for the purpose of inspecting the toilet/lavatory, manholes and gullies and/or waterproof membrane of the Residential Unit (including that located in the roof, upper roofs and top roof) and to effect necessary replacement work or repair at the expense of the Owner or Owners concerned any part or parts of a toilet/lavatory, manholes and gullies and/or waterproof membrane of the Residential Unit (including that located in the roof, upper roofs and top roof) which shall leak provided that the Manager shall ensure that such inspection shall cause the least disturbance and shall make good any damage caused by its negligent or wilful acts unless the same is due to the default of the Owner of such toilet/lavatory, manholes and gullies and/or waterproof membrane of the Residential Unit (including that located in the roof, upper roofs and top roof);
 - (f) To charge a prescribed fee for entry into and/or use of any part of the Common Parts set aside for parking of vehicles, whether temporary or otherwise, of such amount as the Manager shall in its reasonable discretion deem fit provided that all such prescribed fees collected shall form part of the Management Fund to be utilised towards the management, maintenance and repair of the Common Parts;
 - (f) To manage and maintain such areas or drains and channels whether within or outside the Lot that are required to be maintained under the Government Lease.
40. (a) Power to enter for repair and maintenance. The Manager shall have power to enter with or without workmen at all reasonable times on prior reasonable written notice (except in the case of emergency) into all parts of the Lot and the Development for the purposes of effecting necessary repairs and maintenance to any part or parts of the Lot and the Development and the Common Parts or for the exercise and carrying out of any of its powers and duties under the provisions of this Deed and any relevant Sub-Deed (if any) provided that the Manager shall ensure that as little disturbance and inconvenience as is reasonable in the circumstances is caused; and the Manager shall make good any damage caused thereby and the costs for making good the damage shall be paid out of the Management Fund provided however that if such damage is caused by the negligent, wilful or criminal acts of the Manager or negligent, wilful or criminal acts of the staff or contractors of the Manager, the Manager shall at his own expense make good such damage.
- (b) Exclusive control of Common Parts. Subject to Section 34I of the Building Management Ordinance (Cap.344), the Common Parts shall be under the exclusive control of the Manager who may make rules or regulations or impose conditions regulating the use and management thereof Subject to the provisions of the Government Lease and this Deed and any relevant Sub-Deed (if any) Provided that the exercise of this right shall not interfere with an Owner's exclusive right to hold, use, occupy and enjoy the part of the Development which he is entitled or impede or restrict the access to and from such part of the Development owned by him.

41. Binding on all Owners. 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.
42. (a) Environmental protection measures. The Manager shall have power subject to the prior approval of the Owners' Committee or the Owners' Corporation from time to time (if and when it is formed) make revoke and amend Development Rules regulating the use, occupation, maintenance and environmental control of the Lot and the Development and the Common Parts or any part or parts thereof and the conduct of persons occupying, visiting or using the same and the conditions regarding such occupation, visit or use including the payment of charges (if any) as well as implementing noise abatement, waste reduction and recycling measures with reference to guidelines on property management issued from time to time by the Director of Environmental Protection and such Development Rules shall be binding on all the Owners, their tenants, licensees, servants or agents. A copy of the Development Rules from time to time in force shall be posted on the public notice boards of the Development and a copy thereof shall be supplied to each Owner on request on payment of reasonable copying charges.
- (b) Development Rules. Such Development Rules shall be supplementary to the terms and conditions contained in this Deed and any Sub-Deed and shall not in any way conflict with such terms and conditions contained in this Deed. In case of inconsistency between such Development Rules and the terms and conditions of this Deed and any Sub-Deed the terms and conditions of this Deed and the Sub-Deed shall prevail. The Development Rules and any amendments thereto must not be inconsistent with or contravene the Building Management Ordinance or the Government Lease.
43. (a) Environmental matters. The Manager shall provide appropriate and sufficient waste separation and recovery facilities including, but not limited to, waste separation bins at such locations within the Common Parts as the Manager may consider suitable and convenient to facilitate waste separation and recovery by the Owners and occupiers of the Development. The Manager shall ensure that the recovery facilities shall consist of material that will not cause any fire hazard and shall be placed in locations so as not to cause obstruction to any fire escape route, and that recyclable materials recovered from the facilities or through the regular cleansing process shall be properly collected, stored and sent for recycling. The Manager shall maintain the facilities in an environmentally acceptable and hygienic manner to avoid creating nuisance to the Owners and occupiers of the Development.
- (b) The Manager should organize any activities as the Manager may consider appropriate on a regular basis to promote the environmental awareness of the Owners and occupiers of the Development and the Manager shall encourage them to participate in such activities with a view to improving the environmental condition of the Development.
- (c) The Manager shall have power to make Development Rules to require the Owners and occupiers of the Development to dispose of their rubbish properly for waste separation and recycling purposes.
44. (a) Manager etc, not liable for breach of Development Rules by third party. Neither the Manager nor the Owners' Committee or the Owners' Corporation shall be held liable for any loss or damage however caused arising from any non-enforcement of the Development Rules or non-observance thereof by any third party.
- (b) Employment of agents etc. The Manager may employ or subcontract or delegate its

powers, rights and responsibilities under this Deed to any person or company whose principal business is that of estate management to perform or carry out any of its management powers and duties, but the Manager shall not transfer or assign his duties or obligations under this Deed to any such person or company and such person or company must remain answerable to the Manager, and in case of such delegation, employment or entering into of such subcontract, all acts and deeds done or caused to be done by the person or company to whom delegation has been made or under such employment or subcontract shall be deemed to be done by the Manager. For the avoidance of doubt, the Manager shall at all times be responsible for the management and control of the Lot and the Development (including any part thereof) and no provision in this Deed shall attempt to take away or reduce such responsibility.

- (c) Insurance of Common Parts. The Manager shall be responsible for insuring the Common Parts in accordance with Clause 37(c).
- (d) Consultation with Owners' Corporation. The Manager shall consult (either generally or in any particular case) the Owners' Corporation (if formed) at a general meeting of the Owners' Corporation and adopt the approach decided by the Owners' Corporation on the channels of communication among Owners on any business relating to the management of the Lot and the Development.

SECTION IV

EXCLUSIONS AND INDEMNITIES

45. The Manager, its servants, agents or contractors shall not be liable to the Owners or any of them or to any person or persons whomsoever whether claiming through, under or in trust for any Owner or otherwise, for or in respect of any act, deed, matter or thing done or omitted in pursuance or purported pursuance of the provisions of this Deed or any Sub-Deed not being an act or omission involving criminal liability or dishonesty or negligence and the Owners shall fully and effectually indemnify the Manager, its servants, agents or contractors from and against all actions, proceedings, claims and demands whatsoever arising directly or indirectly out of or in connection with any such act, deed, matter or thing done or omitted as aforesaid (not being an act or omission involving criminal liability or dishonesty or negligence) and all costs and expenses in connection therewith. Without in any way limiting the generality of the foregoing, the Manager, its servants, agents or contractors shall not be held liable for any damage, loss or injury caused by or in any way arising out of:-

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

UNLESS it can be shown that such damage, loss or injury was caused by an act or omission of the Manager, its servants, agents or contractors involving criminal liability or dishonesty or negligence and PROVIDED THAT the management contribution or any other charges payable under this Deed or any part thereof shall not be abated or cease to be payable on account thereof.

46. Each Owner shall be responsible for and shall indemnify the Manager and the other Owners and occupiers for the time being against all actions, proceedings, claims and demands whatsoever arising out of or in respect of any loss or damage to any person or property caused by or as the result of the act or negligence of such Owner or any occupier of any part of the Development of which he has the exclusive use or any person using such part 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.

47. Each Owner shall be responsible for and shall indemnify the Manager and the other Owners and occupiers for the time being against the acts and omissions of all persons occupying any part of the Development of which he has the exclusive use with his consent, express or implied, and to pay all costs, charges and expenses incurred in repairing or making good any loss or damage to the Lot and the Development or any part or parts thereof or any of the Common Parts therein or thereon caused by the act, neglect or default of all such persons. In the case of loss or damage which the Manager is empowered by this Deed or any relevant Sub-Deed (if any) to make good or repair, such costs, charges and expenses shall be recoverable by the Manager and in the case of loss or damage suffered by other Owners or occupiers for which the Manager is not empowered by this Deed or any relevant Sub-Deed (if any) or for which the Manager has elected not to repair or make good, such costs, charges and expenses together with all other damages recoverable by law shall be recoverable by the person or persons sustaining the loss or damage.

SECTION V

OWNERS' COMMITTEE

48. First Owners' meetings. Within 9 months of the execution of this Deed, the Manager shall convene a meeting of the Owners to establish an Owners' Committee and to elect a chairman thereof or to establish a management committee for the purpose of forming the Owners' Corporation under the Building Management Ordinance (Cap.344). The Owners' Committee shall consist of not fewer than four (4) members, or such number of members as the Owners may decide from time to time by resolutions at a meeting of the Owners, provided that (i) not less than three (3) members shall be elected from the Owners of the Residential Units to represent them in the Owners' Committee and (ii) the Owners of Parking Spaces are entitled to elect up to one (1) member to represent them in the Owners' Committee.

49. Functions. The Owners' Committee shall meet at such times as occasion shall require and in any event not less than once a year and the functions of the Owners' Committee shall include but not limited to the following :-

- (a) the representing of the Owners in all dealings with the Manager;
- (b) the undertaking of such other duties as the Manager may, with their approval, delegate to them;
- (c) the reviewing of the draft annual Management Budget, annual Management Budget and revised Management Budget prepared by the Manager;
- (d) the reviewing and approval of the Development Rules made from time to time by the Manager and any amendment or revocation thereof;
- (e) the liaising with the Manager in respect of all matters concerning the management of the Lot and the Development;
- (f) the appointment of accountants for audit of the annual accounts prepared by the Manager;
- (g) to convene meetings of all the Owners;
- (h) to act as the Manager during such period as no Manager is appointed;
- (i) to appoint a manager to take the place of the Manager in accordance with the provisions of Clause 11; and
- (j) the exercise of all other powers and duties conferred on the Owners' Committee by virtue of this Deed.

50. Membership. The following persons shall be eligible for membership of the Owners' Committee

- (a) Any Owner and, in the event of an Owner being a corporate body, any representative appointed by such Owner. The appointment of a representative by a corporate body shall be in writing addressed to the Owners' Committee and may be revoked and another appointment made at any time on notice in writing being given to the Owners' Committee.

- (b) The husband or wife of any Owner or any adult member of the family of any Owner duly authorised by the Owner which authorization shall be in writing addressed to the Owners' Committee and may be revoked and another appointment made at any time on notice in writing being given to the Owners' Committee PROVIDED THAT such husband, wife or adult member of the family resides in the Development.
- (c) If any annual general meeting at which an appointment or election of a member should take place, the office of the retiring member is not filled, or if in any year no annual general meeting is held, the member shall continue in office until the next annual general meeting.
- (d) The Owners' Committee may continue to act notwithstanding any vacancies in its number as long as the number is not reduced below 50% of the members of the Owners' Committee (rounded up to the nearest whole number) or 3 such members, whichever is greater.
- (e) A member of the Owners' Committee elected by the Owners of any component part of the Development in respect of which a Sub-Deed has been entered into may be removed from office by resolution of the Owners of that component part at an annual general meeting or an extraordinary general meeting convened for the purpose and at any such meeting another member may be elected by resolution of the Owners of that component part in the place of the member removed from office.
- (f) A member of the Owners' Committee appointed by the Owners of any component part of the Development may be removed from office and another person appointed in his place by notice in writing from the Owners of that component part addressed to the Owners' Committee.

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

- (a) He resigns by notice in writing to the Owners' Committee; or
- (b) In the case of an elected member he ceases to be eligible under Clause 50 hereof or is not re-elected at the meeting of Owners at which he stands for re-election; or
- (c) He becomes bankrupt or insolvent or enters into a composition with his creditors or is convicted of a criminal offence other than a summary offence not involving his honesty or integrity; or
- (d) He becomes incapacitated by physical or mental illness or death; or
- (e) In the case of an elected member he is removed from office by the Owners whom he represents by ordinary resolution of a duly convened meeting of such Owners or in the case of an appointed member he is removed from office by notice to that effect to the Owners' Committee given by the Owners who have the right to appoint him; or
- (f) He resides abroad; or
- (g) He ceases to be an Owner of Undivided Shares in the Lot and the Development.

