

**DATED** the 24th day of October **2022**

**TALENT CHARM CORPORATION LIMITED (傑懋有限公司)**

**and**



**and**

**EMPEROR PROPERTY MANAGEMENT (HK) LIMITED  
(英皇物業管理(香港)有限公司)**

**and**

**THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED**

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**DEED OF MUTUAL COVENANT  
AND MANAGEMENT AGREEMENT**

**of**

**NO.15 SHOUSON (壽臣山15號),  
No.15 Shouson Hill Road West, Hong Kong**

**erected on**

**Rural Building Lot No.1198**

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**Baker  
McKenzie.**  
貝克·麥堅時律師事務所

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THIS DEED is made on the 24th day of October 2022

**BETWEEN:**

- (1) **TALENT CHARM CORPORATION LIMITED (傑懋有限公司)**, whose registered office is situate at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong (the “**First Owner**”);
- (2) [REDACTED] (Holder of Hong Kong Identity Card No. [REDACTED]) of House [REDACTED], NO.15 SHOUSON, 15 Shouson Hill Road West, Hong Kong (the “**First Assignee**”);
- (3) **EMPEROR PROPERTY MANAGEMENT (HK) LIMITED (英皇物業管理(香港)有限公司)** whose registered office is situate at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong (the “**Company**”); and
- (4) **THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED**, whose registered office is situate at No.1 Queen’s Road Central, Hong Kong (the “**Mortgagee**”)

**NOW THIS DEED WITNESSES** as follows:

**1. DEFINITIONS**

In this Deed the following definitions apply unless the context otherwise requires:

“**Advance Payment**” means a sum equal to 2 months’ Monthly Management Fees payable for a Unit during the first Financial Year;

“**Authorized Person**” means Lee Kar Yan Douglas of Andrew Lee King Fun & Associates Architects Limited of 19/F Universal Trade Centre, 3 Arbuthnot Road, Central, Hong Kong, and any other replacement authorized person for the time being appointed by the First Owner;

“**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 10.2(a) by the Manager and has not been rejected under Clause 10.2(e), including all revisions thereto made in compliance with Clause 10.2(c); and “**approval**”, when used in relation to the Budget, means the preparation and sending or (as the case may be) displaying of the budget in accordance with Clause 10.2(a) or 10.2(c) and the fact of its not being rejected under Clause 10.2(e) and “**approve**”, when used in relation to the Budget, shall be construed accordingly;

“**Building Plans**” means the general building plans and specifications in respect of the Development or in respect of any part or parts of the Development prepared by the Authorized Person and approved by the Building Authority under reference no. BD 2/2030/14 and includes any amendment thereto as approved by the Building Authority;

“**Common Parts**” means all areas, systems, equipment, facilities, machinery, fixtures,

fittings, Conduits or other matters in the Land:

- (i) which are intended for the common use and benefit of different Owners, occupiers, licensees or invitees of the Land or any part thereof;
- (ii) as will fall within the definition of “common parts” in Section 2 of the Ordinance; or
- (iii) which are from time to time designated by an Owner to be Common Parts in accordance with this Deed.

The expression shall include (subject to the provisions of this Deed) the matters referred to in Schedule 4 and shall also include:

- (a) those areas of the Development which are (for identification purpose) coloured yellow, yellow hatched black and yellow stippled black on the Plans (“**Coloured Yellow Areas**” in this definition); and
- (b) all sanitary appliances, glazing, window panes, window frames, doors, door frames, grilles, louvers and louver frames and finishes of any Coloured Yellow Areas;
- (c) the Recreational Facilities;
- (d) the Greenery Areas;
- (e) Vertical Green Features;
- (f) the Parking Space for the Disabled Persons;
- (g) the Loading and Unloading Space;
- (h) any water-proofing system on the top of the floor slab of any Coloured Yellow Areas;
- (i) the foundations of the Development, excluding for the avoidance of doubt any foundation serving exclusively any House;
- (j) the fence wall of the Development abutting the boundary of the Land (excluding any internal finishes of garden held with and forming part of any House or any other part of any House);
- (k) the office accommodation for caretakers; and
- (l) any Slope Structures within the Land.

To avoid doubt, the expression shall exclude any system, equipment, facility, machinery, fixture, fitting or Conduit which serves only one Unit;

“**Common Parts Shares**” means the Undivided Shares allocated to the Common

Parts under this Deed;

**“Common Utilities Deposits”** means the water, electricity, gas and other utilities deposits in respect of the Common Parts;

**“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;

**“Decoration Deposit”** means the Decoration Deposit referred to in Schedule 7, paragraph 26;

**“Development”** means the whole of the development constructed or in the course of construction on the Land in accordance with the Land Grant and the Building Plans and known as “NO.15 SHOUSON (壽臣山15號)”;

**“Development Rules”** means rules governing the Land from time to time in force made under this Deed;

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

- (a) the proposed Management Expenses set out in the approved Budget for the Financial Year in question;
- (b) if and for so long as Clause 10.2(b)(i) applies, the Management Expenses (if any) for the previous Financial Year; and
- (c) if and for so long as Clause 10.2(e) applies, the Management Expenses for the previous Financial Year, together with the additional amount permitted under Clause 10.2(e);

**“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 under Clause 10.17;

**“First Assignee’s Unit”** means ■■■ Undivided Shares and the attached Right to Occupy House■■■ of the Development;

**“Geotechnical Guidelines”** means “Geoguide 5 - Guide to Slope Maintenance” (as amended or substituted from time to time) and any other relevant geotechnical guidelines or regulations issued by the Geotechnical Engineering Office or any other Government department from time to time;

**“Government”** means the Government of Hong Kong and any relevant statutory authority or body;

**“Green Hatched Black Areas”** means “the Green Hatched Black Areas” as referred to under Special Condition No.(30)(a);

**“Greenery Areas”** means the areas of the Land planted with trees, shrubs and other plants in the Development referred to in Special Condition No.(10)(b) which are for identification purposes shown yellow stippled black on the Plans and shall also include Vertical Green Features (for the avoidance of doubt, “Greenery Areas” defined herein are not the same as “the Greenery Area” as defined and referred to in Special Condition No.(10)(b)(ii));

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

**“House”** means a house for domestic use in the Development which is (for identification purpose) coloured pink and pink cross-hatched black or green and green cross-hatched black on the Plans, in respect of which the Right to Occupy belongs to the Owner of the Undivided Shares allocated to such house, including:

- (a) any balcony, roof, garden (including any swimming pool therein) held with and forming part of such house, the gross floor area exempted portion of each such balcony forming part of such house is, for the purpose of identification, coloured green cross-hatched black or pink cross-hatched black on the Plans;
- (b) railings or glass balustrades enclosing a balcony, roof (which said expression in this Deed is inclusive of any upper roof), garden held with and forming part of such house;
- (c) all glazing, window panes and window frames (including the glazing, window panes and window frames of the operable windows installed in a curtain wall), doors, door frames, louvers, louver frames and internal finishes of such a house (or of any balcony, roof, garden held with and forming part of such house);
- (d) all sanitary appliances in such house;
- (e) the internal partitions (whether structural or load bear or non-structural or non-load bearing) and ceiling and floor slabs of such house (or of any balcony, roof, garden held with and forming part of such house);
- (f)
  - (i) the inner half of any parapet or fence wall separating any garden held with and forming part of the house from any garden held with and forming part of another house; and
  - (ii) (unless coloured as a Common Part on the Plans) the entire thickness of any parapet or fence wall separating a garden held with and forming part of such house from any area coloured as a Common Part on the

Plans (excluding however the finishes on the side of such parapet or fence wall facing the Common Parts);

- (g) the external wall (including any curtain wall (and the frames, glass, cast-in anchors and other components of the parts of the curtain wall system) and any non-structural prefabricated wall (the location of which is indicated on the Plans by red lines)) and finishes thereon of the house;
- (h) any structural or load bearing elements or foundation exclusively supporting the house (or any balcony, roof, garden held with and forming part of such house);
- (i) any staircase and landings of or inside the house and any stairhood or top of stairhood of or inside the house;
- (j) water-proofing system on the floor slab of such house or the balcony, roof, garden or top of stairhood held with and forming part of such house;
- (k) the lift in the house and its associate fittings, fixtures, equipment, installations, lift shaft and lift pit;
- (l) any AHU (air handling unit) room (and metal grille of such room) and any plinth for air-conditioner units of that house;
- (m) any parking space and carport held with and forming part of the house;
- (n) all systems, equipment, facilities, machinery, fixtures, fittings, Conduits serving exclusively such house (or any balcony, roof, garden held with and forming part of such house) or any of the above;

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

- (o) any Conduits located inside such house, or any balcony, roof, garden held with and forming part of the house, which do not exclusively serve such house, or any balcony, roof, garden held with and forming part of such house, or any part thereof;

**“Land”** means all that piece or parcel of land registered in the Land Registry as Rural Building Lot No.1198; and, where the context permits, shall include the Development thereon;

**“Land Grant”** means the Agreement and Conditions of Sale dated the 13th day of June 2014 and registered in the Land Registry as New Grant No. 20223 including all amendments, variations, modifications or extensions thereof or waivers or consents or no-objections by the Government of or in relation to any provision contained therein, made or effected from time to time after the date of the Land Grant;

**“Loading and Unloading Space”** means the loading and unloading space provided under Special Condition No. (19) which is marked “LOADING/UNLOADING” on the Plans;

**“Management Expenses”** means the Management Expenses more particularly described in Clause 10.1;

**“Management Fees Deposit”** means a sum equal to 3 months’ Monthly Management Fees payable for a Unit during the first Financial Year as adjusted from time to time under Clause 10.5(c)(iii);

**“Management Funds”** means all moneys held by the Manager under this Deed including payments on account of Monthly Management Fees, Advance Payments, Management Fees Deposits, Common Utilities Deposits and the Special Fund;

**“Management Shares”** means the management shares allocated to the Units in accordance with Schedule 2;

**“Manager”** means the Company or any other person who for the time being is, for the purpose of this Deed, managing the Development;

**“Manager’s Remuneration”** means the remuneration to the Manager for managing the Land under this Deed;

**“Monthly Management Fees”** means the monthly management fees payable by an Owner in respect of each Unit which he has the Right to Occupy, calculated in accordance with Clause 10.3(c);

**“Mortgage”** means the Mortgage entered into between the First Owner and the Mortgagee on 9 December 2021 and registered at the Land Registry with the Memorial No. 21122202320021; /

**“NIAR”** means the noise impact assessment report prepared in respect of the Development;

**“Noise Mitigation Measures”** means the noise mitigation measures mentioned in the NIAR which said measures are summarized in Appendix 3 hereto;

**“Non-enclosed Areas”** means the balconies (including the non-gross floor area exempted portion of such balconies) in the Development and the covered areas beneath the balconies (excluding the non-gross floor area exempted portion of such balconies) in the Development;

**“Ordinance”** means the Building Management Ordinance (Cap. 344);

**“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;

**“Owners’ Corporation”** means the corporation of the Owners incorporated under section 8 of the Ordinance;

**“Parking Space for the Disabled Persons”** means a parking space forming part of “the Parking Spaces for the Disabled Persons” referred to in Special Condition No.(18)(b)(i), which is marked “P2 ACC.” on the Plans;

**“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;

**“Recreational Facilities”** means those areas of the Development which are coloured yellow hatched black on the Plans and the recreational and sporting facilities from time to time provided in such areas for the residents in the Development and their bona fide guests and visitors, together with all facilities and areas ancillary thereto;

**“Right to Occupy”** means 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 Shares, 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;

**“Sign”** includes any sign, visual display, hoarding, showcase, signboard, bill plate, fascia, poster, banner, digital signage, LED signage, TV display or other similar fixture or fitting (illuminated or otherwise);

**“Slope Maintenance Manuals”** means the slope maintenance manual(s) for the Slope Structures prepared pursuant to the Geotechnical Guidelines;

**“Slope Plan”** means a plan of a scale not less than 1:500 annexed hereto as Appendix 2 which has been certified by or on behalf of the Authorized Person as to the inclusion of all Slope Structures;

**“Slope Structures”** means all slopes, slopes treatment works, retaining walls and other structures within or outside the Land to be maintained by the grantee (and its successors and assigns) under the Land Grant as shown for identification purposes only Pink on the Slope Plan;

**“Special Condition”** means a Special Condition of the Land Grant;

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

**“Special Fund Initial Contribution”** means a sum equal to 2 months’ Monthly Management Fees payable for a Unit during the first Financial Year;

**“Undivided Share”** means an equal undivided part or share of and in the Land and of and in the Development allocated in accordance with the provisions of this Deed or a sub-deed of mutual covenant (if any);

**“Unit”** means a House; and shall, where the context permits, include the Undivided Shares allocated to and the attached Right to Occupy that House;

**“Vertical Green Features”** means the vertical green features in the Development the locations of which are marked by indigo broken lines on the Plans;

**“W&I Maintenance Manual”** shall have the meaning given in Clause 14.10 and shall include all revisions thereto made in accordance with this Deed;

**“Works and Installations”** means all major works and installations in the Development which will require regular maintenance on a recurrent basis, that is to say the works and installations in the Development listed out in Schedule 8 and shall include all revisions thereto from time to time made in accordance with Clause 14.10(d).