In any of the events provided for in Sub-clauses (a), (c), (d), (f) or (g) above, the Manager may convene a meeting of the Owners who have elected the member concerned to fill the casual vacancy thereby created if the member concerned is an elected member, or the Owners who are entitled to appoint the member concerned shall have the right to fill the casual vacancy thereby created if the member concerned is an appointed member.

52. Meeting. The Owners' Committee shall meet at the requisition of the Chairman or any 2 members of the Owners' Committee or whenever requested by the Manager PROVIDED THAT one such meeting to be known as the annual general meeting shall be held once in each year commencing with the year following the date of this Deed for the purpose of reviewing the Manager's Management Budget and transacting any other business of which due notice is given in the notice convening the meeting.

53. Notice.

- (a) Notice of the meeting of the Owners' Committee shall be given in writing by the Manager or the Owners' Committee or the person or persons convening the meeting upon each member of the Owners' Committee at least 7 days before the date of the meeting specifying the date, time and place of the meeting and the resolutions (if any) to be proposed.
- (b) Service of the said notice of meeting of the Owners' Committee may be effected:-
 - (i) personally upon the member of the Owners' Committee; or
 - (ii) by post addressed to the member of the Owners' Committee at his last known address; or
 - (iii) by leaving the notice at the member's Residential Unit or depositing the notice in the letter box for that Residential Unit.

54. Quorum. No business shall be transacted at any time by the Owners' Committee unless a quorum is present when the meeting proceeds to business and not less than one half of the total number of the members of the Owners' Committee (rounded up to the nearest whole number) or 3 such members, whichever is the greater, shall be a quorum. If within half an hour for the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members of the Owners' Committee, shall be dissolved.

55. Chairman. The members present at the first meeting of the Owners' Committee shall choose one of their members to be the chairman and he shall be chairman until the next annual general meeting. Thereafter the chairman shall be chosen by the members of the Owners' Committee at the first meeting of the Owners' Committee held in any year. In the absence of the chairman, the members present at any meeting duly convened shall choose one of their members to be the chairman of that meeting.

56. (a) Power to compile rules and regulations. The Owners' Committee shall have full power from time to time to make and compile rules and regulations governing :-
- (i) the convening, conduct and procedure of meetings of the Owners, the Owners' Committee and any sub-committees thereof;
 - (ii) the establishment, appointment and constitution of sub-committees of the Owners' Committee;
 - (iii) the conduct of the ballot for the election or re-election of Owners as members of the Owners' Committee;
 - (iv) all other matters to regulate the meetings of the Owners, the Owners' Committee and any sub-committees thereof and to facilitate the transaction of business thereat;

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

- (b) Manager's representative. The Manager shall appoint a representative to represent the Manager in all its business and dealings with the Owners' Committee and such representative shall act as a secretary to the Owners' Committee who shall have the right to attend all meetings of the Owners' Committee but not to vote thereat and who shall cause a record of the persons present at the meetings of the Owners' Committee and the proceedings thereof to be kept.
57. Procedure of meetings. The procedure at meetings of the Owners' Committee shall be as is determined by the Owners' Committee, and unless otherwise determined, the following provisions shall apply in all meetings of the Owners' Committee :-

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

58. Liability of Owners' Committee. The Owners' Committee and the members thereof shall not be liable to the Owners or any of them or to any person or persons whomsoever whether claiming through, under or in trust for any Owner or otherwise, for or in respect of any act, deed, matter or thing done or omitted in pursuance or in purported pursuance of the provisions of this Deed or any Sub-Deed not being an act or omission

involving criminal liability or dishonesty or negligence by or on the part of any or all of the members of the Owners' Committee, and the Owners shall fully and effectually indemnify the Owners' Committee and the members thereof from and against all actions, proceedings, claims and demands whatsoever arising directly or indirectly out of or in connection with any act, deed, matter or thing done or omitted as aforesaid which does not involve criminal liability or dishonesty or negligence on the part of any or all of the members of the Owners' Committee and all costs and expenses in connection therewith .

59. No remuneration. No remuneration shall be payable to the Owners' Committee or any member thereof but such members shall be entitled to be reimbursed for all out-of-pocket expenses necessarily incurred in carrying out their duties.
60. Minutes and records. The Owners' Committee shall cause to be kept records and minutes of:-
- (a) the appointment and election and vacation of appointments of all its members, secretary and chairman and all changes therein;
 - (b) all resolutions and notes of proceedings of the Owners' Committee;
 - (c) the members present at all meetings.
61. (a) Keeping of records and inspection. The records and minutes referred to in Clause 60 above shall be kept in such place as the Owners' Committee may from time to time determine and shall be open to inspection by any Owner on reasonable notice being given and such Owner shall also be entitled to copies of extracts therefrom on paying the reasonable charges.
- (b) Sub-committees. Nothing herein contained shall prevent the Owners' Committee from forming sub-committees for the recreation and welfare of the residents of the Development or from co-opting members who are not members of the Owners' Committee to serve on such sub-committees.

SECTION VI

MEETING OF OWNERS

62. From time to time as occasion may require there shall be meetings of the Owners for the time being of the Undivided Shares to discuss and decide on matters concerning the Lot and the Development and in regard to such meetings the following provisions shall apply :-
- (a) (i) First meeting. The first meeting of Owners shall be convened by the Manager as soon as possible but not later than 9 months from the date of this Deed, the business of which shall include the appointment of a chairman and the members of the Owners' Committee or the appointment of a management committee for the purpose of forming an Owners' Corporation under the Building Management Ordinance (Cap.344).
 - (ii) Subsequent meeting. A meeting may be validly convened by the Manager or the Owners' Committee or by an Owner appointed to convene such a meeting by the Owners of not less than 5% of the total number of Undivided Shares (excluding the Undivided Shares allocated to the Common Parts) in the Lot and the Development.

- (b) Notice. The procedure at a meeting of Owners shall be determined by the Owners. Every meeting shall be convened by at least 14 days' notice in writing specifying the date, time and place of the meeting and the resolutions (if any) to be proposed. Service of such notice by the person(s) convening the meeting upon each Owner may be effected: -
- (i) personally upon the Owner;
 - (ii) by post addressed to the Owner at his last known address; or
 - (iii) (where applicable) by leaving such notice at the Owner's Residential Unit or depositing the notice in the letter box for that Residential Unit.
- (c) Quorum. No business shall be transacted at any meeting unless a quorum is present when the meeting proceeds to business and the quorum at a meeting shall be ten per cent (10%) of the Owners. For the purpose of this sub-clause(c), the reference to "ten per cent (10%) of the Owners" shall:-
- (i) be construed as reference to 10% of the number of persons who are Owners without regard to their ownership of any particular percentage of the total number of Undivided Shares into which the Development is divided; and
 - (ii) not be construed as the Owners of 10% of the Undivided Shares in aggregate.
- (d) Chairman. The chairman of the Owners' Committee shall preside at every such meeting PROVIDED THAT in his absence, the Owners then present shall choose one of their members to be the chairman of the meeting.
- (e) Records. The chairman shall cause a record to be kept of the persons present at the meeting and the proceedings thereof.
- (f) Voting. Every Owner shall have one vote for each Undivided Share vested in him. The votes of Owners may be given either personally or by proxy. In the case of 2 or more persons are the co-owners of a Undivided Share, the vote in respect of such Undivided Share may be cast: -
- (i) by a proxy jointly appointed by the co-owners;
 - (ii) by a person appointed by the co-owners from amongst themselves; or
 - (iii) if no appointment has been made under Sub-Clauses (f)(i) or (ii) above, then either by one of the co-owners personally or by a proxy appointed by one of the co-owners;

and in case of any meeting where 2 or more persons are the co-owners of an Undivided Share and more than one of the co-owners seeks to cast a vote in respect of the Undivided Share, only the vote that is cast, whether personally or by proxy, by the co-owner whose name, in order of priority, stands highest in relation to that Undivided Share in the register kept at the Land Registry shall be treated as valid. In case of any equality of votes, the chairman shall have, in addition to a deliberative vote, a casting vote.

- (g) Voting. Votes may be given either personally or by proxy and in regard to the election, re-election, removal from office of a member of the Owners' Committee or of the chairman of the meeting, votes shall if so demanded by any Owner be

cast by means of a secret ballot supervised by the Manager.

(h) Proxies.

- (i) The instrument appointing a proxy shall be in the form set out in Form 1 in Schedule 1A to the Building Management Ordinance (Cap.344), and shall be signed by the Owner or if the Owner is a body corporate under the seal or chop of that body and signed by a person authorized by the body corporate in that behalf.
- (ii) The appointment of a proxy shall have no effect unless the instrument appointing the proxy is lodged with the chairman of the Owners' Committee or, if the meeting is convened by the Manager or by the Owner appointed to convene such a meeting by the Owners of not less than 5% of the total number of Undivided Shares (excluding that of the Common Parts) in the Lot and the Development, the person convening the meeting at least 48 hours before the time for the holding of the meeting at which the proxy proposes to vote. 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.

Resolutions.

- (i) Save as otherwise herein provided any resolution on any matter concerning the Lot and the Development passed by a simple majority of votes at a duly convened meeting by the Owners present in person or by proxy and voting in proportion to number of Undivided Shares held at such meeting shall be binding on all the Owners of the Lot and the Development Provided as follows :-
 - (i) The notice convening the meeting shall have been duly given and shall have specified the intention to propose a resolution or resolutions concerning such matters.
 - (ii) No resolution purporting to be passed at any such meeting concerning any matter not mentioned in such notice shall be valid.
 - (iii) No resolution shall be valid to the extent that it purports to alter or amend the provisions of or is otherwise contrary to this Deed or any Sub-Deed.
 - (iv) A resolution may be passed as to the manner in which the powers hereby conferred on the Manager are to be exercised or carried out but no such resolution shall be valid to the extent that it purports to take away or abrogate or prevent the exercise of any of the powers and duties of the Manager conferred on the Manager under this Deed.
 - (v) A resolution may be passed to dismiss the Manager by giving to the Manager not less than 3 months' notice in writing but no such resolution shall be valid unless such resolution is passed by the Owners of not less than 50% of the total number of Undivided Shares in the Lot and the Development (excluding the Undivided Shares allocated to the Common Parts).
- (j) Without prejudice to anything herein contained, no resolution in respect of any of the

matters hereinafter referred to shall be valid unless such resolution is passed by the Owners of not less than 50% of the total number of Undivided Shares in the Lot and the Development (excluding the Undivided Shares allocated to the Common Parts) namely :-

- (i) Upon the expiration of the said term of years to which the Owners are entitled under and by virtue of the Government Lease or in the event of the Government taking any action by way of earlier re-entry thereunder in such circumstances that the Owners for the time being may be entitled to a renewal or extension or re-grant thereof or to a new lease term upon such terms and conditions as the Government shall offer, whether and in what manner to pay any premium, rent or other charges and expenses payable in respect thereof and generally any other matter relating to the continuance or renewal of the Government Lease as aforesaid.
- (ii) A resolution to rebuild or redevelop the Development or any part or parts thereof otherwise than in accordance with Clause 64.
- (k) Subject to Clause 63, a resolution in writing signed by Owners who in the aggregate have vested in them for the time being more than 50% of the total number of Undivided Shares in the Lot and the Development (excluding the Undivided Shares allocated to the Common Parts) shall be as valid and effectual as if it had been passed at a duly convened meeting of such Owners.
- (l) The accidental omission to give notice as aforesaid to any Owner shall not invalidate the proceedings at any meeting or any resolution passed thereat.
- (m) The Owner of any part of the Development who has failed to pay his due proportion of Management Expenses as herein contained shall not be allowed to be present in person or by proxy or vote at any meeting.