## **2. INTERPRETATION**

In this Deed, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing any gender include every gender;
- (c) words importing persons include firms, companies, corporations and unincorporated bodies and vice versa;
- (d) references to Clauses, Schedules and Appendices are references to the relevant clause in or schedule or appendix to this Deed;
- (e) the index and headings to the Clauses, Schedules, Appendices and paragraphs shall not affect the interpretation of this Deed;
- (f) references to a specific ordinance include any extension, modification or re-enactment of that ordinance and any delegated legislation made under it;
- (g) references to any obligation on any person not to do any act or thing include an obligation not to allow that act or thing to be done by another person;
- (h) without prejudice to any other provisions of this Deed, references to any Government bureau, department or official shall include a reference to any other Government bureau, department or official from time to time substituting the first mentioned Government bureau, department or official or

performing (in whole or in part) such of the functions performed by the first mentioned Government bureau, department or official on the date of execution of this Deed as are relevant for the purpose of this Deed;

- (i) references to “**law**” include all rules of common law and equity, ordinances, subsidiary and subordinate legislation, orders, rules and regulations, any other matters having the force of law, any notice, order, demand or communication of a similar nature issued pursuant to any of the above or any order, decree, judgment, award or decision of any court or tribunal;
- (j) references to “**losses**” or “**liabilities**” include all liabilities, damage, loss, damages, costs, disbursements, expenses, claims and proceedings;
- (k) references to any House, any Unit, the Common Parts, the Green Hatched Black Areas, the Greenery Areas, the Development and the Land are references to each and every part thereof;
- (l) references to “**management of the Land**” means the control, management, maintenance and administration of the Land and include the performance of the Manager’s duties and the exercise of the powers of the Manager under this Deed and “**manage**” shall be construed accordingly;
- (m) where under this Deed, the First Owner has the power or right to make any decision, form any opinion or give or withhold any consent or approval, such power or right may be exercised in its absolute discretion and shall be final and binding on the Owners;
- (n) where under this Deed the Manager has the power or right to make any decision, form any opinion or give or withhold any consent or approval, such power or right shall be exercised in its reasonable discretion and such consent or approval shall not be unreasonably withheld;
- (o) any consent, approval or authorisation to be given by the Manager must be prior consent, approval or authorisation in writing and signed by it or on its behalf to be effective under this Deed; and
- (p) in construing this Deed, the ejusdem generis rule of construction shall not apply.

### 3. **RECITALS**

- 3.1 First Owner’s title. Immediately before the assignment to the First Assignee referred to in Clause 3.4, the First Owner was the registered owner and was in possession of the Land subject to the Mortgage.
- 3.2 The Development. The Development consists of, inter alia, 15 houses and the common parts.

- 3.3 Allocation of Undivided Shares. For the purposes of sale, the Land has been notionally divided into Undivided Shares which have been allocated as provided in Schedule 1.
- 3.4 Assignment to the First Assignee. By a partial release of the same date as this Deed, the First Assignee's Unit was released from the Mortgage by the Mortgagee to the First Owner. By an assignment of the same date as this Deed made between the First Owner and the First Assignee, the First Owner assigned the First Assignee's Unit to the First Assignee.
- 3.5 Purpose of Deed. The parties have agreed to enter into this Deed to define the rights and obligations of the Owners, regulate the management of the Land and apportion the Management Expenses.
- 3.6 Assignment of Common Parts Shares. Immediately after the execution of this Deed, the First Owner shall assign to and vest in the Company as trustee for all Owners all Common Parts Shares and Common Parts free of costs or consideration. To enable such an assignment to be effected, the Mortgagee shall execute a partial release of the Common Parts from the Mortgage immediately upon the execution of this Deed and, immediately after such partial release, the First Owner shall assign the Common Parts and the Common Parts Shares to the Company which shall be held on trust by the Company as trustee for all Owners in accordance with the provisions of this Deed.

#### **4. RIGHTS AND OBLIGATIONS OF OWNERS**

- 4.1 First Owner. The First Owner shall have the Right to Occupy the entire Land (other than the First Assignee's Unit and the Common Parts) subject to and with the benefit of this Deed and subject to the Mortgage (to the extent the same continues to subsist).
- 4.2 First Assignee. The First Assignee shall, subject to and with the benefit of this Deed, have the Right to Occupy the First Assignee's Unit to the exclusion of the First Owner.
- 4.3 Rights of all Owners. Each Owner shall hold his Undivided Share(s) and the attached Right to Occupy subject to and with the benefit of this Deed and the rights contained in Schedule 3. Each Undivided Share and the sole and exclusive right and privilege to hold, use, occupy and enjoy any part of the Development shall be held by the Owner from time to time of such Undivided Share subject to and with the benefit of the easements, rights, privileges and obligations, and the covenants and provisions contained in this Deed.
- 4.4 Owners bound by this Deed. Without prejudice to the rights of the First Owner in Clause 5.1 and Schedule 6, each Owner shall observe and perform the covenants contained in Schedule 5.
- 4.5 Right to assign without reference to other Owners. Every Owner shall have the full right and liberty without reference to any other Owner or any person who may be interested in any other Undivided Share(s) in any way whatsoever and without the necessity of making such other Owner or such person a party to the transaction to sell,

assign, mortgage, charge, lease, license or otherwise dispose of or deal with his Undivided Share(s) or interest of and in the Land and the Development together with the sole and exclusive right and privilege to hold, use, occupy and enjoy such part(s) of the Development which may be held therewith PROVIDED THAT any such transaction shall be expressly subject to and with the benefit of this Deed.

- 4.6 Right to Occupy not to be dealt with separately from Undivided Shares. The sole and exclusive right and privilege to hold, use, occupy and enjoy any part of the Development shall not be sold, assigned, mortgaged, charged, leased or otherwise dealt with separately from the Undivided Share(s) with which the same is held PROVIDED ALWAYS that the provisions of this Clause 4.6, subject to the Land Grant, do not extend to any lease, tenancy or licence.
- 4.7 Owner to be responsible for acts or omissions of occupiers. Each Owner shall be responsible for and shall indemnify the Manager and the other Owners and occupiers of the Land and their licensees against all losses incurred by it or them as the direct or indirect result of the act or omission of himself or any occupier of the Unit which he has the Right to Occupy or their respective licensees or invitees or in any way owing to the overflow of water or escape of fire, smoke or fumes or any other emission therefrom.

## 5. ADDITIONAL RIGHTS

- 5.1 First Owner. The rights set out in Schedule 6 are excepted and reserved to the First Owner so long as it remains the beneficial owner of any part of the Land and may be exercised by the First Owner without the concurrence of any other Owner, the Manager, the Owners' Corporation or any other person except expressly provided to the contrary in Schedule 6.

## 6. POWER OF ATTORNEY

- 6.1 Power. The Owners hereby jointly and severally and irrevocably appoint the First Owner as their agent and attorney and grant to the First Owner the power to do all things and to execute as their own act such deeds and to sign such documents as may be reasonably required for or incidental to the exercise of the First Owner's rights conferred by Clause 5.1 and Schedule 6.
- 6.2 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 Talent Charm Corporation Limited (傑懋有限公司) 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 Rural Building Lot No.1198 and the buildings thereon known as "NO.15 SHOUSON (壽臣山15號)", No. 15 Shouson Hill Road West, 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 5.1 and Schedule 6 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.”

## **7. APPOINTMENT OF MANAGER**

7.1 Appointment of the Company as Manager. Subject to the provisions of the Ordinance, the parties (other than the Company) appoint the Company to undertake the management of the Land from (and inclusive of) the date of this Deed for an initial term of 2 years until terminated in accordance with this Clause 7, and the Company accepts such appointment.

### **7.2 Termination of Manager’s Appointment by the Manager or Owner’s Committee.**

- (a) The appointment of the Manager may be terminated without compensation as follows:
  - (i) prior to the formation of the Owners’ Corporation, at any time by the Owners’ Committee following a resolution passed by a majority of the votes of the Owners voting either personally or by proxy in an Owners’ meeting convened under this Deed and supported by the Owners of not less than 50% of the Undivided Shares in aggregate (excluding the Common Parts Shares) and by giving the Manager 3 months’ notice in writing; or
  - (ii) by the Manager serving notice in accordance with Clause 7.2(b).
- (b) 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) by sending such a notice to the Owners’ Committee; or
  - (ii) where there is no Owners’ Committee, by giving such a notice to each of the Owners and by displaying such a notice in a prominent place in the Development.
- (c) The notice referred to in Clause 7.2(b)(ii) may be given:
  - (i) by delivering it personally to the Owner; or
  - (ii) by sending it by post to the Owner at his last known address; or
  - (iii) by leaving it at the Owner’s House or depositing it in the letter box for that House.
- (d) If the Manager’s appointment is terminated or comes to an end by whatever reason, the Owners’ Committee shall by a majority resolution appoint a substitute or new Manager and the provisions contained in this Clause 7 shall apply to the substitute or new Manager (other than the provisions relating to

the initial term of 2 years). Until appointment of the substitute or new Manager, the Owners' Committee shall act as the Manager.

7.3 Termination of Manager's appointment by Owners' Corporation

- (a) Subject to Clause 7.3(d), at a general meeting convened for the purpose, an Owners' Corporation may, by a resolution:
  - (i) passed by a majority of the votes of the Owners voting either personally or by proxy; and
  - (ii) supported by the Owners of not less than 50% of the Undivided Shares in aggregate,terminate by notice the Company's appointment without compensation.
- (b) A resolution under Clause 7.3(a) shall have effect only if:
  - (i) the notice of termination of appointment is in writing;
  - (ii) provision is made in the resolution for a period of not less than 3 months' notice or, in lieu of notice, provision is made for an agreement to be made with the Company for the payment to the Company of a sum equal to the amount of Manager's Remuneration which would have accrued to the Company during that period;
  - (iii) the notice is accompanied by a copy of the resolution terminating the Company's appointment; and
  - (iv) the notice and the copy of the resolution is given to the Company within 14 days after the date of the meeting.
- (c) The notice and the copy of the resolution referred to in Clause 7.3(b)(iv) may be given:
  - (i) by delivering them personally to the Company; or
  - (ii) by sending them by post to the Company at its last known address.
- (d) For the purposes of Clause 7.3(a):
  - (i) only the Owners of Undivided Shares who pay or who are liable to pay the Management Expenses relating to those Undivided Shares shall be entitled to vote;
  - (ii) the reference in Clause 7.3(a)(ii) to "the Owners of not less than 50% of the Undivided Shares in aggregate" shall be construed as a reference to the Owners of not less than 50% of the Undivided Shares in aggregate who are entitled to vote.

- (e) If a contract for the appointment of a Manager other than the Company contains no provision for the termination of the Manager's appointment, Clauses 7.3(a), (b), (c) and (d) apply to the termination of the Manager's appointment as they apply to the termination of the Company's appointment.
- (f) Clause 7.3(e) operates without prejudice to any other power there may be in a contract for the appointment of a Manager other than the Company to terminate the appointment of the Manager.
- (g) If a notice to terminate a Manager's appointment is given under this Clause 7.3:
  - (i) no appointment of a new Manager shall take effect unless the appointment is approved by a resolution of the Owners' Committee (if any); and
  - (ii) if no such appointment is approved under Clause 7.3(g)(i) 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.
- (h) 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 Land, and the Owners' Corporation has appointed a Manager under Clause 7.3(g)(ii), 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 7.3(g)(ii) that may otherwise render that person liable for a breach of that undertaking or agreement.
- (i) This Clause 7.3 is subject to any notice relating to the Land that may be published by the Secretary for Home Affairs under Section 34E(4) of the Ordinance but does not apply to any single manager referred to in that Section.

#### 7.4 Obligations after Manager's appointment ends.

- (a) Subject to Clause 7.4(b), if the Manager's appointment ends for any reason, the Manager shall, as soon as practicable after its appointment ends, and in any event within 14 days of the date its appointment ends, deliver to the Owners' Committee (if any) or the Manager appointed in its place any movable property in respect of the control, management and administration of the Land that is under the Manager's control or in the Manager's custody or possession, and that belongs to the Owners' Corporation (if any) or the Owners.
- (b) If the Manager's appointment ends for any reason, the Manager shall within two months of the date its appointment ends:
  - (i) prepare:

(1) an income and expenditure account for the period beginning with the commencement of the Financial Year in which the Manager's appointment ends and ending on the date the Manager's appointment ended; and

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

(ii) deliver to the Owners' Committee (if any) or the Manager appointed in its place any books or records of account, papers, documents and other records which are required for the purposes of Clause 7.4(b)(i) and have not been delivered under Clause 7.4(a).

## **8. DUTIES AND POWERS OF MANAGER**

8.1 General Management. The Manager shall manage the Land in a proper manner in accordance with this Deed (and shall for the avoidance of doubt exercise its power under paragraph 2 of Schedule 7 to take out and update the insurance as referred to in that paragraph). Except as otherwise provided in this Deed, the Manager shall have the powers set out in Schedule 7 and the power to do anything else which it considers is necessary or expedient for the proper management of the Land.

8.2 Manager's acts and decisions binding on Owners. Subject to the provisions of the Ordinance, the Manager shall have the authority to do all such acts and things, as may be necessary or expedient for the management of the Land, for and on behalf of all Owners in accordance with the provisions of this Deed and all such acts and decisions of the Manager done or arrived at in accordance with this Deed shall bind the Owners and each Owner hereby irrevocably appoints the Manager as his agent in respect of any matter concerning the Common Parts duly authorised under this Deed and to enforce the provisions of this Deed against the other Owners.

8.3 Manager not liable to Owners except in certain circumstances. The Manager, its employees or agents shall not be liable to any Owner or other person whomsoever for anything done or omitted in pursuance or purported pursuance of this Deed not being an act or omission involving criminal liability, dishonesty or negligence on the part of the Manager or its employees, agents or contractors. Without limiting the generality of this, the Manager, its employees, agents or contractors shall not be liable for any liabilities arising directly or indirectly from:

- (a) any defect in or failure or malfunction of any of the Common Parts or the Slope Structures;
- (b) any failure, malfunction or suspension of the supply of water, gas, electricity or other utility services to, from or for the Land;

- (c) fire, flood or the overflow or leakage of water;
- (d) the activity of termites, cockroaches, rats, mice or other pests or vermin; or
- (e) theft or burglary;

unless it can be shown that such liabilities were caused by an act or omission of the Manager, its employees, agents or contractors involving criminal liability, dishonesty or negligence and Provided That the Monthly Management Fee shall not cease to be payable on account thereof. No Owner shall be required to indemnify the Manager or his employees, agents or contractors from and against any action, claim etc. arising out of any such act or omission.

8.4 Limitation of Manager's power on improvements to facilities and services. Except with the prior approval by a resolution of Owners at an Owners' meeting convened under this Deed, the Manager shall not carry out any improvements to facilities and services which involve expenditure in excess of 10% of the current Budget.

8.5 Works. Notwithstanding anything in this Deed, the Manager shall not be under any personal liability to carry out any works (including those relating to the Slope Structures as required under the conditions of the Land Grant, which shall remain the responsibility of the Owners) if, having used all reasonable endeavours, the Manager has not been able to collect the costs of the required works from the Owners.

8.6 Communications among Owners. The Manager shall consult (either generally or in any particular case) the Owners' Corporation at a general meeting of the Owners' Corporation and adopt the approach decided by the Owners' Corporation on the channels of communication among Owners on any business relating to the management of the Land.

## 9. MANAGER'S REMUNERATION

### 9.1 Manager's Remuneration.

- (a) The Manager's Remuneration in a Financial Year shall be 20% of the total Management Expenses incurred in the Financial Year.
- (b) No variation of the percentage in Clause 9.1(a) may be made except with approval by a resolution of Owners at an Owners' meeting convened under this Deed.
- (c) For the purpose of calculating the Manager's Remuneration, the Management Expenses must exclude (i) the Manager's Remuneration itself; and (ii) any capital expenditure or expenditure drawn out of the Special Fund provided that by a resolution of Owners at an Owners' meeting convened under the Deed, any capital expenditure or expenditure drawn out of the Special Fund may be included for calculating the Manager's Remuneration at the rate applicable under Clause 9.1(a) or Clause 9.1(b) or at any lower rate as considered appropriate by the Owners.

- 9.2 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.

- 9.3 Increase in monthly deduction. If, as a result of a revision of the Budget in accordance with Clause 10.2(c) or the approval of a Budget, the amount of Estimated Management Expenses is increased, each deduction to be made by the Manager in the Financial Year under Clause 9.2 shall be increased by:

$$\frac{c - d}{e}$$

where:

- "c" is the amount which would be payable as Manager's Remuneration in the Financial Year if the Estimated Management Expenses set out in the revised or approved Budget were the actual Management Expenses incurred in the Financial Year;
- "d" is the amount which would be payable as Manager's Remuneration in the Financial Year if the Estimated Management Expenses before the revision or approval of the Budget were the actual Management Expenses incurred in the Financial Year; and
- "e" is the number of further deductions which the Manager is entitled to make in the Financial Year under Clause 9.2.

- 9.4 Year-end adjustments. If the total amount deducted under Clauses 9.2 and 9.3 by the Manager in a Financial Year:

- (a) exceeds the amount of Manager's Remuneration calculated in accordance with Clause 9.1, the amount of the excess shall be set off against subsequent deductions to be made by the Manager until the whole excess has been set off; or
- (b) falls short of the amount of Manager's Remuneration calculated in accordance

with Clause 9.1, the Manager shall be entitled to make such deduction(s) from Monthly Management Fees collected from the Owners until the whole amount of the shortfall has been deducted.

- 9.5 Other Expenses. The Manager's Remuneration shall be the net remuneration of the Manager for its services as Manager and shall not cover disbursements and expenses properly incurred by the Manager in performing its services under this Deed. Without limiting the generality of the foregoing, the Manager is not required to disburse or provide from the Manager's Remuneration the cost of providing any staff, facilities, accountancy services or other professional supervision for the Land, such cost shall be a direct charge on the Management Funds.

## 10. MANAGEMENT EXPENSES

- 10.1 Management Expenses. Management Expenses shall be the expenses, costs and charges necessarily and reasonably incurred in the management of the Land under this Deed including (without limitation) the following:

- (a) the charges for the supply and consumption of fuel, oil, electricity, gas, water, telephone and other utility services serving the Common Parts;
- (b) the payment of Government rent (if not apportioned) and all sums (other than the premium paid for the grant of the Land) payable under the Land Grant;
- (c) the cost of employing staff involved with the management of the Land;
- (d) legal, accounting, surveying and other professional fees properly incurred by the Manager in exercising or performing its powers and duties under this Deed;
- (e) administrative expenses of the Manager relating specifically to the Manager exercising or carrying out its powers and duties under this Deed including (without limitation) costs for administrative support charged by the head office of the Manager, rent and other office overheads;
- (f) all charges, assessments, impositions and other outgoings payable by the Owners in respect of the Common Parts;
- (g) the cost of postage, stationery and other sundry items incurred by the Manager in connection with the management of the Development;
- (h) premia of insurance taken out under paragraph 2 of Schedule 7;
- (i) all costs lawfully incurred or to be incurred by the Manager in carrying out maintenance, repair and any other works in respect of the Slope Structures;
- (j) all expenses in relation to maintenance of any Green Hatched Black Areas under the Land Grant; and

- (k) the Manager's Remuneration.

## 10.2 Budget.

- (a) In respect of each Financial Year, the Manager shall:
  - (i) prepare a draft Budget setting out the proposed expenditure during the Financial Year;
  - (ii) send a copy of the draft Budget to the Owners' Committee or, where there is no Owners' Committee, display a copy of the draft Budget in a prominent place in the Development, and cause it to remain so displayed for at least 7 consecutive days;
  - (iii) send or display, as the case may be, with the copy of the draft Budget a notice inviting each Owner to send his comments on the draft Budget to the Manager within a period of 14 days from the date the draft Budget was sent or first displayed;
  - (iv) after the end of that period, prepare a Budget specifying the total proposed expenditure during the Financial Year; and
  - (v) send a copy of the Budget to the Owners' Committee or, where there is no Owners' Committee, display a copy of the Budget in a prominent place in the Development, and cause it to remain so displayed for at least 7 consecutive days.
- (b) Where, in respect of a Financial Year, the Manager has not complied with Clause 10.2(a) before the start of that Financial Year, the total amount of the Management Expenses for that year shall:
  - (i) until the Manager has so complied, be deemed to be the same as the total amount of Management Expenses (if any) for the previous Financial Year; and
  - (ii) when the Manager has so complied, be the total proposed expenditure specified in the Budget for that Financial Year, and the amount that the Owners shall contribute towards the Management Expenses shall be calculated and adjusted accordingly.
- (c) Where a Budget has been sent or displayed in accordance with Clause 10.2(a)(v) and the Manager wishes to revise it, the Manager shall follow the same procedures in respect of the revised Budget as apply to the draft Budget and Budget by virtue of Clause 10.2(a).
- (d) Where a revised Budget is sent or displayed in accordance with Clause 10.2(c), the total amount of the Management Expenses for that Financial Year shall be the total expenditure or proposed expenditure specified in the revised Budget and the amount that the Owners shall contribute towards the Management Expenses shall be calculated and adjusted accordingly.

- (e) If there is an Owners' Corporation and, within a period of one month from the date that a Budget or revised Budget for a Financial Year is sent or first displayed in accordance with Clause 10.2(a) or (c), the Owners' Corporation decides, by a resolution of the Owners, to reject the Budget or revised Budget, as the case may be, the total proposed amount of the Management Expenses for the Financial Year shall, until another Budget or revised Budget is sent or displayed in accordance with Clause 10.2(a) or (c) and is not so rejected under this Clause 10.2(e), be deemed to be the same as the total amount of Management Expenses (if any) for the previous Financial Year, together with an amount not exceeding 10% of that total amount as the Manager may determine.
- (f) If any Owner requests in writing the Manager to supply him with a copy of any draft Budget, Budget or revised Budget, the Manager shall, on payment of a reasonable copying charge (which shall be credited to the Special Fund), supply a copy to that Owner.
- (g) Subject to Clauses 10.2(b), (d), (e) and (h), the total amount of Management Expenses payable by the Owners during any period of 12 months adopted in accordance with this Deed as the Financial Year in respect of the management of the Development shall be the total proposed expenditure during that year as specified by the Manager in accordance with Clause 10.2(a).
- (h) For the purposes of this Clause 10.2, "expenditure" includes all costs, charges and expenses to be borne by the Owners, including the Manager's Remuneration.

### 10.3 Payment of Monthly Management Fees.

- (a) Each Owner (except the First Owner) shall pay to the Manager the Advance Payment in respect of each Unit which he has the Right to Occupy 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 10.3(a)) shall in respect of each Unit which he has the Right to Occupy 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 has the Right to Occupy pay the Monthly Management Fees of the first month on the date of this Deed.
- (c) The Monthly Management Fees payable by an Owner in respect of each Unit which he has the Right to Occupy 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 10.3(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 10.3(g)(ii).

- (d) The Owner of a Unit shall, in respect of each Unit which he has the Right to Occupy, contribute to the Estimated 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.

- (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 Budget for the Financial Year concerned in accordance with the relevant procedures set out in Clause 10.2. The Manager may require each Owner to make a contribution to such deficiency after the Budget has been so revised.
- (f) If, as a result of a revision of the Budget in accordance with Clause 10.2 or the approval of the 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 10.3(e) or (f), the provisions of Clause 10.3(d) shall, mutatis mutandis, apply. The contribution which an Owner is required to make under Clause 10.3(e) or (f) shall be made in such manner as the Manager may determine including:
- (i) payment in one lump sum within 14 days of notification by the Manager; or
  - (ii) 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.
- (i) 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 under this Deed.

#### 10.4 Special Fund.

- (a) The 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 Schedule 8 and/or the revised W&I Maintenance Manual under Clause 14.10(d) (in this Clause 10.4, the **“Non-Recurrent Expenditure”**).
- (b) Each Owner (except the First Owner) shall, in respect of each Unit which he has the Right to Occupy, pay to the Manager on the date of completion of the purchase of his Unit from the First Owner the Special Fund Initial Contribution in respect of that Unit 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 10.9.
- (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 10.4(a).

- (f) Without prejudice to the generality of Clause 10.4(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 10.4(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 10.4(e) or, if there is an Owners' Corporation, the account or accounts opened and maintained under Clause 10.4(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 Land.

10.5 Management Fees Deposits and Common Utilities Deposits.

- (a) (i) Each Owner (except the First Owner) shall, in respect of each Unit which he has the Right to Occupy, pay to the Manager on the date of completion of the purchase of his Unit from the First Owner the Management Fees Deposit in respect of that Unit as security for the due payment of all Monthly Management Fees and other amounts payable by him under this Deed, unless the First Owner has already paid the Management Fees Deposit of that Unit under Clause 10.9. The Management Fees Deposit shall (subject to Clause 10.6) be non-refundable and shall not be set off by the Owner against Monthly Management Fees or any other amounts payable by him under this Deed.
- (ii) As at the date of this Deed, if the First Owner has contributed to the Common Utilities Deposits in full and it is contemplated under any sale and purchase agreement of a Unit entered into or to be entered into by a purchaser and the First Owner that the First Owner will be reimbursed a due proportion of the Common Utilities Deposits by that purchaser, such due portion of Common Utilities Deposits (which shall (subject to Clause 10.6) be non-refundable but transferrable)) being in the same proportion that the number of Management Shares allocated to that Unit bears to the total number of Management Shares.

- (b) The Manager shall have the right to set off the Management Fees Deposit paid by an Owner against any sum of whatever nature which is payable by such Owner to the Manager under or in relation to this Deed. Notwithstanding the above, the Manager shall not be obliged to exercise the right of set-off and an Owner shall have no right to require the Manager to exercise the right of set-off, by way of mitigation of loss or otherwise, before pursuing other rights and remedies available to the Manager.
- (c) If at any time the Management Fees Deposit or the Common Utilities Deposits are disbursed in whole or in part or the amount of the Monthly Management Fees or the water, electricity, gas or other utilities deposit in respect of the Common Parts are increased, each Owner shall on the first day of the next month following demand by the Manager pay to the Manager in addition to the Monthly Management Fees:
  - (i) in the case of the Management Fees Deposit having been disbursed, an additional sum sufficient to replace the sum so disbursed;
  - (ii) in the case of the Common Utilities Deposits having been disbursed, a due proportion (ascertained according to Clause 10.5(a)(ii)) of the amount so disbursed;
  - (iii) in the case of an increase of Management Fees Deposit following an increase in the Monthly Management Fees, 3 times the amount of such increase; or
  - (iv) in the case of an increase in any water, electricity or (if any) gas deposit in respect of the Common Parts, a due proportion (ascertained according to Clause 10.5(a)(ii)) of the increase.

#### 10.6 Owners' interest in Management Funds.

- (a) Subject to Clauses 10.6(b) and (c), upon any person ceasing to be the Owner of any Undivided Share he shall in respect of that Undivided Share cease to have any interest in the Management Funds to the intent that the Management Funds shall be held and applied for the management of the Land irrespective of changes in ownership of the Undivided Shares and the Management Fees Deposit and the due portion of Common Utilities Deposits in respect of a Unit shall be transferred into the name of the new Owner of the relevant Undivided Shares.
- (b) Upon the Land reverting to the Government, any balance of the Management Funds shall be divided between the Owners (immediately prior to such reversion in proportion to the Management Shares allocated to their respective Units) Provided That Management Fees Deposit and Common Utilities Deposits paid in respect of a Unit (or the balance thereof) shall be refunded to the then Owner of the Unit.