SECTION VII

EXTINGUISHMENT OF RIGHTS

63. **Damage to Development.** In the event of the Development or any part 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 Owners of the Development holding not less than 75% of the Undivided Shares allocated to that damaged part(s) of the Development (excluding the Undivided Shares allocated to the Common Parts) may convene a meeting of the Owners in whom the exclusive use, occupation and enjoyment of such part of the Development is vested and such meeting may resolve by a resolution of not less than 75% majority of the Owners present in person or by proxy and such resolution is to be binding upon all the owners of the damaged part(s), and voting that by reason of insufficiency of insurance money or changes in building law and/or regulations or any other circumstances whatsoever, it is not practicable to reinstate or rebuild such part of the Development then in such event the Undivided Shares in the Lot representing such part of the Development shall be acquired by the Manager and the Owners (excluding the Owner of the Common Parts) of such Undivided Shares shall in such event be obliged to assign the same and all rights and appurtenances thereto to the Manager upon trust to forthwith dispose of the same by public auction or private treaty and to distribute the net proceeds of sale amongst the Owners (excluding the Owner of the Common Parts) of such Undivided Shares in proportion to the respective number of Undivided Shares previously held by such former Owners. All insurance money received in respect of any policy of insurance on such part of the Development shall likewise be distributed amongst such former Owners. In such event all the rights, privileges, obligations and covenants of such former Owners under this Deed shall be extinguished so far as the same relate to such former Owners of such part

of the Development PROVIDED ALWAYS THAT if it is resolved to reinstate or rebuild such part of the Development the Owners of such part of the Development shall pay the excess of the cost of reinstatement or rebuilding of the relevant part of the Development damaged as aforesaid over and above the money recoverable from the insurance of such part of the Development in proportion to the respective number of Undivided Shares held by them and that until such payment the same will become a charge upon their respective Undivided Shares allocated to the relevant part of the Development and be recoverable as a civil debt.

64. Provisions applicable to meeting. The following provisions shall apply to a meeting convened as provided in Clause 63 hereof :-

- (a) The person convening such meeting of the Owners shall, at least 7 days before the date of meeting, specifying the date, time and place of the meeting and the resolutions to be proposed. Service of such notice on an Owner may be effected: -
 - (i) personally upon the Owner;
 - (ii) by post addressed to the Owner at his last known address; or
 - (iii) (where applicable) by leaving such notice at the Owner's Unit or depositing the notice in the Owner's letter box.
- (b) 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) present in person or by proxy in whom not less than 75% of the total number of Undivided Shares in the part of the Development in question (excluding Undivided Shares allocated to the Common Parts) are vested ;
- (c) If within half an hour from the time appointed for the meeting a quorum be not present the meeting shall stand adjourned to the same time and day in the next week at the same place;
- (d) The chairman of the Owners' Committee or the person convening such meeting shall be the chairman of the meeting;
- (e) The chairman shall cause a record to be kept of the persons present at the meeting and notes of the proceedings thereof;
- (f) Every Owner shall have one vote for each Undivided Share allocated to the part of the Development vested in him and in the case of Owners who together are entitled to one such Undivided Share such Owners shall jointly have one vote for each such Undivided Share and in case of dispute the first named of such Owners shall have the right to vote;
- (g) In case of equality of votes the chairman shall have a second or casting vote;
- (h) Votes may be given either personally or by proxy;
- (i) The instrument appointing a proxy shall be deposited with the chairman of the meeting either before or at the meeting;
- (j) A resolution passed at a duly convened meeting by a 75% majority of the Owners (excluding the Owner of the Common Parts) present in person or by proxy

and voting shall be binding on all the Owners of the relevant part of the Development PROVIDED as follows :-

- (i) the notice convening the meeting shall specify the intention to propose a resolution concerning such matter;
 - (ii) any resolution purported to be passed at any such meeting concerning any other matter shall not be valid;
 - (iii) no resolution shall be valid if it is contrary to the provisions of this Deed or any relevant Sub-Deed (if any);
- (k) A resolution in writing signed by Owners who in the aggregate have vested in them for the time being more than 75% of the Undivided Shares allocated to the part of the Development (excluding the Undivided Shares allocated to the Common Parts) in question shall be as valid and effectual as if it had been passed at a duly convened meeting of such Owners Provided that notice has been given pursuant to Clause 64(a);
- (l) The accidental omission to give notice as aforesaid to any Owner shall not invalidate the meeting or any resolution passed thereat.

SECTION VIII

MISCELLANEOUS PROVISIONS

65. Compliance with the Ordinance. Nothing contained in this Deed shall contradict, overrule or fail to comply with the provisions of the Building Management Ordinance (Cap.344) and the Schedules thereto.

66. Owners to notify Manager when ceasing to be Owner. Each Owner shall on ceasing to be the Owner of any Undivided Share and the part of the Development held and enjoyed therewith notify the Manager or (in the event where there is no Manager) the Owners' Committee of such cessation and of the name and address of the new Owner and without prejudice to the liability of the new Owner who shall be liable for all sums due and payable and performance and observance of the terms and conditions by the Owner from whom he purchased under the terms of this Deed, such Owner (who is ceasing to be the Owner) shall remain liable for all such sums and for the observance and performance of such terms and conditions up to the date of such cessation.

67. Ceasing of liabilities. Subject to Clause 66, no person shall, after ceasing to be the Owner of any Undivided Share, be liable for any debt liability or obligation under the covenants, terms and conditions of this Deed in respect of such Undivided Share and the part of the Development held and enjoyed therewith save and except in respect of any breach, non-observance or non-performance by such person of any such covenant or term or condition prior to his ceasing to be the Owner thereof.

68. Public notice boards etc. There shall be public notice boards at such places in the Development as the Manager may from time to time determine. There shall be exhibited on each of such public notice boards a copy of the Development Rules from time to time in force and all notices which under this Deed are required to be exhibited thereon and such other notices and announcements as the Manager may from time to time decide to exhibit or approve for exhibition thereon. Except in the case of a notice required by this Deed or by law to be served personally or in any other manner, the exhibition of a notice on such public notice boards for 7 consecutive days shall be due notice of the contents thereof to each Owner, his tenants, licensees, servants and agents.

69. Service of notice. Each Owner who is not a resident in the Development shall provide the Manager with an address in Hong Kong for service of notices under the provisions of this Deed and any relevant Sub-Deed (if any). In the event that the Owner shall fail to provide the Manager with such an address in Hong Kong, then the Manager may treat the address of the part of the Development of which such Owner is the Owner thereof as the address for service of notices.

70. Service of notice. Subject as hereinbefore provided in the case of notices to be affixed to the public notice boards and except in the case of a notice required by this Deed or by law to be served personally or in any other manner, all notices or demands required to be served hereunder shall be sufficiently served if addressed to the party to whom the notices or demands are given and sent by prepaid post to or left at the part of the Development or the letter box thereof of which the party to be served is the Owner notwithstanding that such party shall not personally occupy the same PROVIDED HOWEVER THAT where notice is to be given to an Owner who is a mortgagor, such notice may also be served on the mortgagee, if a company, at its registered office or last known place of business in Hong Kong and, if an individual, at his last known residence. All notices required to be given to the Manager shall be sufficiently served if sent by prepaid post addressed to or if by hand left at or delivered to the management office of the Development or

such other address as may be notified by the Manager from time to time.

71. Chinese translation.

(a) The First Owner shall at its own cost provide a direct translation in Chinese of this Deed within 1 month from the signing hereof and shall ensure that it is available for inspection at the management office and the taking of copies by the Owners upon request on payment of reasonable copying charges which shall be credited into the Special Fund. In the event of any dispute as to the effect of the Chinese translation and the English version of this Deed, the English version shall prevail.

(b) The First Owner shall deposit a copy of Schedule 7 and Schedule 8 to the Building Management Ordinance (Cap.344) in both Chinese and English in the management office for reference by the Owners free of costs and for taking copies at their own expense and upon payment of a reasonable charge which shall be credited into the Special Fund.

72. Copies of Plans. The First Owner shall prepare or cause to be prepared a set of plans showing the Common Parts and any subsequent amendments thereto. The accuracy of such plans shall be certified by or on behalf of the Authorised Person. Such plans shall be kept at the management office and may be inspected by the Owners during normal office hours free of charge.

73. Voting rights of Owner subject to mortgage etc. Where any Undivided Share has been assigned or charged by way of mortgage, the voting rights conferred on the Owner of such Undivided Share by the provision of this Deed shall subject to the provisions of the mortgage, be exercisable only by the mortgagor unless the mortgagee is in possession of such Undivided Share and has duly served written notice of such fact on the Manager PROVIDED THAT once the mortgagee has taken possession of such Undivided Shares he shall become fully liable for the payment of all the management fee, expenses and contributions payable in respect of the relevant part of the Development under this Deed including any arrears thereof.

74. Binding effect. The covenants and provisions of this Deed shall be binding on the parties hereto and their respective executors, administrators, successors in title and assigns and the benefit and burden thereof shall be annexed to the part of the Development and to the Undivided Share or Shares held therewith.

75. The Ordinance, Owners' Incorporation, etc. No provisions contained in this Deed shall prejudice in any way the operation of the Building Management Ordinance (Cap.344) and any amendment or amendments thereof or any substitutions thereof and to the extent that any provisions contained herein shall be in conflict with the Building Management Ordinance (Cap.344) and the Building Management Ordinance (Cap.344) shall prevail. If any Owners' Corporation is formed under the provisions of the Building Management Ordinance (Cap.344), the Owners' Corporation shall be vested with all the rights, powers, duties and obligations for the control, management and administration of the Lot and the Development conferred by this Deed or any Sub-Deed on the Manager and subject to any provisions herein in extension or modification thereof. During the existence of the Owners' Corporation, the general meeting of the Owners' Corporation shall take the place of the meeting of Owners hereunder, and the management committee of the Owners' Corporation shall take the place of the Owners' Committee hereunder. The provisions contained in the Schedule 2 of the Building Management Ordinance (Cap.344) shall apply to the management committee of the Owners' Corporation following incorporation of the Owners thereunder which shall take the place of the Owners' Committee formed under this Deed and the provisions contained in the Schedule 3 of the Building Management Ordinance (Cap.344) shall apply to all general meetings of the Owners' Corporation which shall take the place of the Owners' meetings under this Deed.

76. Execution of Assignment of Common Parts. The First Owner shall upon execution of this Deed assign the whole of the Undivided Shares in the Common Parts together with the Common Parts to the Manager free of cost or consideration to be held on trust for all the Owners and for the general amenity of the Owners and other occupants of the Development Subject to the Government Lease and to this Deed.

77. Slope Maintenance (if any). The Owners shall at their own expense maintain and carry out all works in respect of any Slopes and Retaining Walls (if any) as required by the Government Lease and in accordance with the Slope Maintenance Guidelines and the Maintenance Manual(s) (if any). The Maintenance Manual(s) (if any) will be deposited at the management office during office hours for inspection by the Owners free of charge and any Owner or his duly authorized representative shall be entitled to a copy thereof upon payment of a reasonable charge to cover the cost of copying the same Provided That all charges received therefrom shall be credited into the Special Fund. The Manager (which for the purpose of this Clause shall include the Owners' Committee or Owners' Corporation) is hereby given full authority by the Owners to engage suitable qualified personnel to inspect keep and maintain in good substantial repair and condition, and carry out any necessary works in respect of, any of such Slopes and Retaining Walls (if any) in compliance with the Government Lease and in particular in accordance with the Maintenance Manual(s) (if any) and all guidelines issued from time to time by the appropriate Government department regarding the maintenance of slopes, retaining walls and related structures. All Owners shall pay to the Manager all costs lawfully incurred or to be incurred by it in carrying out such maintenance and repair. The Manager shall not be personally liable for carrying out any such requirements of the Government Lease which shall remain the responsibility of the Owners if, having used all reasonable endeavours, it has not been able to collect the costs of the required works from all Owners.

78. Works and Installations.

- (a) The First Owner shall at its own cost and expense prepare the first Maintenance Manual for the Works and Installations for the reference of the Owners and the Manager setting out the following details:-
 - (i) As-built record plans of the building and services installations together with the necessary technical information (such as specifications of materials and design standard) for maintenance of all facilities and equipment;
 - (ii) All warranties and guarantees provided by contractors (together with the names of the companies providing the warranty and the contact telephone numbers) in respect of all facilities and equipment;
 - (iii) Recommended maintenance strategy and procedures;
 - (iv) A lists of items of the Works and Installations requiring routine maintenance;
 - (v) Recommended frequency of routine maintenance inspection;
 - (vi) Checklist and typical inspection record sheets for routine maintenance inspection; and
 - (vii) Recommended maintenance cycle of the Works and Installations.
- (b) Within one (1) month after the execution of this Deed, the First Owner shall deposit a full copy of the first Maintenance Manual for the Works and Installations

in the management office for inspection by the Owners free of charge and any Owner or his duly authorized representative shall be entitled to a copy thereof upon payment of a reasonable charge to cover the cost of copying the same Provided That all charges received therefrom shall be paid into the Special Fund.

- (c) (i) 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 Common Parts including those part or parts of the Works and Installations forming part of the Common Parts.
- (ii) The Owners shall at their own costs and expense inspect, maintain and carry out all necessary works for the maintenance of the Development and the Units including those part or parts of the Works and Installations forming part of their Units.
- (d) The Owners may, by a majority resolutions passed at an Owners' meeting convened under this Deed, make, amend, revise and revoke the schedule of Works and Installations and the Maintenance Manual for the Works and Installations or any part thereof as the Owners shall deem fit, in which event the Manager shall procure the revised schedule of Works and Installations and the revised Maintenance Manual for the Works and Installations or any amendments thereto from a qualified professional or consultant within such time as may be prescribed by the said Owners' resolutions. All costs and expenses of and incidental to the preparation of the revised schedule of Works and Installations and the revised Maintenance Manual for the Works and Installations or any subsequent amendments thereto shall be borne by the Owners and paid out of the Special Fund.
- (e) The Manager shall deposit the revised Maintenance Manual for the Works and Installations and any subsequent amendments thereto in the management office within one month from the date of its preparation for inspection by the Owners free of charge and any Owner or his duly authorized representative shall be entitled to a copy thereof upon payment of a reasonable charge to cover the cost of copying the same Provided That all charges received therefrom shall be paid into the Special Fund.

79. Slope Maintenance Manuals. Within one (1) month after the execution of this Deed, the First Owner shall deposit a full copy of the Slope Maintenance Guidelines (if applicable) in the management office for inspection by the Owners free of charge and any Owner or his duly authorized representative shall be entitled to a copy thereof upon payment of a reasonable charge to cover the cost of copying the same Provided That all charges received therefrom shall be paid into the Special Fund.

80. Covenant to comply with Government Lease. The parties hereto covenant with each other to comply with the terms and conditions of the Government Lease so long as they remain as Owners and Manager.

81. Compliance with Government Lease. No provisions contained in this Deed shall in any way be in breach of any terms and conditions set out in the Government Lease. If any inconsistency exists between the provisions of this Deed and the terms and conditions set out in the Government Lease, the terms and conditions set out in the Government Lease shall prevail.

THE FIRST SCHEDULE ABOVE REFERRED TO

PART A: Allocation of Undivided Shares

Part 1

General Allocation of Undivided Shares

<u>Part of the Development concerned</u>	<u>Number of Undivided Shares</u>
Residential Units	2,121
Parking Spaces	135
Common Parts	230
TOTAL:	2,486

Notes:

1. Allocation of Undivided Shares among the Residential Units is shown in Part 2 of Part A.
2. Allocation of Undivided Shares among the Parking Spaces is shown in Part 3 of Part A.

Part 2

Allocation of Undivided Shares among the Residential Units

Undivided Shares are allocated to the Residential Units as follows.

<u>Residential Unit:</u>	<u>Number of Undivided Shares</u>
Unit A (including the balconies, yard, stairhood and roof held therewith)	449
Unit B (including the balconies, yard, stairhood and roof held therewith)	410
Unit C (including the balconies, yard, stairhood and roof held therewith)	411
Unit D (including the balconies, yard, stairhood and roof held therewith)	411
Unit E (including the balconies, yard, stairhood and roof held therewith)	440
TOTAL:	2,121

Note: The reference to “balconies” in this Part 2 of Part A of the First Schedule refers to the Non-enclosed Areas defined in this Deed.

Part 3

Allocation of Undivided Shares among the Parking Spaces

Undivided Shares are allocated to the Parking Spaces as follows.

<u>Space Type</u>	<u>Floor</u>	<u>Number of spaces</u>	<u>Number of Undivided Shares</u>
Parking Spaces for car (Parking Space Nos. 1,2, 3, 5, 7, 8, 9, 10 & 11)	G/F	9	117 (13 Undivided Shares per Parking Space)
Disable Parking Space for car (Parking Space No.6)	G/F	1	18
	TOTAL:		135

Note: There is no Parking Space No.4 in the Development

PART B: Allocation of Management Shares

Part 1

General Allocation of Management Shares

<u>Part of the Development concerned</u>	<u>Number of Management Shares</u>
Residential Units	2,121
Parking Spaces	135
TOTAL:	2,256

Notes:

1. Allocation of Management Shares among the Residential Units is shown in Part 2 of Part B.
2. Allocation of Management Shares among the Parking Spaces is shown in Part 3 of Part B.

Part 2

Allocation of Management Shares among the Residential Units

Management Shares are allocated to the Residential Units as follows.

<u>Residential Unit:</u>	<u>Number of Management Shares</u>
Unit A (including the balconies, yard, stairhood and roof held therewith)	449
Unit B (including the balconies, yard, stairhood and roof held therewith)	410
Unit C (including the balconies, yard, stairhood and roof held therewith)	411
Unit D (including the balconies, yard, stairhood and roof held therewith)	411
Unit E (including the balconies, yard, stairhood and roof held therewith)	440
TOTAL:	2,121

Note: The reference to “balconies” in this Part 2 of Part B of the First Schedule refers to the Non-enclosed Areas defined in this Deed.

Part 3

Allocation of Management Shares among the Parking Spaces

Management Shares are allocated to the Parking Spaces as follows.

<u>Space Type</u>	<u>Floor</u>	<u>Number of spaces</u>	<u>Number of Management Shares</u>
Parking Spaces for car (Parking Space Nos. 1,2, 3, 5, 7, 8, 9, 10 & 11)	G/F	9	117 (13 Management Shares per Parking Space)
Disable Parking Space for car (Parking Space No.6)	G/F	1	18
	TOTAL:		135

Note: There is no Parking Space No.4 in the Development

THE SECOND SCHEDULE ABOVE REFERRED TO

RIGHTS OF OWNERS

1. The rights and privileges conferred as particularised hereunder (subject to and with the benefit of which each Undivided Share is held) shall only come into effect as and when a part or parts of the Development has been issued an Occupation Permit and then only in respect of that part or parts of the Development being issued an Occupation Permit.

2. The Owner of each Undivided Share together with the full and exclusive right to hold use occupy and enjoy any part of the Development (in this Schedule referred to as "his premises") shall have the benefit of the following easements, rights and privileges SUBJECT TO the provisions of the Government Lease, this Deed, the Development Rules, the rights of the Manager and the First Owner as provided in this Deed :-

- (a) Full right and liberty (but SUBJECT ALWAYS TO the rights of the Manager and the First Owner herein provided) for the Owner for the time being, his lessees, tenants, servants, agents, lawful occupants and licensees to go pass or repass over and along and to use and receive the benefit of the Common Parts for all purposes connected with the proper use and enjoyment of his premises SUBJECT as aforesaid;
- (b) The right to subjacent and lateral support and to shelter and protection from the other parts of the Development SUBJECT as aforesaid;
- (c) The free and uninterrupted passage and running of water, sewage, gas, electricity, ventilation, air-conditioning, telephone and various other services (if any) from and to his premises through the gutters, sewers, drains, flues, conduits, ducts, watercourses, cables, pipes and wires, manhole in the yard of the Ground Floor of his premises and all sewage systems connecting with the common manhole in the Development Common Parts and other conducting media serving his premises and which now are or may at any time hereafter be laid on, in, under, running or passing through his premises or the Lot or the Development or any part or parts thereof for the proper use and enjoyment of his premises SUBJECT as aforesaid; and
- (d) All other easements, rights and privileges belonging or appertaining to the Lot and the Development or any part thereof.

For the avoidance of doubt, Owners shall have no right to enter upon any part of the Lot or the Development save as expressly herein provided.

THE THIRD SCHEDULE ABOVE REFERRED TO

OWNER'S COVENANTS

1. No structural alterations. No Owner shall make any structural alteration or additions to the Unit owned by him (including but not limited to the external walls, structure or facade of the Residential Units or any installation or fixture therein) which may damage or affect or interfere with the use and enjoyment of any other part or parts of the Lot or the Development whether in separate or common occupation (in particular the supply of water, electricity or gas) or interfere with or affect the rights of other Owners nor shall any Owner cut, injure, damage, alter or interfere with any part or parts of the Common Parts or any equipment or apparatus on, in or upon the Lot or the Development not being equipment or apparatus for the exclusive use and benefit of any such Owner. Notwithstanding anything contained in this Deed to the contrary, no provision of this Deed shall be construed as having the effect of preventing an Owner from taking legal action against another Owner in this respect.

2. Contravention of Government Lease. No Owner shall permit or suffer to be done any act or thing in contravention of the terms and conditions of the Government Lease or whereby any insurance on the Lot or the Development or any part thereof may become void or voidable or whereby the premiums for any such insurance may be increased and in the event of any breach of this Clause by any Owner, in addition to any other liability incurred thereby, such Owner shall pay to the Manager the amount of any increase in premium caused by or on account of such breach. In the event of the Development or any part thereof being damaged or destroyed by fire or other perils at any time and the insurance money under any insurance against fire or such perils effected thereon being wholly or partially irrecoverable by reason solely or in part of any act or default of such Owner as aforesaid, then and in any event, such Owner shall pay to the other Owners the whole or (as the case may be) a fair proportion of the cost of completely rebuilding or reinstating the same.

3. Interference with construction/maintenance of the Lot and Development. Save as otherwise provided under this Deed, no Owner shall do or permit or suffer to be done by his lessees, tenants, occupiers or licensees any act, deed, matter or thing which in any way interferes with or affects or which is likely to interfere with or affect the construction of any part of the Lot or the Development at any time in the course of construction and/or the management and the maintenance of the Lot and the Development.

4 (a) No conversion of Common Parts. No Owner (including the First Owner) shall have the right to convert any part of the Common Parts to his own use or for his own benefit unless approved by the Owners' Committee (if any). Any payment received for the approval shall be credited to the Special Fund.

(b) No conversion to Common Parts. Subject to Clause 4(c), no Owner (including the First Owner) have the right to convert or designate any of his own areas to be Common Parts unless the approval by a resolution of Owners at an Owners' meeting convened under this Deed has been obtained. No Owner (including the First Owner) shall have and the Manager shall not have the right to re-convert or re-designate the Common Parts to his or its own use or benefit.

(c) Conversion to Common Parts for benefit of some Owners. Notwithstanding Clause 4(b) above, an Owner (including the First Owner) may convert or designate any of his own Unit (or part thereof) as Common Parts for the common use and benefit of some but not all of the Owners ("the affected owners"), and in that event, only the approval of the affected owners will be required Provided That no expenses for maintenance or

management of such Common Parts shall be borne or paid by any other Owners who do not share in the common use or benefit thereof. The affected owners may not re-convert or re-designate any such Common Parts to the own use or benefit of one or more of them unless it is so provided for when the area in question was so converted or designated.