- (c) In the case of an extinguishment of rights and obligations under Clause 13, a part of the balance of the Management Funds which is proportionate to the proportion borne by the Management Shares allocated to the Damaged Part (as defined in Clause 13.1) to the total number of Management Shares shall be divided between the Owners whose rights and obligations are extinguished under Clause 13 in proportion to the Management Shares allocated to their respective Units comprised in the Damaged Part Provided That the then Owner of each Unit in the Damaged Part shall be entitled to the payments which he would be entitled under Clause 10.6(b) upon the Land reverting to the Government.

10.7 Manager's discretion in respect of contributions. Notwithstanding anything contained in this Deed, the Manager shall be entitled to (acting reasonably) determine that an item of Management Expenses shall be paid by the Owner or Owners of the part or parts of the Land for which such item has been or will be incurred to the exclusion of all other Owners if:

- (a) the item of Management Expenses is not covered by insurance; and
- (b) the Manager is of the opinion (acting reasonably) that it is attributable to any particular part or parts of the Land and Owners of other parts of the Land do not and will not receive any material benefit from it;

Provided That where the item of Management Expenses is to be borne by more than one Owner, the Manager may also (acting reasonably) determine the contribution to be made by each of such Owners to the item of Management Expenses.

10.8 Contracts entered into by Manager.

- (a) Subject to Clauses 10.8(b) and 10.8(c), 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 exceed the sum of HK\$200,000 or such other sum in substitution therefor as the Secretary for Home Affairs may specify by notice in the Gazette unless—
  - (i) the supplies, goods or services are procured by invitation to tender; and
  - (ii) the procurement complies with the Code of Practice referred to in Section 20A(1) of the Ordinance.
- (b) Subject to Clause 10.8(c), 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 exceed a sum which is equivalent to 20% of the Budget or such other percentage in substitution therefor as the Secretary for Home Affairs may specify by notice in the Gazette unless—
  - (i) if there is an Owners' Corporation—

- (1) the supplies, goods or services are procured by invitation to tender;
  - (2) the procurement complies with the Code of Practice referred to in Section 20A(1) of the Ordinance; and
  - (3) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the Owners passed at a general meeting of the Owners' Corporation, and the contract is entered into with the successful tenderer; or
- (ii) if there is no Owners' Corporation—
  - (1) the supplies, goods or services are procured by invitation to tender;
  - (2) the procurement complies with the Code of Practice referred to in Section 20A(1) of the Ordinance; and
  - (3) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the Owners passed at a meeting of Owners convened and conducted in accordance with this Deed, and the contract is entered into with the successful tenderer.
- (c) Clauses 10.8(a) and (b) do not apply to any supplies, goods or services which but for this Clause 10.8(c) would be required to be procured by invitation to tender (referred to in this Clause 10.8(c) as "relevant supplies, goods or services")—
  - (i) where there is an Owners' Corporation, if—
    - (1) the relevant supplies, goods or services are of the same type as any supplies, goods or services which are for the time being supplied to the Owners' Corporation by a supplier; and
    - (2) the Owners' Corporation decides by a resolution of the Owners passed at a general meeting of the Owners' Corporation that the relevant supplies, goods or services shall be procured from that supplier on such terms and conditions as specified in the resolution, instead of by invitation to tender; or
  - (ii) where there is no Owners' Corporation, if—
    - (1) the relevant supplies, goods or services are of the same type as any supplies, goods or services which are for the time being supplied to the Owners by a supplier; and
    - (2) the Owners decide by a resolution of the Owners passed at a meeting of Owners convened and conducted in accordance with this Deed that the relevant supplies, goods or services shall be

procured from that supplier on such terms and conditions as specified in the resolution, instead of by invitation to tender.

10.9 Undivided Shares held by First Owner. Notwithstanding anything contained in this Deed, if the First Owner remains the Owner of the Undivided Shares allocated to any Unit which remains unsold 3 months after:

- (a) the execution of this Deed; or
- (b) the date when the First Owner is in a position validly to assign such Undivided Shares;

whichever is the later, the First Owner shall, upon the expiry of the said three-month period, pay to the Manager the Special Fund Initial Contribution and the Management Fees Deposit in respect of that Unit.

10.10 Interest and Collection Charge on late payment.

- (a) If any Owner fails to pay the Manager any amount payable under this Deed within 30 days of demand, he shall pay to the Manager:
  - (i) interest at 2% per annum above the prime rate from time to time specified by The Hongkong and Shanghai Banking Corporation Limited in respect of any payment in arrears from and excluding the due date to and including the date of payment; and
  - (ii) a collection charge not exceeding 10% of the amount due to cover the cost (in addition to legal costs (on a solicitor and own client basis) of proceedings involved in recovering them) of the extra work occasioned by the default.
- (b) All monies paid to the Manager by way of interest, collection charges and legal costs (on a solicitor and own client basis) (if any) by the Owners shall be credited to the Special Fund.

10.11 Civil action taken by Manager.

- (a) All amounts which are due and payable by any Owner under this Deed (including amounts payable to the Manager under an indemnity contained in this Deed) together with interest and the collection charges as provided in Clause 10.10, all damages for any breach of this Deed and all legal costs (on a solicitor and own client basis) and other expenses incurred in recovering or attempting to recover the same (whether by legal proceedings or otherwise) shall be recoverable by civil action at the suit of the Manager in its own name and/or as agent for the Owners.
- (b) In any action taken in accordance with Clause 10.11(a), the Manager is hereby authorised to act as the agent for and on behalf of the Owners and no Owner sued under this Deed shall be entitled to raise any defence of want of authority

or take objection to the right of the Manager as plaintiff to sue for or to recover such amounts as are due.

10.12 Registration of Charge against Undivided Shares of defaulting Owner.

- (a) Any sum payable by an Owner under this Deed or adjudged by a court of law to be payable by an Owner to the Manager as manager of the Land, whether for a breach of this Deed or otherwise, including (without limitation) damages, interests, costs, expenses and collection charges, which has become due and remains outstanding for more than 30 days from but excluding the date on which they become payable, shall stand charged on the Undivided Share and the attached Right to Occupy of the defaulting Owner together with all legal costs (on a solicitor and own client basis) thereafter incurred in registering and enforcing the charge mentioned below.
- (b) The Manager shall be entitled (without prejudice to any other remedy under this Deed) to register a memorial of such charge in the Land Registry against the Unit of the defaulting Owner. Such charge shall remain valid and enforceable, notwithstanding that judgment has been obtained for the amount thereof, until such judgment has been satisfied.

10.13 Order for sale. Any charge registered under Clause 10.12(b) shall be enforceable as an equitable charge by action at the suit of the Manager for an order for sale of the Undivided Share of the defaulting Owner together with the attached Right to Occupy and Clause 10.11 shall apply equally to any such action.

10.14 Keeping of accounts.

- (a) The Manager shall maintain proper books or records of account and other financial records and shall keep all bills, invoices, vouchers, receipts and other documents referred to in those books and records for at least 6 years.
- (b) Within one 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 that period, display a copy of the summary and balance sheet in a prominent place in the Development, and cause it to remain so displayed for at least 7 consecutive days.
- (c) Within 2 months after the end of each Financial Year, the Manager shall prepare an income and expenditure account and balance sheet for that year, display a copy of the income and expenditure account and balance sheet in a prominent place in the Development, and cause it to remain so displayed for at least 7 consecutive days.
- (d) Each income and expenditure account and balance sheet shall include details of the Special Fund and an estimate of the time when there will be a need to draw on that Special Fund, and the amount of money that will be then needed.

- (e) Prior to the formation of the Owners' Corporation, if the Owners at an Owners' meeting convened under this Deed decide that any income and expenditure account and balance sheet for a Financial Year should be audited by an independent auditor of their choice, the Manager shall without delay arrange for such an audit to be carried out by that auditor.
- (f) If there is an Owners' Corporation and the Owners' Corporation decides, by a resolution of the Owners, that any income and expenditure account and balance sheet should be audited by an accountant or by some other independent auditor as may be specified in that resolution, the Manager shall without delay arrange for such an audit to be carried out by that person and:
  - (i) permit any Owner, at any reasonable time, to inspect the audited income and expenditure account and balance sheet and the report made by the accountant or auditor in respect of the income and expenditure account and balance sheet; and
  - (ii) on payment of a reasonable copying charge, supply any Owner with a copy of the audited income and expenditure account and balance sheet, or the report made by the accountant or auditor in respect of the income and expenditure account and balance sheet, or both, as requested by the Owner.

10.15 Manager to open and maintain bank account.

- (a) The Manager shall open and maintain an interest-bearing account and shall use that account exclusively in respect of the management of the Land.
- (b) Without prejudice to the generality of Clause 10.15(a), if there is an Owners' Corporation, the Manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a trust account or client account, for holding money received by the Manager from or on behalf of the Owners' Corporation in respect of the management of the Land.
- (c) The Manager shall display a document showing evidence of any account opened and maintained under Clause 10.15(a) or Clause 10.15(b) in a prominent place in the Development.
- (d) Subject to Clauses 10.15 (e) and (f), the Manager shall without delay pay all money received by the Manager in respect of the management of the Land into the account opened and maintained under Clause 10.15(a) or, if there is an Owners' Corporation, the account or accounts opened and maintained under Clause 10.15(b).
- (e) Subject to Clause 10.15(f), the Manager may, out of money received by the Manager in respect of the management of the Land, retain or pay into a current account a reasonable amount to cover expenditure of a minor nature, but that amount shall not exceed such figure as is determined from time to time by a resolution of the Owners' Committee (if any).

- (f) The retention of a reasonable amount of money under Clause 10.15(e) or the payment of that amount into a current account in accordance with Clause 10.15(e) and any other arrangement for dealing with money received by the Manager shall be subject to such conditions as may be approved by a resolution of the Owners' Committee (if any).
  - (g) Any reference in this Clause 10.15 to an account is a reference to an account opened with a bank within the meaning of Section 2 of the Banking Ordinance (Cap. 155), the title of which refers to the management of the Development.
- 10.16 Inspection of accounts. The Manager shall permit any Owner at any reasonable time to inspect the books or records of account and any income and expenditure account or balance sheet. The Manager shall upon payment of a reasonable copying charge (which will be credited to the Special Fund) supply any Owner with a copy of any record or document requested by him.
- 10.17 Financial Year. 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).

## 11. OWNERS' MEETINGS

### 11.1 First and Subsequent Meetings.

- (a) From time to time when circumstances require, there shall be meetings of the Owners convened under this Deed to discuss and decide on matters concerning the Land.
- (b) The first meeting of the Owners shall be convened by the Manager as soon as possible but in any event not later than 9 months after the date of this Deed, to elect members of the Owners' Committee to be elected under Clause 12.1(a) and the chairman of the Owners' Committee to form the Owners' Committee or to appoint a management committee for the purpose of forming an Owners' Corporation under the Ordinance. The Manager shall convene further and subsequent meetings of the Owners if required.
- (c) Without prejudice to Clause 11.1(a), until the incorporation of an Owners' Corporation, a meeting of the Owners shall be convened within a reasonable period of time after the expiry of a period of 24 months from:
  - (i) the conclusion of the first meeting of the Owners convened under Clause 11.1(b); or
  - (ii) the last meeting of the Owners convened under this Clause 11.1(c),

for the purpose of electing members of the Owners' Committee to be elected under Clause 12.1(a). The Manager must convene such meetings.

- 11.2 Convening. An Owners' meeting may be convened by:—
- (a) the Owners' Committee;
  - (b) the Manager; or
  - (c) an Owner appointed to convene such a meeting by the Owners of not less than 5% of the Undivided Shares in aggregate.
- 11.3 Notice. The person convening the meeting of Owners shall, at least 14 days before the date of the meeting, give notice of the meeting to each Owner. The notice of meeting referred to in this Clause 11.3 shall specify—
- (a) the date, time and place of the Owners' meeting; and
  - (b) the resolutions (if any) that are to be proposed at the meeting.
- 11.4 Service of notice. The notice of meeting referred to in Clause 11.3 may be given:
- (a) by delivering it personally to the Owner;
  - (b) by sending it by post to the Owner at his last known address; or
  - (c) by leaving it at the Owner's Unit or depositing it in the letter box for that Unit.
- 11.5 Quorum. No business shall be transacted at any Owners' meeting unless a quorum is present when the meeting proceeds to business. The quorum at an Owners' meeting shall be 10% of the Owners. In this Clause 11.5, the reference to "10% of the Owners" shall:
- (a) be construed as a reference to 10% of the number of persons who are Owners without regard to their ownership of any particular percentage of the total number of Undivided Shares; and
  - (b) not be construed as the Owners of 10% of the Undivided Shares in aggregate;
- Provided That if a quorum is not present within half an hour of the time appointed for the meeting, the meeting shall stand adjourned to the same day in the next week at the same time and place.
- 11.6 Chairman. An Owners' meeting shall be presided over by the chairman of the Owners' Committee or, if the meeting is convened under Clause 11.2(b) or (c), the person convening the meeting.
- 11.7 Record. The chairman shall cause a record to be kept of the persons present at the Owners' meeting and the proceedings thereof.
- 11.8 Voting. At an Owners' meeting:
- (a) an Owner shall have one vote in respect of each Undivided Share he owns;

- (b) an Owner may cast a vote personally or by proxy;
- (c) where 2 or more persons are the co-owners of an Undivided Share, the vote in respect of the Undivided Share may be cast:
  - (i) by a proxy jointly appointed by the co-owners;
  - (ii) by a person appointed by the co-owners from amongst themselves; or
  - (iii) if no appointment is made under Clause 11.8(c)(i) or (ii), either by one of the co-owners personally or by a proxy appointed by one of the co-owners;
- (d) 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 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;
- (e) if there is an equality of votes the person presiding over the meeting shall have, in addition to a deliberative vote, a casting vote; and
- (f) in regard to the removal of the chairman of the meeting, votes shall be cast by balloting supervised by the Manager.