5. Illegal/immoral purpose and nuisance. No Owner shall use or permit or suffer the part of the Development owned by him to be used for any illegal or immoral purpose nor shall he do, cause or permit or suffer to be done any act or thing which may be or become a nuisance or annoyance to or cause damage or inconvenience to the other Owners and occupiers for the time being of the Lot and the Development and/or any neighbouring premises .
6. Compliance with Government Lease, this Deed etc. No Owner shall use or permit or suffer any part of the Development owned by him to be used except in accordance with the Government Lease, this Deed, any Sub-Deed and any Ordinances and Regulations and Governmental requirements from time to time applicable thereto. No part of the Development shall be held, used or occupied other than in accordance with the Government Lease.
7. Obstruction of Common Parts. Subject to the rights of the First Owner under this Deed, no part of the Common Parts shall be obstructed save with the licence of the Manager (who shall not grant the licence should the obstruction be in contravention of any Ordinances or Regulations of Hong Kong or of this Deed or of any Sub-Deed) nor shall any refuse or other matter or thing be placed or left thereon and no Owner shall do or suffer or permit to be done anything in such areas as may be or become a nuisance to any other Owners or occupiers of any other part of the Lot and the Development.
8. Damage to Common Parts. Save as otherwise provided under this Deed, no Owner shall without the prior approval of the Manager cut, maim, alter, affix, interfere with, damage or in any other way affect or permit or suffer to be cut, maimed, altered, affixed, interfered with, damaged or in any other way affected any pipes, valves, ducts, lightning conductors, communal television and radio aerial system, fixtures or any other installation within any portion of any part of the Common Parts.
9. Laundry etc. on exterior of Development. No clothing or laundry shall be hung on any roof, upper roofs and top roof or balcony(ies) or external walls or corridors or canopy(ies) or outside the Development or any part thereof (other than in the spaces specifically provided therefor) or in the Common Parts.
10. Pipeworks etc. on exterior of Development. No Owner shall construct or install any drainage or other pipeworks outside the external walls of the Development other than in spaces specifically designated by the Manager therefor.
11. Blockage of drainage system. No Owner shall do or suffer or permit to be done anything whereby the flush or drainage system of the Lot and the Development, including, without limitation, the manhole in the yard of the Ground Floor of the Residential Unit and all sewage systems connecting with the common manhole in the Common Parts, may be clogged or obstructed or efficient working thereof may be impaired or the supply of water, electricity or gas shall be affected or likely to be affected and to pay the Manager on demand the cost of any breakage, blockage, obstruction or damage resulting from a breach of this provision and shall fully indemnify the Manager against all actions, proceedings, claims and demands whatsoever arising directly or indirectly out of or in connection with a breach of this provision.
12. Air-conditioning units. No air-conditioning or other units shall without the prior

written consent of the Manager be installed through any window or external wall of the Residential Unit or the Residential Units other than at places designated for such purpose and all possible measures shall be taken to prevent excessive noise, condensation or dripping on to any part of the Lot or the Development. Every Owner shall also at his own cost and expense keep and maintain the air- conditioning or other units or plants (if any) serving exclusively his part of the Development in good repair and condition.

13. User. No Owner shall use or cause or permit any part of the Development to be used for industrial or godown purposes or for the purpose of pawn shop, mahjong school, funeral parlour, coffin shop, temple, buddhist hall or for the performance of the ceremony known as "Ta Chai" or any similar ceremony or as a boarding house, guest house or for any noisy or offensive trade or business.

14. Noise etc. No Owner of a Unit shall make or cause or permit any disturbing noise in his Unit or do or cause or permit or suffer anything to be done which will interfere with the rights, comforts and convenience of other occupants of the Development. No Owner shall permit creation of any noise which will be audible from outside the Unit so as to cause disturbance to the Owners or occupiers of any other part of the Development in any Unit between 11 p.m. and 7 a.m.

15. Installation of telecommunications. No Owner (save and except the First Owner) of a Unit shall be entitled to connect any installation to the communal television and radio aerial system and the satellite and/or cable television system (if any) installed by the First Owner or the Manager in or for the Development or any part or parts thereof except with the prior written permission of the Manager and in accordance with any Development Rules relating to the same and except usual connection at the designated sockets for television, radio and related facilities. Subject to the rights of the First Owner under this Deed and save with the prior written consent of the Manager, no Owner shall erect or permit or suffer to be erected any radio or television aerial or telecommunication transmitter or receiver and any additional television antenna or disc (other than the antenna provided in or on top of the Residential Unit) or similar device (whatever for radio, television or telecommunication purpose or otherwise) outside any part of the Unit or upon roof, upper roofs and top roof, balcony(ies), stairhood, external walls, corridors, yard, canopy(ies) of any part of the Residential Unit or Parking Space(s) or any other areas of the Development.

16. Signboards, notices etc. Save as otherwise provided under this Deed, no external placards, posters, signs, signboards, notices, advertisements, flags, banners, poles, cages, shades or other projections or structures whatsoever extending outside the exterior of a Unit shall be erected, installed or otherwise affixed to or exhibited on or projected from a Unit or any part thereof save as otherwise provided in this Deed or except with the prior written approval of the Manager or the First Owner and (if required) the Director of Lands in accordance with the Government Lease.

17. Uniform exterior of Unit. Each Owner shall maintain the exterior parts of his Unit (including but not limited to the claddings and architectural features thereto) in uniform appearance with other Units. No Owner shall, save as otherwise provided in this Deed, paint the outside of his Unit or do or permit to be done any act or thing which may or will alter the facade or external appearance of his Unit and shall not change the materials, design, style or colour of the roof, upper roofs, top roof or balcony(ies) or stairhood or external walls, corridor(s) or canopy(ies) forming part of his Residential Unit without the prior consent in writing of the Manager or the First Owner and in particular, no external shades, awnings, fences, metal grilles, partitions or any other structure or thing shall be placed, installed, exhibited, affixed, erected or attached or caused or permitted to remain in or about or on or at any part of the fence wall or balustrade or railing

or external wall or cladding(s) or architectural feature(s) or any yard, or roof, upper roofs and top roof or balcony(ies) or stairhood or external walls or corridor(s) or canopy(ies) of his Residential Unit or Parking Space(s). Each Owner shall not, except with the written consent of the Manager carry out any works to his Residential Unit that may, in the opinion of the Manager (i) alter the external appearance of the Development or the uniform appearance of the Residential Units; or (ii) change the materials, design, style or colour of the claddings of the external walls of any balcony(ies), roof, upper roofs and top roof, yard, parapet, stairhood, corridors or canopy(ies) of his Residential Unit. If any Owner is in breach of this clause, the Manager shall issue a warning notice requiring the Owner to repair, maintain and/or reinstate, failing which the Manager shall have the right of access and enter into his Residential Unit to repair, maintain and/or reinstate any of the external walls of any balcony(ies), roof, upper roofs and top roof, yard, parapet, stairhood, corridors or canopy(ies) of his Residential Unit for the purpose of reinstating the external appearance and/or repairing the condition at the cost and expenses of the Owner of the relevant Residential Unit.

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

19. Use of water closets and water apparatus. No Owner shall use water closets and other water apparatus in any part of the Development for any purpose other than those for which they were constructed nor shall any sweeping, rubbish, rags or any other articles be thrown into the same. Any damage resulting from misuse of any water closets or apparatus shall be made good by such Owner or occupier at his own expense in whose part of the Development it shall have been caused.

20. Installation of furnace, boiler etc. No Owner shall install any furnace, boiler or other plant or equipment or use any fuel or energy that might produce smoke except with the prior written consent of the Manager, but in any event no Owner shall install the aforesaid furnace, boiler, plant or equipment or use any method or process of manufacture or treatment which might in any circumstances result in the discharge or emission whether it be in the form of gas, smoke, liquid or otherwise and which shall in the opinion of the Manager be excessive or unnecessary or which may contravene the Air Pollution Control Ordinance (Cap.311) or any amendments thereto.

21. Interference with fire services installations and/or fire-fighting facilities and equipment. No Owner shall remove or make any alteration to or interfere with any fire services installations and/or fire-fighting facilities and equipment or suffer to be done anything to such sprinkler system or fire services installations and/or fire-fighting facilities and equipment which would constitute a breach of the Fire Services Ordinance (Cap. 95) or any other relevant legislations, by-laws or regulations or any notices orders or directions issued or served by any competent authorities from time to time, including but not limited to such fire services installations installed in his Residential Unit. If any extension of the sprinkler heads and/or smoke detectors or removal of or alteration to the fire services installations and/or fire-fighting facilities and equipment shall be required by any Owner then such works, subject to the prior approval of the Manager, shall be carried out by the Manager or any contractor appointed or approved by the Manager at the expense of such Owner and in such manner as the Manager shall think fit. In addition, each Owner shall at his own expense throughout the term of the Government Lease and to the satisfaction of the Fire Services Department provide and maintain an access for fire appliances and fire personnel to the Lot and the Development, and to his Residential Unit as the case may be to the satisfaction of the Fire Services Department and shall permit an access thereof for such purposes and at such time or times as the Fire Services Department may require.

22. Not to carry out works to electrical wiring etc. No Owner shall perform installation or repair works to the electrical wiring from the switch rooms forming part of the Common Parts to any part or parts of the Development save with the written approval of the Manager and such works shall be carried out by the Manager or any contractor appointed or approved by the Manager at the

expense of the Owner or Owners concerned and in such manner as the Manager shall in its absolute discretion think fit.

23. Over-loading. No Owner or its agents licensees or contractors shall place on any part of the Lot or any part of the floors of any of the Development any vehicle, article, machinery, goods or merchandise which may cause the maximum floor loading-bearing capacity thereof (as specified on such part) to be exceeded and in the event of breach of this covenant the Owner in default shall make good any damage caused thereby to that part of the Lot or the Development or any fixtures and fittings therein Provided that the making good of such damage as aforesaid shall be without prejudice to any further right competent to the Manager exercisable by virtue of such breach.

24. Not to enclose or partition. Save as otherwise provided under this Deed no Owner shall without the prior written consent of the Manager erect or build or suffer to be erected or built on or upon the roof, upper roofs and top roof or balcony(ies) or stairhood or external walls or corridor(s) or yard or canopy(ies) forming part of a Residential Unit or Parking Space(s) any walls, windows, gates, doors, curtains, external awnings, canopies, partitions, security bars, protection grilles or any other structures whatsoever either of a permanent or temporary nature so that the said roof, upper roofs and top roof or balcony(ies) or stairhood or external walls or corridor(s) or yard(s) or canopy(ies) or Parking Space(s) will be enclosed or partitioned either in whole or in part and where such installations have been approved in writing by the Manager the same shall be erected in accordance with designs approved by the Manager and shall be installed in accordance with the fixing instructions specified by the Manager and the subsequent installation shall follow strictly the approved design and any conditions that may be imposed and shall thereafter be maintained to such standard as may from time to time be laid down by the Manager. The Manager shall have the right to enter and remove from such roof, upper roofs and top roof or balcony(ies) or stairhood or external walls or corridor(s) or yard or canopy(ies) or Parking Space(s) such unauthorised structure or structures at the cost and expense of the defaulting Owner.

25. Payment of Government rent, rates etc of Unit. Every Owner shall promptly pay and discharge all existing and future Government rent (unless the same forms part of the management expenditure pursuant to the provisions of this Deed), taxes, rates, assessments and outgoings payable in respect of the Unit owned by him and to indemnify the other Owners from and against all liability thereof.

26. Maintenance of electrical and sanitary appliances etc. Subject to the provisions of this Deed, each Owner shall, notwithstanding the obligations of the Manager to maintain the Development, at his own expenses keep and maintain the Unit in respect of which he is entitled to exclusive possession and including but not limited to all wirings and pipings thereto which do not form part of the Common Parts and all electrical and sanitary appliances thereto in good repair and condition and shall maintain the same to the satisfaction of the Manager and in a manner so as to avoid any loss damage nuisance or annoyance to the Owners or occupiers of any other part or parts of the Lot and the Development. Subject as aforesaid the expenses of keeping in good and tenable repair and condition the interior of any part of the Development and all the fixtures fittings, services and facilities and all plumbings therein or appertaining thereto (whether or not they are located inside or outside the Unit) and all the windows and doors thereof shall be borne by such Owner who is entitled to the sole and exclusive use occupation and enjoyment thereof.

27. Environmental protection and pollution. Each Owner shall observe and comply with all Ordinances, Regulations, by-laws and rules for the time being in force in Hong Kong and governing the control of any form of pollution (including noise and water pollution), whether aerial or otherwise, and the protection of the environment. In particular, no Owner shall discharge or permit or suffer to be discharged into any public sewer, storm water drain, channel or stream-course any trade effluent or foul or contaminated water or cooling water without the prior written consent of the Director of Environmental Protection or other competent Government authorities.

28. Articles etc undesirable or constitute nuisance. Subject to the rights of the First Owner under this Deed, no Owner shall keep, hang or exhibit or permit or suffer to be kept, hung or exhibited any washing cloth, clothing or any unsightly objects or store or permit or suffer to be stored any utensils or other articles upon any roof, upper roofs and top roof, balcony(ies), stairhood, external walls, corridors, yard, canopy(ies) of any part of the Residential Units or Parking Spaces or any other areas which in the opinion of the Manager shall be undesirable or constitute a nuisance to other Owners or occupiers of the Development and the Manager shall have the right to remove such articles without notice but after warning has been given to such Owner at the cost of the offending Owner.