#### 11.9 Proxies.

- (a) An instrument appointing a proxy shall be in the form set out in Form 1 in Schedule 1A to the Ordinance, and:
  - (i) shall be signed by the Owner; or
  - (ii) if the Owner is a body corporate, shall, notwithstanding anything to the contrary in its constitution, be impressed with the seal or chop of the body corporate and signed by a person authorized by the body corporate in that behalf.
- (b) The instrument appointing a proxy shall be lodged with the chairman of the Owners' Committee or, if the meeting is convened under Clause 11.2(b) or (c), the person convening the meeting at least 48 hours before the time for the holding of the Owners' meeting.
- (c) 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.

#### 11.10 Procedure. The procedure at a meeting of Owners shall be determined by the Owners.

11.11 Resolutions. Save as otherwise provided in this Deed, any resolution on any matter concerning the Land passed by a simple majority of votes at a duly convened Owners' meeting by Owners present in person or by proxy and voting shall be binding on all the Owners Provided That:

- (a) the notice convening the meeting shall have been duly given in accordance with Clause 11.3 and shall have specified the intention to propose a resolution concerning such matters;
- (b) no resolution purporting to be passed at any such meeting concerning any matter not mentioned in such notice shall be valid;
- (c) no resolution shall be valid to the extent that it purports to alter the provisions of or is otherwise contrary to this Deed or the Land Grant; and
- (d) subject to the provisions of this Deed, a resolution may be passed as to the manner in which the powers and duties hereby conferred on the Manager are to be exercised or carried out.

11.12 Lack of notice. The accidental omission to give notice in accordance with Clause 11.3 to any Owner shall not invalidate the meeting or any resolution passed thereat.

## 12. OWNERS' COMMITTEE

### 12.1 Election & meetings.

- (a) There shall be established and maintained an Owners' Committee of the Land consisting of a chairman, a secretary and up to 3 other Committee members (i.e. up to 5 Committee members in total).
- (b) The Owners' Committee shall meet when circumstances require and, in any event, not less than 2 times a year. A meeting of the Owners' Committee may be convened at any time by the chairman or any 2 members of the Owners' Committee.
- (c) The person or persons convening the meeting of the Owners' Committee shall, at least 7 days before the date of the meeting, give notice of the meeting to each member of the Owners' Committee.
- (d) The notice of meeting referred to in Clause 12.1(c) shall specify:
  - (i) the date, time and place of the meeting; and
  - (ii) the resolutions (if any) that are to be proposed at the meeting.
- (e) The notice of meeting referred to in Clause 12.1(c) may be given:
  - (i) by delivering it personally to the member of the Owners' Committee;  
or

- (ii) by sending it by post to the member of the Owners' Committee at his last known address; or
    - (iii) by leaving it at the member's Unit or depositing it in the letter box for that Unit.
  - (f) No business shall be transacted at a meeting of the Owners' Committee unless a quorum is present when the meeting proceeds to business and the quorum at a meeting of the Owners' Committee shall be 50% of the members of the Owners' Committee (rounded up to the nearest whole number) or 3 such members, whichever is the greater.
  - (g) A meeting of the Owners' Committee shall be presided over by:
    - (i) the chairman; or
    - (ii) in the absence of the chairman, a member of the Owners' Committee appointed as chairman for that meeting.
  - (h) The procedure at meetings of the Owners' Committee shall be determined by the Owners' Committee.
- 12.2 Functions. The functions of the Owners' Committee shall be limited to the following:
- (a) representing the Owners in all dealings with the Manager;
  - (b) liaising with the Manager in respect of all matters concerning the Land; and
  - (c) exercising all other powers and duties conferred on the Owners' Committee under this Deed.
- 12.3 Remuneration. No remuneration shall be payable to the Owners' Committee or any Owners' Committee member but such members shall be entitled to be reimbursed for all out-of-pocket expenses reasonably incurred in carrying out their duties.
- 12.4 Membership. A Committee member elected under Clause 12.1(a) to serve on the Owners' Committee shall hold office until new members of the Owners' Committee elected in the next meeting held under Clause 11.1(c) take office unless:
- (a) he resigns by notice in writing to the Owners' Committee;
  - (b) he ceases to be eligible for election as an Owners' Committee member under Clause 12.5(a);
  - (c) he is removed from office by a resolution passed at an Owners' meeting;

- (d) 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
- (e) he becomes incapacitated by death or physical or mental illness.

A Committee member in respect of whom an event mentioned in Clauses 12.4(a) to (e) has occurred shall cease to hold office upon the occurrence of such event.

#### 12.5 Eligibility for election.

- (a) Any of the following shall be eligible for election as an Owners' Committee member under Clause 12.1(a) if he is resident in Hong Kong:
  - (i) the Owner of a Unit if he is an individual;
  - (ii) where a Unit is co-owned by more than one individual Owner, any one but not the other(s) of them; or
  - (iii) where the Owner of a Unit is a body corporate, any representative appointed by such Owner.
- (b) The appointment of a representative by a corporate body shall be in writing addressed to the Owners' Committee and may be revoked at any time on notice served on the Owners' Committee.
- (c) If an Owner owns more than one Unit he shall be entitled to propose more than one candidate (but limited to one candidate for each Unit) to be eligible for election as Owners' Committee members.
- (d) Elected members of the Owners' Committee are eligible for re-election.

#### 12.6 Removal of Committee members. An extraordinary meeting of the Owners may be convened for:

- (a) removing from office any member of the Owners' Committee elected by such Owners under Clause 12.1(a); and/or
- (b) electing a new member of the Owners' Committee to replace any member of the Owners' Committee elected by such Owners under Clause 12.1(a) who has:
  - (i) ceased to be such member under Clause 12.4; or
  - (ii) been removed as provided in Clause 12.6(a) above.

#### 12.7 Election of the Chairman.

- (a) A chairman of the Owners' Committee (including a chairman elected under Clause 12.7(b)) shall hold office until the conclusion of the next meeting of the Owners convened under Clause 11.1(c).
- (b) If the chairman of the Owners' Committee ceases to be a member of the Owners' Committee for any reason or if he resigns his chairmanship before the conclusion of the next meeting of the Owners convened under Clause 11.1(c), the members of the Owners' Committee shall elect one of themselves to be the chairman of the Owners' Committee.

#### 12.8 Resolutions.

- (a) Resolutions of the Owners' Committee shall be passed by a simple majority by show of hands.
- (b) At a meeting of the Owners' Committee, each member present shall have one vote on a question before the Committee and if there is an equality of votes the chairman shall have, in addition to a deliberative vote, a casting vote.
- (c) No resolution purported to be passed at any meeting of the Owners' Committee concerning any matter not mentioned in the notice of meeting shall be valid.
- (d) No resolution of the Owners' Committee shall be valid to the extent that it purports to alter the provision of or is otherwise contrary to or inconsistent with this Deed.

#### 12.9 Records and Minutes.

- (a) The Owners' Committee shall keep records and minutes of:
  - (i) the appointment of members, the secretary and the chairman of the Owners' Committee and all changes thereof; and
  - (ii) all resolutions and proceedings of the Owners' Committee.
- (b) Such records and minutes shall be kept where the Owners' Committee may from time to time determine and shall be open to inspection by any Owner on reasonable notice being given. Any such person shall also be entitled to extracts or copies thereof on paying reasonable charges therefor provided that such charges shall be credited to the Special Fund.

- 12.10 Contracts entered into by the Owners' Committee. Subject to provisions in Schedule 7 to the Ordinance, the procurement of supplies, goods, or services by the Owners' Committee that involves an amount in excess of or likely to be in excess HK\$200,000 (or such other sum as the Secretary for Home Affairs may specify by notice in the Gazette) or an amount which is or is likely to be more than 20% (or such other percentage as the Secretary for Home Affairs may specify by notice in the Gazette) of the Budget or revised Budget of the Financial Year concerned, whichever is lesser, must be by invitation to tender and the standards and guidelines as may be specified

in a Code of Practice referred to in section 20A of the Ordinance shall apply to the Owners' Committee with any appropriate variations.

### 13. EXTINGUISHMENT OF RIGHTS

13.1 Damage to Development. If the whole or any part of the Development has been damaged by fire, typhoon, earthquake, subsidence or other causes (which whole or part of the Development that has been damaged shall be referred to as the "**Damaged Part**") rendering it substantially unfit for habitation, occupation or use, the Owners (the "**Affected Owners**" in this Clause 13) of not less than 75% of Undivided Shares relating to the Damaged Part (excluding any Common Parts Shares) (the "**Relevant Shares**") may convene a meeting of the Affected Owners of the Damaged Part. At such meeting the Affected Owners may resolve:

- (a) that it is not practicable to rebuild or reinstate the Damaged Part in which case the Affected Owners shall forthwith assign the Relevant Shares and the attached Right to Occupy to the Manager upon trust to dispose of them as soon as reasonably practicable by public auction or private treaty and to distribute the net proceeds of sale to the Affected Owners in proportion to the number of Relevant Shares previously held by each Affected Owner. All insurance money received in respect of the Damaged Part shall likewise be distributed amongst the Affected Owners; or
- (b) to rebuild or reinstate the Damaged Part in which case the Affected Owners shall pay any costs of reinstating the Damaged Part which are not recovered from the insurance thereof in proportion to the number of Relevant Shares held by each Affected Owner. Until such payment the same will be a charge upon the Relevant Shares of each Affected Owner and shall be recoverable as a civil debt by the Manager pursuant to Clause 10.11.

13.2 Provisions applicable to meeting. The following provisions shall apply to a meeting convened pursuant to Clause 13.1:

- (a) the meeting shall be convened by at least 14 days' notice in writing posted on the public notice boards of the Development (if existing but if not then posted on an appropriate part of the site of the Development and published in an English and a Chinese language newspaper circulating in Hong Kong) specifying the time and place of the meeting;
- (b) no business shall be transacted unless a quorum is present when the meeting proceeds to business and the Affected Owners of not less than 75% of the Relevant Shares present in person or by proxy shall be a quorum;
- (c) if within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall be adjourned to the same time and day in the next week at the same place;
- (d) the meeting shall be presided over by an Owner or such other person appointed as chairman for that 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) At the meeting:
  - (i) an Affected Owner shall have one vote in respect of each Relevant Share he owns;
  - (ii) an Affected Owner may cast a vote personally or by proxy;
  - (iii) where 2 or more persons are the co-owners of a Relevant Share, the vote in respect of the Relevant Share may be cast:
    - (1) by a proxy jointly appointed by the co-owners;
    - (2) by a person appointed by the co-owners from amongst themselves; or
    - (3) if no appointment is made under Clause 13.2(f)(iii)(1) or (2), either by one of the co-owners personally or by a proxy appointed by one of the co-owners;
  - (iv) where 2 or more persons are the co-owners of a Relevant Share and more than one of the co-owners seeks to cast a vote in respect of the Relevant 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 Relevant Share in the register kept at the Land Registry shall be treated as valid; and
  - (v) if there is an equality of votes the person presiding over the meeting shall not have any second or casting vote;
- (g) votes may be given either personally or by proxy;
- (h) the instrument appointing a proxy shall be deposited with the chairman of the meeting at the meeting;
- (i) a resolution passed by not less than 75% of the votes of the Affected Owners present in person or by proxy at a meeting duly convened under this Clause 13.2 shall bind all the Affected Owners Provided That:
  - (i) the notice convening the meeting specified 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; and
  - (iii) no resolution shall be valid if it is contrary to this Deed or the Land Grant; and

- (j) the Manager shall have the right to attend the meeting.

#### 14. MISCELLANEOUS PROVISIONS

14.1 Owners to notify Manager when ceasing to be Owner. Each Owner shall notify the Manager when he ceases to be the Owner of any Undivided Share and notify the Manager of the name and address of the new Owner.

14.2 Common Parts Shares held by Manager.

- (a) Notwithstanding anything in this Deed, the Common Parts Shares shall not carry any liability to contribute to the Management Expenses, or make any payment under this Deed, and the Common Parts Shares shall not carry any voting rights (at any meeting whether held under this Deed, the Ordinance or otherwise) or be taken into account in calculating the quorum at any meeting.
- (b) The Manager shall:
  - (i) hold all Common Parts Shares and Common Parts assigned to it as trustee on trust for the benefit of all Owners, subject to the Land Grant and this Deed; and
  - (ii) assign the Common Parts Shares and the Common Parts free of costs and consideration to the successor of the Manager upon termination of its appointment as Manager.
- (c) The Owners' Corporation (when formed) may at any time require the Manager, in accordance with this Deed, to assign or transfer to it the Common Parts Shares and the Common Parts and the management responsibilities free of costs and consideration. The Common Parts Shares and the Common Parts assigned to the Owners' Corporation under this Deed shall be held by the Owners' Corporation in trust as trustee for all Owners, subject to the Land Grant and this Deed.

14.3 Land Grant.

- (a) Nothing in this Deed shall conflict with or be in breach of the conditions in the Land Grant. If any provision contained in this Deed conflicts with the Land Grant, the Land Grant shall prevail.
- (b) All the Owners (including the First Owner) and the Manager hereby covenant with each other to comply with the conditions of the Land Grant so long as they remain as Owners and Manager.

14.4 Cessation of liabilities. Each Owner shall on ceasing to be the Owner of any Undivided Share, cease to be liable for any matter or liabilities under this Deed other than in respect of any breach of this Deed by him prior to his ceasing to be an Owner.

14.5 Public notice boards etc. There shall be public notice boards at such prominent places in the Development as the Manager may from time to time decide. There shall be exhibited on each of such public notice boards a copy of the Development Rules from time to time in force, all notices which are required under this Deed 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 3 consecutive days shall be due notice of the contents thereof to each Owner, his tenants and licensees.

14.6 Service of Notice.

- (a) (i) Subject as otherwise provided in this Deed, all notices or demands to be served under this Deed shall be in writing.
- (ii) Subject as otherwise provided in this Deed, all notices or demands to be served under this Deed shall be sufficiently served if addressed to the party to whom the notices or demands are served and sent by prepaid post to or left at the Unit or the letter box of the Unit of the party to be served notwithstanding that such party shall not personally occupy such Unit.
- (b) Where notice is to be given to an Owner who is a mortgagor, such notice may also be served on the mortgagee, if the mortgagee is a company, at its registered office or last known place of business in Hong Kong and, if he is an individual, at his last known residence.
- (c) All notices required to be given to the Manager shall be sufficiently served if addressed to the Manager and sent by pre-paid post or left at the registered office of the Manager.
- (d) Any Owner who does not occupy the Unit to which his Undivided Shares relate must provide the Manager with an address within Hong Kong for service of notices under this Deed and after that address has been provided to the Manager Clause 14.6(a)(ii) shall not apply to such an Owner and all notices or demands to be served under this Deed shall be sufficiently served if addressed to that Owner and sent by prepaid post to or left at that address.

14.7 Deed binding on executors etc. This Deed shall bind the parties hereto and their respective executors, administrators, successors in title and assigns and the benefit and burden of the covenants in this Deed shall be annexed to and run with the Undivided Shares and the attached Right to Occupy, the Units and the Common Parts.

14.8 Chinese translation and copies of the Plans.

- (a) The First Owner shall at its own cost make a direct translation in Chinese of this Deed and shall deposit the same and a copy of this Deed within one month after the date of this Deed in the management office of the Development. After the depositing of a copy of this Deed and the aforesaid direct translation,

all Owners may inspect the same at the management office of the Development during normal office hours free of charge. A photocopy of the copy of this Deed or the said direct translation deposited shall be provided to any Owner upon request at the expense of such Owner and on the payment of a reasonable charge. Any monies paid as such a charge shall be credited to the Special Fund. In any dispute between the Chinese translation and the English document, the English version of this Deed approved by the Director of Lands shall prevail.

- (b) The Manager shall keep copies of the Plans in the management office of the Development. All Owners may inspect the same at the management office of the Development during normal office hours free of charge. A photocopy of the copies of the Plans deposited shall be provided to any Owner upon request at the expense of such Owner and on the payment of a reasonable charge. Any monies paid as such a charge shall be credited to the Special Fund.

#### 14.9 The Ordinance, Owners' Incorporation, etc..

- (a) Nothing in this Deed shall prejudice the operation of the Ordinance and the schedules thereto.
- (b) During the existence of an Owners' Corporation:
  - (i) general meetings of the Owners' Corporation convened under the Ordinance shall take the place of the Owners' meetings convened under this Deed; and
  - (ii) the management committee of the Owners' Corporation shall take the place of the Owners' Committee under this Deed.
- (c) The Owners' Corporation shall have the same powers under this Deed as the Manager relating to the Slope Structures.

#### 14.10 Works and Installations.

- (a) The First Owner shall at its own expense compile for the reference of the Owners and the Manager a maintenance manual for the Works and Installations (the "**W&I Maintenance Manual**") which shall set out the following details:
  - (i) as-built record plans of the Development and the Works and Installations together with the necessary technical information (such as specifications of materials and design standard) for maintenance of all Works and Installations;
  - (ii) all warranties and guarantees (if any) provided by contractors (together with the names of the companies providing the warranty and the contact telephone numbers) in respect of all Works and Installations;
  - (iii) recommended maintenance strategy and procedures for the Works and

Installations;

(iv) a list of items of the Works and Installations requiring routine maintenance and:

- (1) the recommended frequency of routine maintenance inspection; and
- (2) checklist and typical inspection record sheets for routine maintenance inspection;

of such Works and Installations; and

(v) recommended maintenance cycle of the Works and Installations.

(b) The First Owner shall deposit a full copy of the W&I Maintenance Manual at the management office of the Development within one month after the date of this Deed.

(c) All Owners may inspect such deposited W&I Maintenance Manual at the management office of the Development during normal office hours free of charge. A copy of the W&I Maintenance Manual shall be provided to any Owner upon request at the expense of such Owner and on the payment of a reasonable charge. All such charges shall be credited to the Special Fund.

(d) After the W&I Maintenance Manual has been deposited in accordance with Clause 14.10(b), the Owners may by a resolution at an Owners' meeting convened under this Deed revise, as may be necessary (e.g. the addition of Works and Installations in the Development, the updating of maintenance strategies in step with changing requirements, etc), Schedule 8 and/or the W&I Maintenance Manual, in which event the Manager shall procure from a qualified professional or consultant (as may be prescribed by a resolution at an Owners' meeting convened under this Deed) the revised Schedule 8 and/or the revised W&I Maintenance Manual (within such time as may be prescribed by a resolution at an Owners' meeting convened under this Deed) to be approved by a resolution at an Owners' meeting convened under this Deed. All costs incidental to the preparation of the revised Schedule 8 and/or the revised W&I Maintenance Manual shall, subject to Clause 10.4(i), be paid out of the Special Fund.

(e) The Manager shall deposit the revised W&I Maintenance Manual at the management office of the Development within one month after the date of its preparation. Clauses 14.10(c) and (d) shall apply (*mutatis mutandis*) to the revised W&I Maintenance Manual.

(f) The Manager shall use all reasonable endeavour to register the revised Schedule 8 at the Land Registry as soon as practicable after its approval by a resolution at an Owners' meeting convened under this Deed.

14.11 Copy of Schedules 7 and 8 to the Ordinance. The First Owner shall deposit a copy

of Schedules 7 and 8 to the Ordinance (in both English and Chinese versions) in the management office of the Development. All Owners may inspect the same at the management office of the Development during normal office hours free of charge. A photocopy of the copy of Schedules 7 and 8 to the Ordinance shall be provided to any Owner upon request at the expense of such Owner and on the payment of a reasonable charge. Any monies paid as such a charge shall be credited to the Special Fund.

14.12 Green and innovative and other features.

- (a) The Greenery Areas shall not be used for any other purpose without the prior consent of the Building Authority (as defined in the Buildings Ordinance).
- (b) The Vertical Green Features shall only be used as vertical green features.
- (c) The Manager shall provide a suitable CCTV imaging device and trained personnel to operate the device, or secure a contract with a service provider for conducting inspection of the concealed drainage pipes by a suitable CCTV imaging device. The Manager shall carry out regular inspection of the concealed drainage pipework on a specified interval as proposed by the Authorized Person to alert any early signs of water leakage and pipe joints/pipe brackets conditions.
- (d) The office accommodation for caretakers of the Development shall only be used as an office accommodation for caretakers.

14.13 Slope Maintenance Manuals. The First Owner shall deposit a full copy of the Slope Maintenance Manuals (if any) in the management office of the Development within one month after the date of this Deed. After the depositing of the Slope Maintenance Manuals, all Owners may inspect the same at the management office of the Development during normal office hours free of charge. A photocopy of the Slope Maintenance Manuals shall be provided to any Owner upon request at the expense of such Owner and on the payment of a reasonable charge. Any monies paid as such a charge shall be credited to the Special Fund.

14.14 Additional Common Parts. No Owner (including the First Owner) shall have the right to convert or designate any of his own Unit (or part thereof) as a Common Part 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) and no Manager shall have the right to re-convert or re-designate such Common Parts converted or designated from a Unit (or part thereof) as aforesaid to his or its own use or benefit.

14.15 NIAR. The First Owner shall deposit a full copy of the NIAR in the management office of the Development within one month of the date of this Deed. After the depositing of the NIAR, all Owners may inspect the same at the management office of the Development during normal office hours free of charge. A photocopy of the NIAR shall be provided to any Owner upon request at the expense of such Owner and on the payment of a reasonable charge. Any monies paid as such a charge shall be credited to the Special Fund.

- 14.16 Indemnity by First Owner to the Mortgagee. In consideration of the Mortgagee entering into this Deed, the First Owner hereby covenants with the Mortgagee to comply with all the covenants contained in this Deed to be complied with by the First Owner and the Mortgagee while any Undivided Share is subject to the Mortgage and to keep the Mortgagee indemnified against the breach of any of the said covenants.
- 14.17 Mortgagee not bound before it enters into possession. Subject always to Clause 3.6 but notwithstanding anything else contained in this Deed, unless and until the Mortgagee enters into possession of the Land or exercises the power of sale conferred on the Mortgagee under the Mortgage, the covenants in this Deed shall not bind the Mortgagee and no liability under this Deed shall bind the Mortgagee in respect of any liabilities accrued prior to the Mortgagee entering into possession or exercising the said power of sale.

**SCHEDULE 1**  
Allocation of Undivided Shares

| <i><b>PART OF THE DEVELOPMENT CONCERNED</b></i> | <i><b>UNDIVIDED SHARES</b></i> |
|-------------------------------------------------|--------------------------------|
| House 1                                         | 1,087                          |
| House 2                                         | 1,126                          |
| House 3                                         | 905                            |
| House 5                                         | 626                            |
| House 6                                         | 891                            |
| House 7                                         | 750                            |
| House 8                                         | 359                            |
| House 9                                         | 350                            |
| House 10                                        | 455                            |
| House 11                                        | 443                            |
| House 12                                        | 440                            |
| House 15                                        | 453                            |
| House 16                                        | 378                            |
| House 17                                        | 355                            |
| House 18                                        | 460                            |
| Common Parts                                    | 100                            |
| <b>TOTAL</b>                                    | <b>9,178</b>                   |

**Note: there are no Houses 4, 13 and 14.**

**SCHEDULE 2**  
**Management Shares**

| <i><b>PART OF THE DEVELOPMENT CONCERNED</b></i> | <i><b>MANAGEMENT SHARES</b></i> |
|-------------------------------------------------|---------------------------------|
| <b>House 1</b>                                  | <b>1,087</b>                    |
| <b>House 2</b>                                  | <b>1,126</b>                    |
| <b>House 3</b>                                  | <b>905</b>                      |
| <b>House 5</b>                                  | <b>626</b>                      |
| <b>House 6</b>                                  | <b>891</b>                      |
| <b>House 7</b>                                  | <b>750</b>                      |
| <b>House 8</b>                                  | <b>359</b>                      |
| <b>House 9</b>                                  | <b>350</b>                      |
| <b>House 10</b>                                 | <b>455</b>                      |
| <b>House 11</b>                                 | <b>443</b>                      |
| <b>House 12</b>                                 | <b>440</b>                      |
| <b>House 15</b>                                 | <b>453</b>                      |
| <b>House 16</b>                                 | <b>378</b>                      |
| <b>House 17</b>                                 | <b>355</b>                      |
| <b>House 18</b>                                 | <b>460</b>                      |
| <b>TOTAL</b>                                    | <b>9,078</b>                    |

**Note: there are no Houses 4, 13 and 14.**

### SCHEDULE 3

#### PART A - RIGHTS OF OWNERS

Each Owner shall have the benefit of the following rights (in common with all persons having the like right):

1. Right to use Common Parts. Subject to the rights of the Manager and the First Owner in this Deed and subject also to the Land Grant, the right for the Owner and his tenants, licensees and invitees to use the Common Parts for all purposes connected with the proper use and enjoyment of his Unit Provided That:
  - (a) the Recreational Facilities may only be used for such purposes by the residents of the Flats and their bona fide visitors;
  - (b) notwithstanding paragraph 1(a) of Part A of this Schedule, the Owners, tenants, licensees and invitees of any Unit may always make use of the Common Parts covered by paragraph 1(a) of Part A of this Schedule for the purpose of:
    - (i) escape or seeking refuge in case of a fire or other emergency; or
    - (ii) obtaining access to and from their respective Units (or parts thereof) or any category of Common Parts which they are entitled to make use of, where such access cannot practically be obtained other than through the Common Parts referred to in paragraph 1(a) of Part A of this Schedule; and
  - (c) nothing in this paragraph 1 shall prejudice any right granted under paragraphs 2 to 5 of Part A of this Schedule.
2. Right of support and shelter. The right to subjacent and lateral support and to shelter and protection from the other parts of the Land.
3. Right to passage of utility services. The right to uninterrupted passage and running of soil, sewage, water, gas, electricity, air, smoke, information and other utility services (if any) from and to his Unit through the Conduits which are now or may at any time be in, under or passing through the Land for the proper use and enjoyment of his Unit.
4. Right of entry to other parts of Land to repair. The right for any Owner with or without surveyors, workmen and others and with or without plant, equipment and materials at all reasonable times upon notice (except in an emergency when no notice is required and the entry may take place at all times) to enter upon other parts of the Land for the purpose of carrying out any works for the maintenance and repair of his Unit (such works not being the responsibility of the Manager under this Deed and which cannot practically be carried out without such access) causing as little disturbance as reasonably possible and forthwith making good any damage thereby caused to any part of the Land.