29. Residential Unit for private residential purpose only. No Residential Unit shall be used for any purpose other than for private residential purpose and in particular shall not be used as a boarding house, apartment house or for any form of commercial letting or occupancy in bed spaces or cubicles or as hostel or hostel for the elderly or the like SAVE AND EXCEPT that the First Owner may use any such Residential Units owned by him as show flats for such period or periods as it shall in its discretion consider appropriate.

30. Access to fire exits. No partitioning shall be erected or installed which does not leave clear access for fire exits and save with the prior consent in writing of the Manager no windows shall be wholly or partially blocked or the light and air therefrom in any way obstructed .

31. Not to obstruct escape. The Owner shall ensure that the escape to and through the roof, upper roofs and top roof or balcony(ies) or canopy(ies) shall not be in any way impeded or obstructed.

32. Metal grille or shutter or gate etc contravention of Fire Services Ordinance. No Owner shall permit or suffer to be erected, affixed, installed or attached in or on or at the window or windows or door or doors or entrance or entrances of any Unit any metal grille or shutter or gate which shall in any way contravene the regulations of the Fire Services Ordinance (Cap. 95) or other competent authority concerned from time to time in force and/or which may in any way impede the free and uninterrupted passage over, through and along any of the Common Parts and the design of any metal grille or shutter or gate shall, prior to the installation thereof, first be submitted to the Manager for his approval in writing and the subsequent installation shall follow strictly the approved design and any conditions that may be imposed.

33. Dangerous goods. No Owner shall store or permit to be stored in any Unit any hazardous, dangerous, combustible or explosive goods or materials except such as may be reasonably required for the purpose of domestic cooking and heating.

34. Storage of goods etc. No Unit or any part thereof shall be used for the storage of goods or merchandise other than the personal and household possession of the Owner or occupier.

35. Complaints. All complaints touching or concerning any part of the Lot or the Development shall be made in writing to the Manager.

36. Not to partition the Lot or Development. No Owner shall without the prior written consent of the First Owner or the Manager at any time exercise or attempt to exercise any statutory or common law right to partition the Lot or the Development.

37. Window grille or metal grille. No Owner shall permit or suffer to be erected,

affixed or installed on or at the window or windows of a Unit any window grille or metal grille without the prior written consent of the Manager and where such installations have been approved in writing by the Manager the same shall be erected in accordance with such design, colour and material as shall be specified by the Manager and shall be installed in accordance with the fixing instructions specified by the Manager.

38. Falling objects. Each Owner of the Units shall take all reasonable steps to prevent any objects from falling or being dumped from any roofs, upper roofs and top roof or balcony(ies) or external walls forming part of his Unit and shall at his own cost take all reasonable safety precautions to prevent danger from taking place on such roof, upper roofs and top roof or balcony(ies) or external walls of his Unit.

39. Entry by Manager. The Owners of any Units of the Development shall allow the Manager at all reasonable times upon prior reasonable notice (except in the case of emergency) with or without workmen and others to enter into and upon their Unit or any part thereof and/or to pass through the same for the purposes of carrying out necessary works of repairing, cleansing, inspecting or maintaining the architectural features and their supporting columns and walls forming part of the Common Parts, whether at, adjacent to or outside their premises, provided that the Manager shall ensure that the least disturbance is caused and shall make good any damage caused to their premises and reinstate the same causing the least disturbance.

40. Use of A/C platforms etc. No A/C platform(s) (if any) forming part of a Unit or area designated for installation of air-conditioning plants shall be used for any purpose other than for placing the air-conditioning plants serving the relevant Unit or area.

41. Not to obstruct entrance to Unit. No Owner shall permit or suffer to be erected, affixed, installed or placed on or at entrance or in the foyer area of a Unit (if any) any fence, wall, structure, furniture, article or thing of any kind without the prior written consent of the Manager. The Owners of any Unit of the Development shall keep the entrance to the relevant Unit free of obstruction and at all times permit the Owner, their lessees, tenants, occupiers and licensees of the other Units and their bona fide guests, visitors or invitees a free and unobstructed right to pass and repass on, along, over, by and through the common entrance for the purpose of accessing the Unit owed by the relevant Owner.

42. Maintenance of Unit. Each Owner of the Units shall at his own cost take all reasonable steps to keep and maintain in good order and repair the condition and the uniform appearance of his Units with other Units of the Development to the satisfaction of the Manager the relevant Unit, roof, upper roofs, top roof, balcony(ies), stairhood, external walls, corridor(s), yard, canopy(ies) of the Unit, and to keep such areas in a clean and sanitary state and condition.

43. Maintenance of lift of Unit. Each Owner shall at his own costs and expenses carry out such regular inspection in respect of and maintain and repair any lift forming part of his Unit in compliance with the requirements of all Government and other competent authorities and the Manager.

44. Single residence. No Owner shall subdivide or partition any Unit or sell, assign, mortgage, charge, lease or otherwise dispose of any part or portion of any Unit separately from the whole to the intent that each Unit shall be owned and occupied as a single residence.

45. Joint maintenance of part-to-party wall by Owners. The fence wall or party-to-party wall between the Residential Units separating the Residential Unit from another Residential Unit, which for the avoidance of doubt, include any fence walls separating the roof, upper roofs and top roof or yards of two Residential Units or any parts thereof, shall be repaired and maintained at the joint expense of the Owners of the Units which the said fence wall or party-to-party wall separates.

46. Maintenance of telecommunication systems. The repair, maintenance or replacement of such telecommunication system and device(s) and their wiring systems exclusively serving the Residential Unit so installed (including the wiring systems exclusively serving the Residential Unit connecting from the ELV. room to the Residential Unit passing through the Common Parts) shall be subject to the prior written permission of the Manager. For the avoidance of doubt, the cost of such repair, maintenance or replacement shall be borne by the Owner of the Residential Unit concerned.

47. Repair of cladding etc. of balcony(ies). No Owner with or without agents, surveyors, workmen and others shall carry out any repair, maintain or replace the cladding installed at the balcony(ies) or any part thereof (forming part of the façade of the Development) without the prior written permission of the Manager.

48. Non-enclosed Areas.

(a) The Owner of the Non-enclosed Areas (forming part of a Residential Unit) shall keep the interior of such Non-enclosed Areas (forming part of a Residential Unit) in good and substantial repair and condition and shall use the same in all respects in compliance with this Deed, the Occupation Permit (when issued), the Buildings Ordinance (Cap.123) and such other Ordinances, by-laws and Government regulations of Hong Kong, and shall be responsible for the financial support and maintenance of the Non-enclosed Areas (forming part of a Residential Unit).

(b) The Owner of the Non-enclosed Areas (forming part of a Residential Unit) shall not erect or affix, or cause or permit or suffer or allow to be erected or affixed, any wall or partition of any material, whether of a permanent or temporary nature, on the Non-enclosed Areas (forming part of a Residential Unit) or any part thereof.

(c) The Owner of the Non-enclosed Areas (forming part of a Residential Unit) shall not cause, permit, suffer or allow any part of the Non-enclosed Areas (forming part of a Residential Unit) to be enclosed by any material or whatsoever kind or nature, or affixed with sun shades, awnings, or rackets of whatsoever nature, it being the obligation of each such Owner to keep and maintain the Non-enclosed Areas (forming part of a Residential Unit) in the design and layout as drawn under the Building Plans.

(d) No part of any Non-enclosed Areas shall be enclosed above safe parapet height other than as shown under the Building Plans.

49. Unauthorised structures. No Owner shall construct any unauthorized structure of whatsoever nature on any roof, upper roofs and/or top roof or external walls or any part of the Unit or the Development that may contravene any Ordinance or by-law or regulation promulgated by the Government from time to time.

50. Use of Parking Space.

(a) No Owner shall use the Parking Space in the Development for any purpose other than for parking licensed private motor vehicles and no article, goods, addition, property, thing or chattel except motor vehicles shall be allowed thereon. The Parking Spaces shall only be used by the Owners of the Residential Units or the residents or occupiers of the Residential Units or their bona fide guests, visitors or invitees for the purpose of parking their licensed motor vehicles.
Subject to sub-clause (a) above:-

(b) All Owners and occupiers of the Parking Space shall park their vehicles within their own Parking Space;

(c) No Owner or occupier of the Parking Space may park his vehicle in such a manner that may cause inconvenience or annoyance to other Owners or user of any other Parking Space; and

(d) No Owner or occupier of the Parking Space shall make any alteration to his Parking Space or erect any post, chain, barrier or addition thereon or thereto without the prior written permission of the Manager.

51. Air-conditioning unit etc.

(a) No Owner shall install any air-conditioning unit, fitting or plant, or any other fitting or fixture, through any window or any part of the external walls of the Development except in the positions or locations already specifically provided for or designated for such purpose, or otherwise at any location not already specifically provided for or designated for such purpose, unless prior written permission of the Manager and (if necessary) the Buildings Department and/or other relevant Government authorities to any such installations has been obtained and the conditions of such consent have been complied with.

(b) Except with the prior written permission of the Manager and (if necessary) the Buildings Department and/or other relevant Government authorities, no Owner shall in any way:

(i) alter, add to, relocate or remove, or change the designated user of, any concrete plinth for air-conditioning outdoor units forming part of or used in connection with his Residential Unit, or any door or gate of, forming part of enclosing or leading to such concrete plinth for air-conditioning outdoor units, or any partitioning or enclosing wall, internal partition or partition wall, any interior finishes of any wall or floor slab of such concrete plinth for air-conditioning outdoor units, or do, permit or suffer to be altered, added to, removed, relocated or changed in designated user any, or any part, of any of the aforesaid; or

(ii) alter, add to, relocate or remove, or change the designated user or the exterior appearance of, any louvres, door(s)/gate(s) enclosing the concrete plinth for air-conditioning outdoor units, whether for the purpose of installing, removing or maintaining any air-conditioning outdoor units or otherwise. No structure, laundry, chattel or thing whatsoever shall be placed, installed, exhibited, affixed, erected or attached to, or permitted to remain in, about, on or at any part of any concrete plinth for air-conditioning outdoor units louvre, door(s)/gate(s) or frame.

(c) Other than air-conditioning unit(s) installed at the positions or locations as provided in, and in compliance with the provisions of, sub-clause (a) of this Clause, no Owner shall at any time relocate or place any air-conditioning unit otherwise than as aforesaid.

52. Responsibility of Owners and Indemnity to Manager. Each Owner shall be responsible for, and shall indemnify the Manager and all other Owners and occupiers of any part of the Development against, all actions, proceedings, claims and demands whatsoever arising out of, or in respect of, any loss or damage to any person or property, caused by or as the result of any act or negligence of such Owner or any occupier of any part of the Development owned by such Owner or any person using such part of the Development with his consent, express or implied, or by or through or in any way owing to the overflow of water, gas or other effluent therefrom.

53. Maintenance of antenna of Residential Unit. Each Owner of the Residential Unit shall be responsible for the maintenance and repair at his own cost and expenses the antenna installed in the Residential Unit, and may from time to time replace the same at his own cost and expenses PROVIDED

THAT the Manger's prior approval shall be obtained if such replacement shall effect the external appearance of the Residential Unit in any manner.

54. Payment of management expenditure and Special Fund. Each Owner, including the First Owner, shall pay to the Manager on the due date his due proportion of management expenditure (including the Manager's Remuneration) and Special Fund as hereinbefore provided.

55. Cessation of being an Owner. Every Owner on ceasing to be the Owner of any Unit of the Development shall within one month from the date of the relevant assignment notify the Manager in writing of such cessation and of the name and address of the new Owner and without prejudice to the liability of the new Owner, every such Owner shall remain liable for all sums payable in accordance with the provisions of this Deed and for the observance and performance of the terms and conditions hereof up to the date of such cessation.

56. Maintenance of electrical provisions etc. of Parking Space. Each Owner of the Residential Unit shall at his own cost and expenses appoint suitable expertise for the maintenance of all electrical provisions including cables, wirings, draw pits and associated accessories (whether underground or otherwise) exclusively serving the Parking Space(s) for that Residential Unit, including those electrical provisions passing through and installed within the Development Common Parts and connecting to the electricity meter of the Residential Unit.