5. Right to easements. All other easements, rights and privileges belonging or appertaining to the Land.

#### **PART B - RIGHTS TO WHICH OWNERS ARE SUBJECT**

Each Owner holds his Unit subject to the following:

1. Land Grant. Any rights reserved to the Government in the Land Grant.
2. Manager's rights of entry. The right (if any) for the Manager to enter his Unit as provided under this Deed.
3. Other Rights. Rights and privileges equivalent to those contained in paragraphs 2, 3, 4 and 5 of Part A of this Schedule.

## SCHEDULE 4

### Common Parts

Subject to the express provisions of this Deed, the Common Parts include (to the extent existing and to the extent not forming part of any Unit):

- (a) External walls and load bearing walls, foundations, columns, beams and other structural supports.
- (b) Walls enclosing passageways, corridors and staircases.
- (c) The roofs, chimneys, gables, gutters, lightning conductors, satellite dishes and ancillary equipment, aerials and aerial cables.
- (d) Parapet walls, fences and boundary walls.
- (e) Vents serving 2 or more Units.
- (f) Water tanks, reservoirs, pumps, wells, sewers, sewage treatment plants, drains, soil pipes, waste pipes, channels, water-courses, gutters, ducts, downpipes, cables, conduits, refuse chutes, hoppers and refuse container chambers.
- (g) Cellars, toilets, water closets, wash houses, bathhouses, kitchens and caretakers' flats.
- (h) Passageways, corridors, staircases, landings, light wells, staircase window frames and glazing, hatchways, roofways and outlets to the roofs and doors and gates giving access thereto.
- (i) Lifts, escalators, lift shafts and machinery and apparatus used in connection therewith and the housing thereof.
- (j) Lighting apparatus, air conditioning apparatus, central heating apparatus, fire fighting equipment and installations intended for the use and benefit of all of the owners generally and any room or chamber in which such apparatus, equipment or installation is fitted or installed.
- (k) Fixtures situated in a Unit which are used in connection with the enjoyment of any other Unit or other portion of the Development.
- (l) Lawns, gardens and playgrounds and any other recreational areas.
- (m) Swimming pools, tennis courts, basketball courts, squash courts and premises containing or housing any other sporting or recreational facilities.
- (n) Clubhouses, gymnasiums, sauna rooms and premises containing health or leisure facilities.
- (o) Slopes, gradients and retaining walls including sea walls (if any) comprising or forming part of any land which is in common ownership with the Development.

**SCHEDULE 5**  
**Owners' Covenants**

1. Use.

- (a) To comply with the terms of the Land Grant and all laws applicable to his Unit or the use of or any activity which may from time to time be carried out in or in relation to his Unit.
- (b) Not to use:
  - (i) a House other than for private residential use and without prejudice to the generality of the above, no House shall be used as a boarding house or for any form of commercial letting or occupancy in bed spaces or cubicles Provided That the First Owner may use any House owned by it as a sales office and/or show flats in accordance with the Land Grant and will cause as little disturbance and inconvenience to the other Owners as possible; and
  - (ii) any part of the Development other than for purposes from time to time permitted by the Land Grant and the law Provided That no part of the Development shall be used as a pawn shop, mahjong school, funeral parlour, coffin shop, columbarium, temple, Buddhist hall, or any activity or purpose related to gambling, the production, sale, storage, display or viewing of pornographic materials, funeral, burial, cremation or any form of ancestor worship or a ceremony known as "Ta Chai (打齋)".
- (c) Not to do anything whereby any insurance taken out by the Manager under this Deed may become void or voidable or whereby the premia for any such insurance may be increased and in the event of any breach of this covenant to pay to the Manager the amount of any increase in premium caused by such breach in addition to any other liability incurred thereby.
- (d) Not to do anything which interferes with or is likely to interfere with any construction work on the Land or the exercise or performance of the Manager's powers and duties under this Deed.
- (e) Not to use his House for any purpose or activity which is illegal, noxious, dangerous or offensive or which may be or become a nuisance to or cause damage or annoyance to any other Owner or occupier of the Land or neighbouring premises.
- (f) Not to cause the maximum floor loading-bearing capacity of any floor to be exceeded and in the event of any breach of this covenant to make good any damage caused thereby.
- (g) (i) Not to keep any pet or animal in any House in such a way as to give rise to 2 or more reasonable complaints from Owners to the Manager

(whose decision on the reasonableness of the complaint shall be final and binding on the Owners).

- (ii) Where the keeping of pet or animal is permitted under paragraph 1(g)(i) of this Schedule, to at all times comply with all Development Rules and all laws (including without limitation the Dogs and Cats Ordinance (Cap.167)) applicable to the keeping, regulation or control of his pet or animal.
  - (h) Not to store in any House any dangerous or combustible goods Provided That the storage of a reasonable amount of fuel in a Flat for domestic cooking, shall not be a breach of this covenant if:
    - (i) such storage will not result in:
      - (1) a contravention of any law;
      - (2) any policy of insurance taken out by the Manager under this Deed becoming void or voidable; or
      - (3) the Manager not being able to take out any insurance under this Deed; and
    - (ii) any increase in premia for any insurance taken or to be taken out by the Manager under this Deed as a result of such storage is borne by the Owner making the storage.
  - (i) Not to store goods in any House other than the personal and household possessions of the Owner or occupier.
  - (j) Not to play mahjong in any House between midnight and 9 a.m. if any noise so created will be audible in any other House of the Land.
  - (k) Not to alter, damage or interfere with Conduits which serve another part of the Land.
  - (l) Not to do anything which may obstruct any means of fire escape or refuge area in the Development and (where necessary) to permit Owners, occupiers, licensees and invitees of other parts of the Development to pass and repass through his House for the purpose of escaping or seeking refuge in the case of a fire or other emergency.
  - (m) To observe and comply with all Development Rules.
  - (n) To use a balcony forming part of his House only as a balcony in connection with the use and enjoyment of the House.
2. Outgoings. To pay and discharge all taxes, rates and outgoings payable in respect of his Unit and to indemnify the other Owners against all liabilities in respect thereof Provided That all outgoings including Monthly Management Fees and Government

rent payable in respect of a Unit up to and inclusive of the date of the first assignment of that Unit shall be paid by the First Owner (no Owner shall be required to make any payment or reimburse the First Owner for these outgoings).

3. Repair. To at his own expense inspect, maintain and carry out all necessary works for the maintenance of:

- (a) his House and without prejudice to the generality of the foregoing, the Owner of a House shall keep any balcony forming part of his House in good and substantial repair and condition; and.
- (b) such part of the Development and the Works and Installations forming part of his own House, subject to the provisions of this Deed.
- (c) all Noise Mitigation Measures forming part of his House in accordance with the NIAR.

4. Alterations.

- (a) Not to make any structural alteration to any part of the Development which will interfere with or affect the rights of any other Owner. Not to make any structural alteration to any part of the Development unless all required approvals from the Government have been obtained.
- (b)
  - (i) No Owner of a House shall install any air-conditioning units in any window or external wall of the Development.
  - (ii) To take all possible measures to prevent excessive noise, condensation or dripping from any air-conditioning units.
- (c) Not to make any alteration to any fixture in the Development so as to or do anything which will affect or be likely to affect the supply or running of soil, sewage, water, electricity, gas, air, smoke, information or other matters to other parts of the Land or the normal functioning of the Common Parts.
- (d) Not to install at any entrance to a House any metal grille, shutter or gate:
  - (i) which contravenes the Fire Services Ordinance (Cap. 95); or
  - (ii) without the consent of the Manager.
- (e) Not to sub-divide a House or the Undivided Shares allocated to or the Right to Occupy a House (including for the avoidance of doubt not to enter into any lease or tenancy in respect of only a part of a House).
- (f) Not to erect, build or install any structure or other things, whether permanently or temporarily, in any balcony, roof, garden or top of stairhood forming part of his House other than those as shown in the Building Plans as at the date hereof.

- (g) Not to do anything whereby any Non-enclosed Areas, roof, garden forming part of his House will be enclosed in whole or in part above safe parapet height other than as shown in the Building Plans.
- (h) Not to alter the design and location (as shown in the Building Plans) of any balcony, roof, garden or top of stairhood forming part of his House.
- (i) Not to alter the design and location of any Noise Mitigation Measures forming part of his House.

5. Exterior of Development.

- (a) Where the Owner is not the First Owner, not to, save with the consent of the Manager:
  - (i) do anything in any House which will or may, in the opinion of the Manager, alter or adversely affect the external appearance of the Development or the Land;
  - (ii) change the size, design, style or colour of the glass, glazing, frame, railing, guard, grille or other structure of any window forming part of his House;
  - (iii) change the size, design, style or colour of any door forming part of his House which is visible from the outside of the House;
  - (iv) erect install affix or display any railing, guard, grille, shades on or to any window forming part of his House;
  - (v) paint the outside of the House or any part of the Development, alter the colour and type of the external wall of the House or or any part of the Development, or do or permit to be done any act or thing which may or will alter the façade or external appearance of the House or Development (including any part thereof) or making the exterior of a House not in uniform appearance with other Houses.
- (b) Not to connect any installation to the communal television, radio or telecommunications aerial, cable, satellite system or other similar apparatus or any Conduit installed by the First Owner or the Manager except in accordance with applicable Development Rules.
- (c) No Owner shall fix or display any Signs, cages, shades or other items on the exterior of the House or of the Development.
- (d) Not to leave in any balcony, roof, garden or top of stairhood forming part of his House any matter which may, in the opinion of the Manager, adversely affect the appearance of the Development.
- (e) Not to use any balcony, roof, garden or top of stairhood forming part of his House for the drying of laundry.

- (f) Without prejudice to the generality of paragraph 4(f) of this Schedule, no Owner shall alter the parapet enclosing any roof, garden forming part of a House or add to such parapet any structure or other things whereby the height of that parapet (including the aforesaid additional structure or things) will exceed the height of that parapet as shown in the Building Plans as at the date hereof.

6. Common Parts.

- (a) Not to obstruct the Common Parts, leave any dustbins, refuse, furniture or other things nor do anything in or to the Common Parts which may be or become a nuisance to any other Owners or occupiers of the Land or any neighbouring premises.
- (b) Not to alter the Common Parts or do anything which may, in the opinion of the Manager, interfere with or damage the Common Parts or adversely affect the normal functioning of the Common Parts and to indemnify the Manager and the other Owners for all losses incurred by the Manager and/or the other Owners (or any or some of them) as a result of a breach of this covenant including all costs and expenses incurred by the Manager in repairing the damage to or removing the interference with or restoring the normal functioning of those of the Common Parts affected by the breach.
- (c) Not to bring any animal or pet into such Common Parts as the Manager may from time to time specify and when remaining in any Common Parts which an animal may be brought into to take all measures to prevent that animal or pet from causing any nuisance, danger, injury or damage and without limitation of the foregoing, dogs shall at all times be securely carried or held on a leash.
- (d) Not to make any connection to any system, equipment, plant, facility or Conduit forming part of the Common Parts except with the consent of the Manager and in accordance with the Development Rules.
- (e) To follow instructions which may from time to time be given by the Manager in relation to refuse collection facilities in the Development.
- (f) No Owner (including the First Owner) shall convert any of the Common Parts to his own use or for his own benefit unless the approval of the Owners' Committee has been obtained. Any payment received for the granting of such approval shall be credited to the Special Fund. All outgoings (including those for the supply of water, gas, electricity, telecommunication, information and other utility services) relating to such conversion shall be borne by the Owner carrying out that conversion solely and directly. Where the outgoings concerned is not exclusively related to that conversion, and it is not practicable to have a separate meter or other similar device for apportionment, the Manager may attribute a certain portion of the outgoings to that conversion as the Manager may reasonably consider appropriate.

7. Conduits.

- (a) Not to do anything whereby the flush or drainage system of the Land may be clogged or impaired.
  - (b) Not to allow any noxious, dangerous, poisonous, corrosive or objectionable effluent to be discharged into any Conduit on the Land and to ensure that discharged effluent will not corrode or be harmful to the flush or drainage system of the Land.
  - (c) Not to allow sewage or refuse water to flow from the Land onto any adjoining land or to allow any waste to be deposited on the Land and to remove all refuse and waste in a proper manner.
- 8. Partitioning. No Owner (except the First Owner acting in compliance with the Land Grant) shall at any time exercise or attempt to exercise any statutory or common law right to partition the Land and/or the Development.
- 9. Works.
  - (a) To ensure that works to his House will be carried out in accordance with the law, the Land Grant, this Deed and the Development Rules with sufficient safety and protection measures being implemented to the satisfaction of the Manager.
  - (b) To properly remove from the Land in accordance with directions which may be given by the Manager from time to time all debris, surplus building materials or other waste resulting from any works to his House.
  - (c) To pay the Decoration Deposit to the Manager prior to the commencement of works.
  - (d) To indemnify the Manager for all costs, expenses or losses which the Manager may incur or suffer as a result of the carrying out of any works to his House, or the acts or omissions of the Owner or its employees, agents, contractors or licensees in connection with such works, or the breach of any provision of this paragraph 9.
- 10. Compliance by tenant, etc. To take all reasonable steps to prevent the tenants, occupiers, licensees or invitees of his House from doing anything which may interfere with or affect the management of the Land or constitute a breach of the Land Grant, this Deed or the Development Rules.
- 11. Maintenance of Slope Structures. To maintain and carry out at their own expense all works in respect of any and all Slope Structures as required by the Land Grant and in accordance with the Geotechnical Guidelines and the Slope Maintenance Manuals.