57. Demolition or Alteration of beams and walls. Subject to and without prejudice to Clause 1 of the Third Schedule hereto, an Owner of Residential Unit A or Residential Unit B and Residential Unit D or Residential Unit E may demolish or alter the beams or walls or parapet walls on roof between Residential Unit A and Residential Unit B or Residential Unit D and Residential Unit E (as the case may be) PROVIDED THAT prior written consent is obtained from (i) both Owners (of Residential Unit A and Residential Unit B; or of Residential Unit D and Residential Unit E) who agree to such demolition or alteration; (ii) the Buildings Department and/or other government authority; and the (iii) Manager; together with the Owners' written undertaking in a manner acceptable to the Manager or any other competent authority not to interfere with the other Owner's rights under Clause 1 of the Third Schedule hereto.

58. Fire Services Installations in Residential Unit.

- (a) Each Owner of the Residential Unit shall observe and comply with the Fire Services Ordinance (Cap. 95) and any other relevant legislations, by-laws or regulations and any notices orders or directions issued or served by any competent authorities from time to time;
- (b) An Owner of the Residential Unit shall not remove, alter or obstruct the fire services installations forming part or parts of his Residential Unit, including but not limited to the fire extinguishers placed in the Residential Unit. In addition, each Owner of Residential Unit A and Residential Unit E shall not remove or alter the full height FRR Board -/60/60 (fire resistance rating board with minimum fire resistance rating -/60/60) installed at the gas heater cabinet on the Roof Floor of each of Residential Unit A and Residential Unit E;
- (c) An Owner of the Residential Unit shall at his own costs and expense inspect, maintain and carry out all necessary works for the repair, maintenance and/or replacement of the fire services installations which form part or parts of his Residential Unit which shall be conducted by the Manager or any contractor appointed or approved by the Manager and in such manner as the Manager shall think fit, and shall cause the residents, tenants and occupiers of his Residential Unit to observe and comply with the same. An Owner of the Residential Unit must obtain the prior written approval of the Manager for the repair,

maintenance and/or replacement of such fire services installations; and

- (d) An Owner of the Residential Unit shall allow the fire services installations installed in his Residential Unit to be subject to annual or other maintenance, testing and commissioning conducted by the Manager or any contractor appointed or approved by the Manager and in such manner as the Manager shall think fit, and shall allow access to his Residential Unit to the Manager and the aforesaid contractor for the purpose of carrying out the aforesaid maintenance, testing and commissioning, such maintenance, testing and commissioning shall be at the cost of the Owner concerned. For the avoidance of doubts, any maintenance certificate of such fire services installations shall be submitted by the Manager or any contractor appointed or approved by the Manager at the cost of the Owner concerned.

THE FOURTH SCHEDULE ABOVE REFERRED TO

EASEMENTS, RIGHTS AND PRIVILEGES

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

- (a) The full rights and privileges of the Government specifically excepted and reserved in the Government Lease and this Deed;
- (b) The full right and privilege of the Manager at all reasonable times upon prior reasonable notice (except in the case of emergency) with or without agents, surveyors, workmen and others to enter into and upon his premises for the purposes of effecting necessary repairs and maintenance to the Lot or the Development or any part or parts thereof or any of the Common Parts therein or any other apparatus and equipment used or installed for the benefit of the Lot or the Development or any part or parts thereof as part of the amenities thereof provided and such systems connecting with the Common Parts that the Manager shall make good any damage caused thereby and the costs for making good the damage shall be paid out of the Management Fund, but if such damage is caused by the negligent, wilful or criminal acts of the Manager or negligent, wilful or criminal acts of the staff or contractors of the Manager, the Manager shall at his own expense make good such damage; and
- (c) Easements, rights and privileges equivalent to those set forth in Sub-clauses (b), (c) and (d) of Clause 2 of the Second Schedule and as reserved unto the First Owner and the Manager under this Deed.

THE FIFTH SCHEDULE ABOVE REFERRED TO

WORKS AND INSTALLATIONS

Items of the Works and Installations in the Development which will require regular maintenance on a recurrent basis are as follows :

- (a) structural elements;
- (b) external wall finishes and roofing materials;
- (c) fire safety elements;
- (d) slope structures (if applicable);
- (e) plumbing system;
- (f) drainage system;
- (g) fire services installations and equipment;
- (h) electrical wiring system and electrical distribution system;
- (i) lift installations;
- (j) gas supply system;
- (k) window installations;
- (l) control system for property gate and pedestrian gate;
- (m) lightning protection system;
- (n) mechanical ventilation and air-conditioning system;
- (o) lighting system;
- (p) electricity supply system; and
- (q) water supply system.

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

THE FIRST OWNER

SEALED with the COMMON SEAL of)
the First Owner and SIGNED by)
)
)
)
)
)
)
)
person(s) duly authorized by the board of)
directors whose signature(s) is/are verified)
by:)

THE FIRST ASSIGNEE

[SEALED with the COMMON SEAL of)
the First Assignee and SIGNED by)
)
)
)
person(s) duly authorized by the board of directors)
whose signature(s) is/are verified by:)]

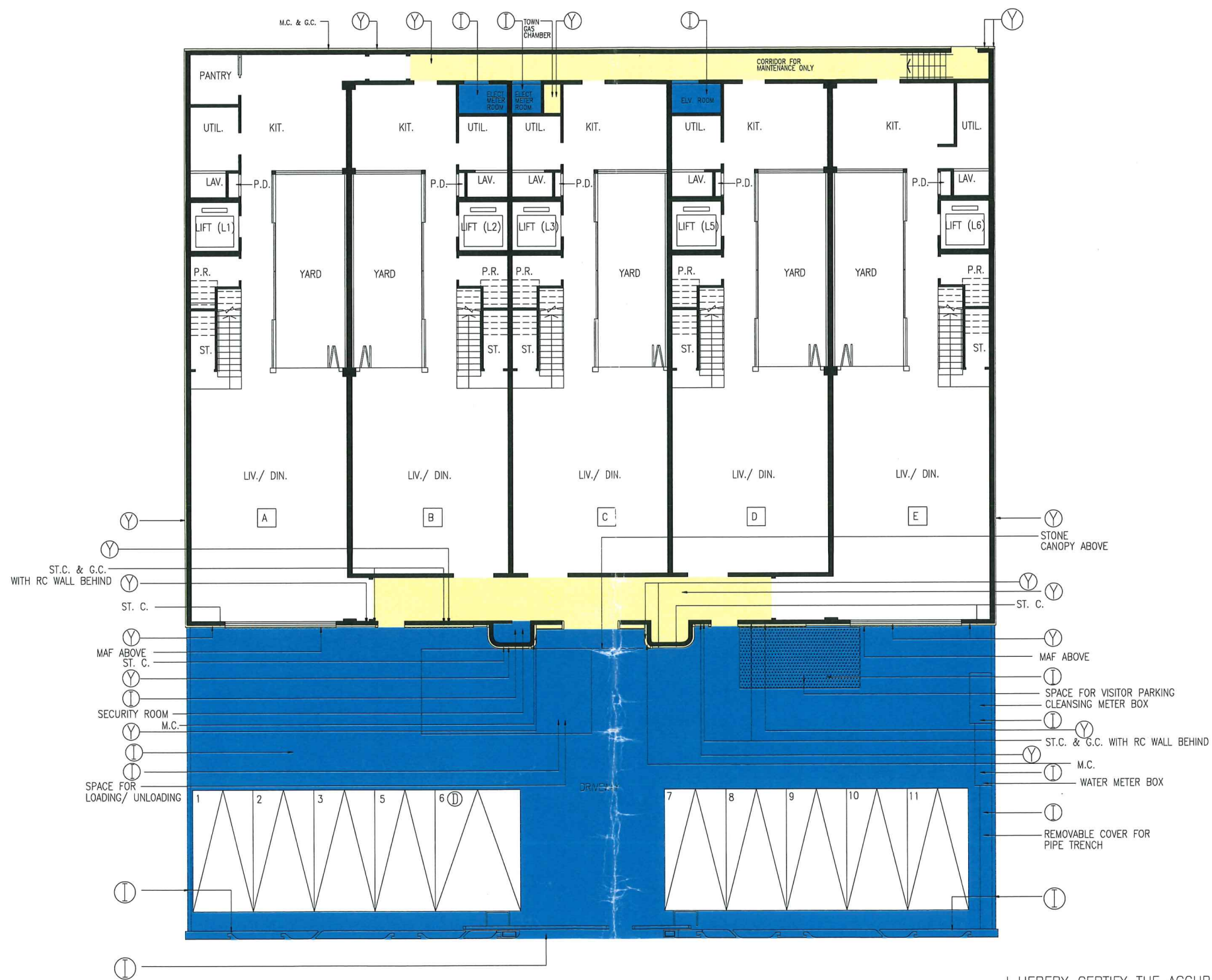
[or]

[SIGNED SEALED and DELIVERED by)
the First Assignee (holder of Hong Kong)
Identity Card No.)
)
)
in the presence of:)]

INTERPRETED to the First Assignee by:-

APPENDIX 1

The Plans



GROUND FLOOR PLAN

LEGEND

- YELLOW – RESIDENTIAL COMMON PARTS
- INDIGO – DEVELOPMENT COMMON PARTS
- INDIGO STIPPLED BLACK – DEVELOPMENT COMMON PARKING SPACE (DEVELOPMENT COMMON PARTS)

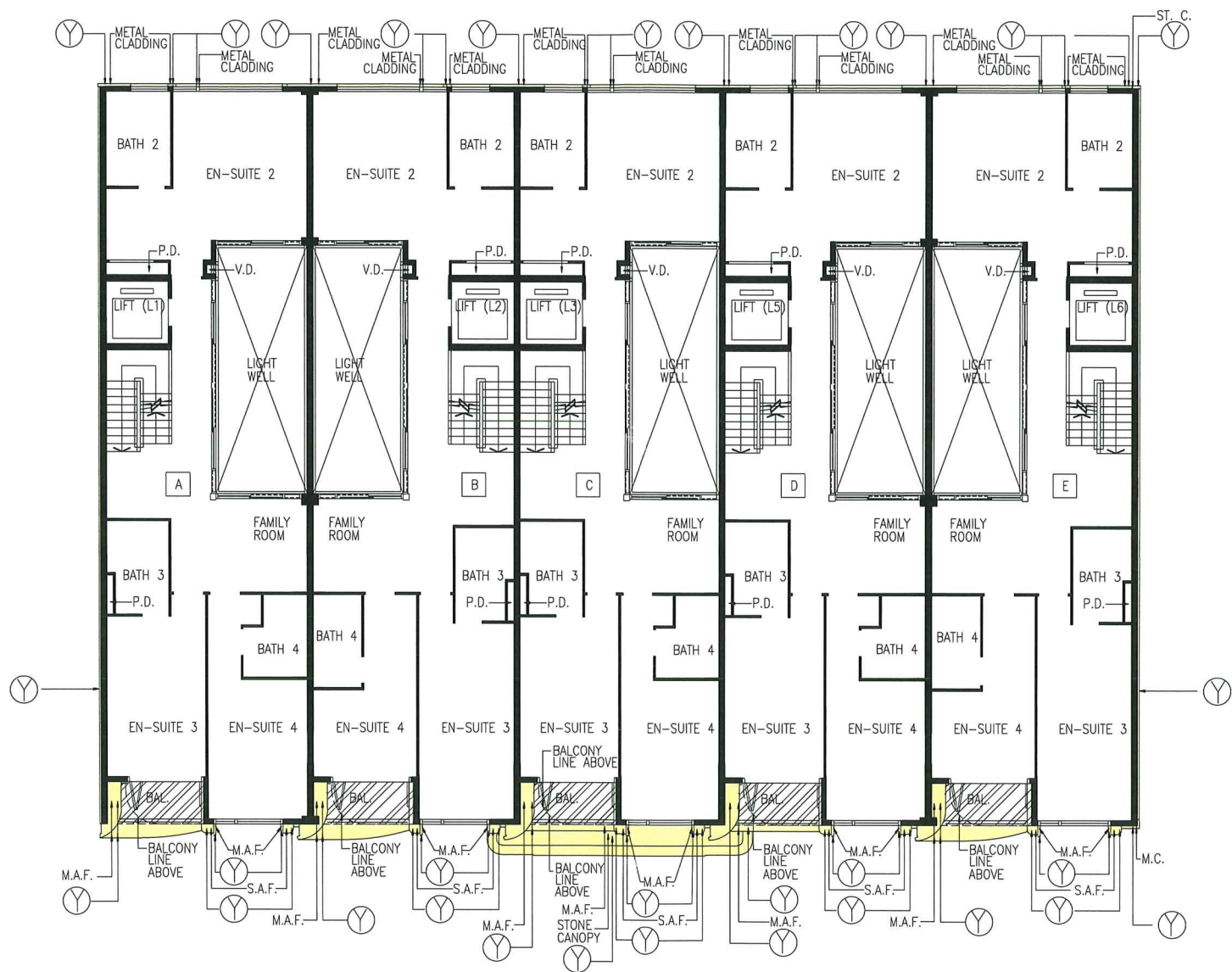
NOTE:
THIS PLAN IS BASED ON BUILDING AMENDMENT PLAN APPROVED BY BD ON 7 NOV 2019.

07-2020	
NUMBER / 號	AMENDMENT / 號
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PROJECT / 項目 PROPOSED RESIDENTIAL RE-DEVELOPMENT AT No.2 GRAMPIAN ROAD, KOWLOON, N.K.I.L. 2577	
DRAWING / 圖號 GROUND FLOOR PLAN	
SCALE / 比例 1:200 (A3)	JOB NUMBER / 項目號 5287
DATE / 日期 07-2020	DRAWING NUMBER / 圖號 DMC-01
DESIGNED / 設計	CHECKED / 校核
	APPROVED / 核准
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I HEREBY CERTIFY THE ACCURACY OF THIS PLAN

Chan Wan Ming

CHAN WAN MING
AUTHORIZED PERSON (ARCHITECT)



1/F PLAN

LEGEND

-  YELLOW – RESIDENTIAL COMMON PARTS
-  HATCHED BLACK – BALCONY

NOTE:
THIS PLAN IS BASED ON BUILDING AMENDMENT PLAN APPROVED BY BD ON 7 NOV 2019.

NUMBER / 圖號	DATE / 日期	AMENDMENT / 修訂
-	07-2020	

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PROJECT / 工程
PROPOSED RESIDENTIAL RE-DEVELOPMENT AT No.2 GRAMPIAN ROAD, KOWLOON, N.K.I.L. 2577

DRAWING / 圖號
FLOOR PLAN OF 1/F

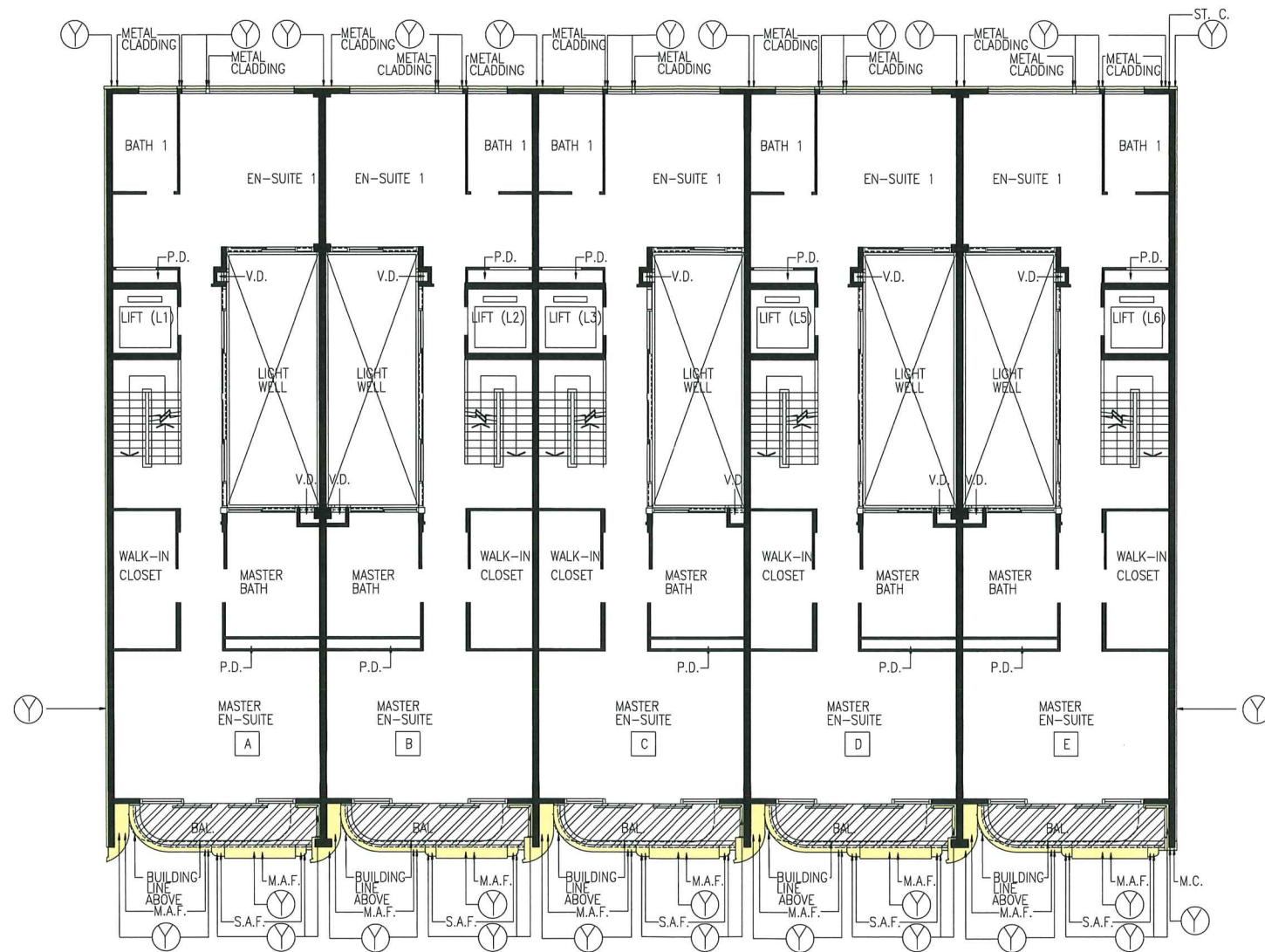
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1:200 @ (A3)	5287
DATE / 日期	DRAWING NUMBER / 圖號
07-2020	DMC-02

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CHAN WAN MING
AUTHORIZED PERSON (ARCHITECT)



2/F PLAN

LEGEND

-  YELLOW – RESIDENTIAL COMMON PARTS
-  HATCHED BLACK – BALCONY

NOTE:
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NUMBER / 圖號	DATE / 日期	AMENDMENT / 修訂
-	07-2020	

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PROJECT / 項目
PROPOSED RESIDENTIAL RE-DEVELOPMENT AT No.2 GRAMPIAN ROAD, KOWLOON, N.K.I.L. 2577

DRAWING / 圖號
FLOOR PLAN OF 2/F

SCALE / 比例	JOB NUMBER / 項目編號
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DATE / 日期	DRAWING NUMBER / 圖號
07-2020	DMC-03

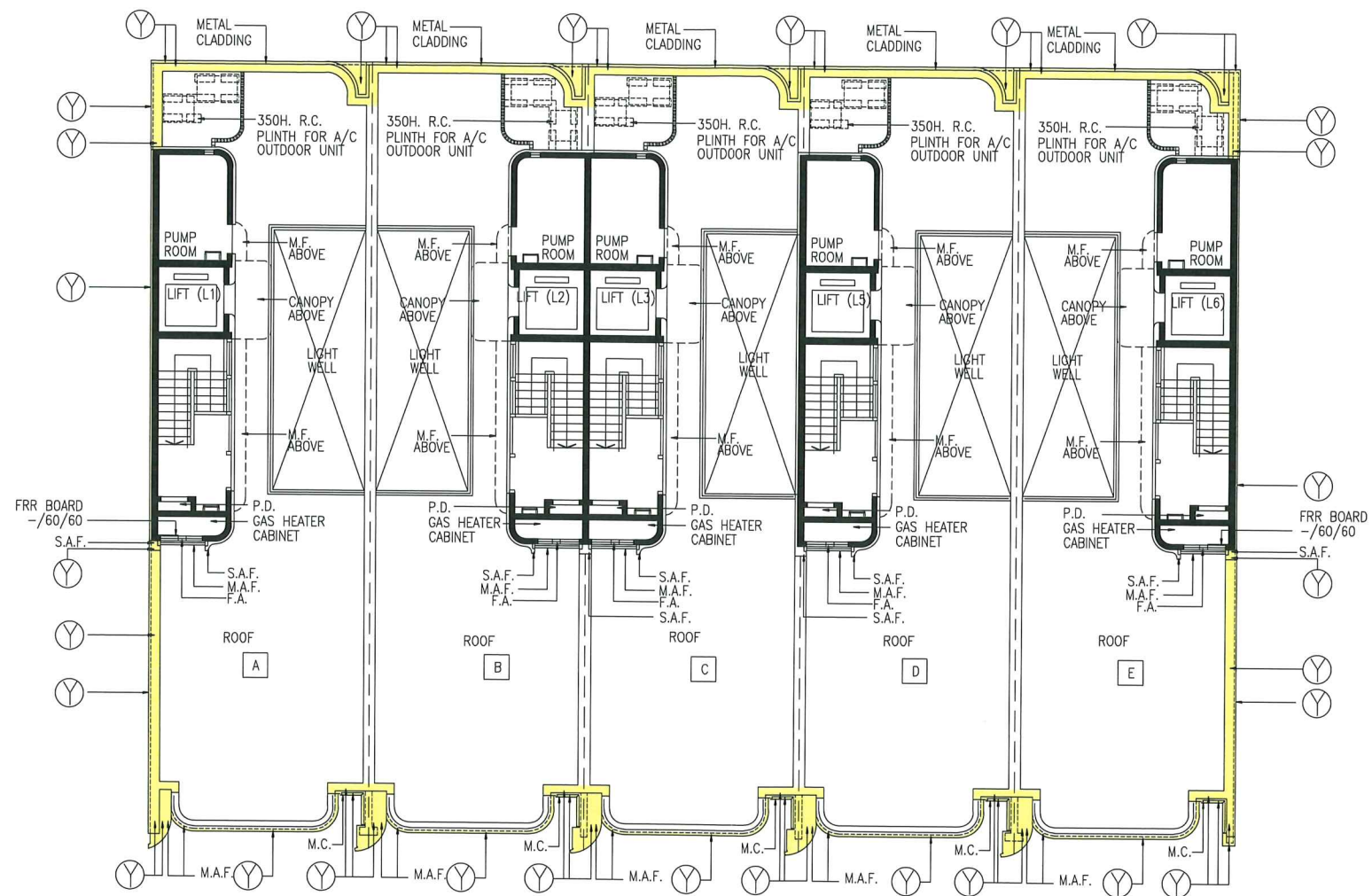
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Chan Wan Ming

CHAN WAN MING
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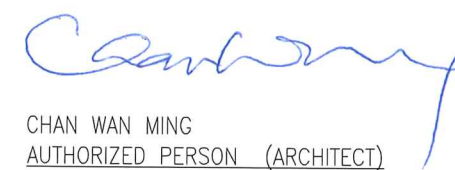
ROOF PLAN


NOTE:
THIS PLAN IS BASED ON BUILDING
AMENDMENT PLAN APPROVED BY
BD ON 9 JUN 2020.

LEGEND

 YELLOW –
RESIDENTIAL COMMON PARTS

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CHAN WAN MING
AUTHORIZED PERSON (ARCHITECT)

-		07-2020	
NUMBER / 號	DATE / 日	AMENDMENT / 號	
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PROJECT / 項目 PROPOSED RESIDENTIAL RE-DEVELOPMENT AT No.2 GRAMPAN ROAD, KOWLOON, N.K.I.L. 2577			
DRAWING / 圖號 ROOF PLAN			
SCALE / 比例	JOB NUMBER / 項目號		
1:200 @ (A3)	5287		
DATE / 日期	DRAWING NUMBER / 圖號		
07-2020	DMC-04		
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