## SCHEDULE 6

### Additional Rights of the First Owner

1. Common Parts. The right to assign to the Manager without consideration the Common Parts Shares and the Common Parts, which shall be held by the Manager in trust for the Owners in accordance with this Deed.
2. Amendments to Building Plans and other plans. Subject to obtaining any necessary consent under the Land Grant and the law, the rights to:
  - (a) add to or amend the Building Plans or any plan or proposal (if any) prepared or which requires approval under the Land Grant (including landscaping proposals and car park layout plans) or any law; and
  - (b) carry out any works to implement such addition or amendment;

Provided That such rights may only be exercised in respect of those Houses which have not been sold or assigned by the First Owner and shall not interfere with the other Owners' right to hold, use, occupy and enjoy their Houses nor impede access to their Houses.
3. Fixtures. The right for itself, the Manager and their licensees to install, affix, maintain, alter, renew and remove any Signs, plants, machineries, aerials and any other fixtures or facilities on or within the Common Parts and on the parts of the Land which it has the Right to Occupy Provided That if this right is exercised in relation to the Common Parts:
  - (a) written approval by a resolution of the Owners at an Owners' meeting convened under this Deed is obtained prior to the exercise of such right;
  - (b) access to and use and enjoyment of the Common Parts shall not be unreasonably affected; and
  - (c) any consideration received from the exercise of this right shall be credited to the Special Fund.
4. Name of Development. The right, so long as the First Owner remains the Owner of any part of the Development, to change the name of the Development or any part thereof.
5. User. The right (subject to obtaining any necessary consent under the Land Grant and the law) to change the user of any part of the Land which the First Owner has the Right to Occupy Provided That such right shall not interfere with the other Owners' right to hold, use, occupy and enjoy their Houses nor impede access to their Houses.
6. Dedication to Public. The right to dedicate to the public any part of the Land which the First Owner has the Right to Occupy for the purposes of passage with or without vehicles or in such manner as the First Owner shall consider fit Provided That:

- (a) written approval by a resolution of the Owners at an Owners' meeting convened under this Deed is obtained prior to the exercise of such right;
  - (b) no Owner (except the First Owner) may claim any consideration or compensation or benefit offered by the Government for such dedication if the Building Authority permits the site coverage or the plot ratio for any building within the Land to exceed the permitted percentage site coverage or the permitted plot ratio (as the case may be) as a result of such dedication; and
  - (c) such right shall not interfere with the other Owners' right to hold, use, occupy and enjoy their Houses nor impede access to their Houses.
7. Surrender to Government. The right to surrender or assign any part of the Land which the First Owner has the Right to Occupy which is required to be surrendered or assigned to the Government.
8. Undivided Shares and Management Shares. The right to, subject to the approval of the Director of Lands, re-allocate the Undivided Shares registered in the name of the First Owner by way of a Sub-DMC (as defined in paragraph 10 of this Schedule) under paragraph 10 of this Schedule.
9. Amendments to Land Grant. The right to, in respect of the part of the Land which the First Owner has the Right to Occupy:
- (a) apply to, negotiate and agree with the Government to vary or modify the Land Grant or any provision thereof, or to obtain any waiver or no-objection by the Government relating to any provision thereof, in such manner as the First Owner may consider fit; and
  - (b) execute any document relating to such variation, modification, waiver or no-objection in the name of the First Owner without joining in any other Owner;

Provided That:

- (c) written approval by a resolution of the Owners at an Owners' meeting convened under this Deed is obtained prior to the exercise of such right;
  - (d) the First Owner shall be solely responsible for any administrative fee and premium payable in respect of such variation, modification, waiver or no objection; and
  - (e) such right shall not interfere with the other Owners' right to hold, use, occupy and enjoy their Houses nor impede access to their Houses.
10. Sub-Deed of Mutual Covenant.
- (a) To enter into a Sub-Deed of Mutual Covenant (in this paragraph 10, the "Sub-DMC") in respect of any part of the Development the Undivided Shares

relating to and the Right to Occupy which are beneficially owned by the First Owner Provided That:

- (i) the Director of Lands has given his approval or waived the requirement for his approval of the form of the Sub-DMC; and
    - (ii) the Sub-DMC does not conflict with this Deed.
  - (b) To appoint a manager for the part of the Development for which a Sub-DMC has been entered into.
11. Consideration received by the First Owner. Unless otherwise expressly provided in this Deed, the right to retain for its own use and benefit any consideration or benefit received or receivable by the First Owner or otherwise arising through the exercise of any right in this Schedule.

## SCHEDULE 7

### Powers of Manager

1. Collection of Money. To demand and collect all money payable by the Owners under this Deed (including without limitation reasonable administrative fee for granting consent, photocopying charges, parking fees, damages and indemnity, etc).
2. Insurance.
  - (a) Subject to the direction of the Owners' Corporation (if formed), to insure on such terms as the Manager may determine:
    - (i) the Common Parts, the Green Hatched Black Areas and the Slope Structures in their full new reinstatement values in respect of loss or damage by fire or other risks; and
    - (ii) the Owners and the Manager in respect of such public, third party and occupier's liability, employer's liability in respect of employees employed within or exclusively in connection with the management of the Land, and other risks and liabilities as the Manager may decide in such amounts as the Manager deems fit,with some reputable insurance companies as comprehensively as reasonably and commercially possible in the name of the Manager and for and on behalf of the Owners according to their respective interests and to pay all premia required to keep such insurance policies in force. Such insurance could be a block insurance for the entire Development including areas which are not Common Parts.
  - (b) Subject to Clause 13.1, to pay out or apply all insurance money, compensation or damages recovered by the Manager in respect of any damage or loss to any Common Parts, the Green Hatched Black Areas or the Slope Structures in the repair, rebuilding or reinstatement of that part of the Common Parts, the Green Hatched Black Areas or (as the case may be) the Slope Structures.
  - (c) To pay out or apply all insurance money, compensation or damages recovered by the Manager in respect of any public, third party, occupier's, employer's, or other liability in remedying or compensating the loss or other matter for which it was paid.
3. Repair, maintenance and improvement of Common Parts.
  - (a) To take all steps as the Manager may decide for putting and keeping the Common Parts (including Works and Installations and Noise Mitigation Measures forming part thereof) in good and substantial repair, in a clean, tidy and proper working condition and appropriately decorated, landscaped, lit and ventilated.

- (b) Subject always to Clause 8.4, where reasonably required, to rebuild, renew, improve and upgrade the Common Parts as it deems fit and build or install additional common facilities as it deems fit in each case to a standard commensurate with the status of the Development.
- (c) To replace any broken glass in the Common Parts.
- (d) To keep the Conduits forming part of the Common Parts free from obstructions and in proper working condition.
- (e) To cultivate, irrigate and maintain plant and landscaping works in the Common Parts, if any.

4. Control and operation and administration of Common Parts.

- (a) To have exclusive control over the Common Parts and to generally administer and manage the Common Parts (including Works and Installations and Noise Mitigation Measures forming part thereof).
- (b) To operate the Common Parts in such manner as the Manager deems fit.
- (c) To comply with and ensure compliance with all laws and provisions of the Land Grant which are applicable to the Common Parts or the Land as a whole (including without limitation provisions in the Land Grant relating to the Green Hatched Black Areas).
- (d) To regulate pedestrian traffic in the Common Parts.
- (e) To prevent obstruction of the Common Parts.
- (f) If any article or vehicle is, in the Manager's opinion, causing obstruction of the Common Parts or is brought onto or remains in the Common Parts in contravention of this Deed or the Development Rules or parking fees payable in respect of any vehicle parked in areas comprised in the Common Parts have not been paid, to:
  - (i) remove and impound the article or vehicle concerned;
  - (ii) recover from the Owner who or whose tenant, licensee or visitor has brought the article or vehicle onto the Common Parts (in this paragraph 4(f), the "**Defaulting Owner**") all costs and expenses incurred by the Manager in the removal and impoundment and (as the case may be) the parking fees in default and other penalties and charges;
  - (iii) pending the recovery of such costs, expenses, parking fees, penalties and charges, claim a lien on the article or vehicle; and
  - (iv) if these amounts are not paid within a time which the Manager may in its absolute discretion determine, dispose of the article or vehicle in

such manner as the Manager may decide and apply the proceeds towards payment of the amounts secured by the lien;

Provided That the Defaulting Owner shall indemnify the Manager, its employees, agents and contractors and keep them fully indemnified for any losses incurred in exercising the Manager's powers under this paragraph 4(f).

- (g) To take all steps which the Manager considers appropriate for preventing any person from doing anything which may damage or interfere with the Common Parts or the normal functioning thereof.
- (h) To remove from the Common Parts any person who fails to comply with those of the Development Rules governing the use of the Common Parts or the conduct of any person using or present in the Common Parts.
- (i) To charge as the Manager deems fit a fee for the entry into and/or use of the Recreational Facilities (or any part thereof) Provided that all fees so received shall form part of the Management Funds.
- (j) Subject to the Land Grant, the law and Clause 8.4 and without prejudice to other rights and powers of the Manager, to carry out such works or other activities to or in the Common Parts in accordance with a resolution of the Owners' Committee.
- (k) To temporarily suspend, close or shut down the Common Parts for repairing or replacement which the Manager deems necessary.

5. Refuse Collection.

- (a) To prevent any decaying, noxious, excrementitious or other refuse matter from being deposited in the Land or any part thereof.
- (b) To arrange for refuse to be collected from different parts of and removed from the Land, and to maintain all refuse collection facilities in accordance with the requirements of any Governmental or other competent authority.

6. Prevention of Erosion. So far as reasonably possible, to prevent any refuse or other matter being deposited, washed, eroded or falling from the Land onto any neighbouring property and to remove any such refuse or other matter on or in the Land originating from any neighbouring property.

7. Utilities.

- (a) To make suitable arrangements for the supply of water, gas, electricity, telecommunication, information and other utility services to, from or for the Land.
- (b) Subject to Clause 8.4, to take such steps and make such arrangements from time to time as it considers appropriate to:

- (i) increase the supply of any utility to the Development when existing supply may not be sufficient to cope with current needs; or
- (ii) procure to be supplied to the Development any utility not previously supplied to the Development.

Without prejudice to the generality of the above, the Manager may (subject to Clause 8.4 and all approvals required under the law or the Land Grant having been obtained) and with the approval of the Owners' Committee:

- (iii) install or permit any utility supplier to install additional plant, equipment and Conduits which are necessary for increasing the supply of or (as the case may be) supplying the utility concerned in such of the Common Parts as the Manager considers appropriate;
  - (iv) carry out all works to the Common Parts for the purpose of facilitating the installation of such additional plant, equipment and Conduits; and/or
  - (v) convert Common Parts currently used for other purposes for the installation of such additional plant, equipment and Conduits.
- (c) To install, maintain and operate as the Manager deems fit communal radio, television or telecommunication cables, aerials and satellite dishes, Conduits for the transmission of information and other similar apparatus serving the Development.
  - (d) To take all reasonable steps to prevent any person from overloading any of the electrical installations and circuits in the Development.
  - (e) To negotiate and enter into and perform contracts with operators or providers of telecommunication or internet services for the supply of such services to the Development Provided That the Manager shall not enter into any contract for the installation or use of aerial broadcast distribution or telecommunications network facilities or any contract for the provision of broadcast distribution network or telecommunications network services unless:
    - (i) the term of the contract does not exceed 3 years;
    - (ii) the right to be granted under the contract is non-exclusive and the contract provides 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 services.

Without prejudice to the generality of the foregoing, to make all necessary connections as the Manager deems appropriate to enable the transmission of the services to occupants of the Development.

8. Security. To provide and maintain as the Manager deems fit security personnel, closed circuit T.V. systems, burglar alarms and other security measures for the Land.
9. Appointment of Lawyers. To appoint as it deems fit solicitors or legal counsel to advise upon any matter which arises in relation to the Land or this Deed and to grant them authority to accept service on behalf of the Owners of legal proceedings relating to the Land (except proceedings relating to the rights or obligations of individual Owners) and in all proceedings to which the Government is a party to appoint a solicitor who will undertake to accept service on behalf of the Owners (whether for the purpose of Order 10 Rule 1 of the Rules of the High Court or otherwise) within 7 days of being requested to do so by the Government.
10. Contracts.
  - (a) To appoint or employ agents, contractors or sub-managers (including professional property management companies) to carry out various aspects of the management of the Development or management in respect of certain area(s) of the Development Provided That the Manager shall not transfer or assign its rights, duties or obligations under this Deed to any such third parties (who must remain responsible to the Manager) and the Manager shall always remain responsible for the management and control of the whole Development.
  - (b) To appoint accountants to audit the management accounts and books and prepare the annual income and expenditure accounts and balance sheets.
11. Enforcement of Deed.
  - (a) To enforce and take all reasonable steps to ensure compliance with this Deed and the Development Rules by the Owners, occupiers and licensees of the Land including by the commencement, conduct, defence and enforcement of legal proceedings (the provisions of Clause 10.11 applying to any such action) and by the registration and enforcement of charges in accordance with Clause 10.12.
  - (b) To recover all costs and expenses incurred by the Manager in relation to an exercise of its power under paragraph 11(a) of this Schedule from the defaulting Owner.
  - (c) To forbid any Owner who breaches this Deed and his tenants and licensees from using the Common Parts until the default is rectified Provided That the exercise of this power is on the condition that the supply or transmission of utility services (including but not limited to supply of electricity, water, gas and telecommunications) to the Owner's Unit shall not be interrupted and the access to the Owner's Unit shall not be prevented.
  - (d) To discontinue providing management services to any Owner who breaches this Deed.

- (e) To remove any structure or installation or to demolish any building works in any part of the Land which are in contravention of this Deed, the Land Grant, or the law and to recover from the Owner of the Unit concerned all costs and expenses incurred by the Manager in connection with the exercise of the power in this paragraph 11(e) and making good any damage thereby caused to any other part of the Land Provided That this paragraph 11(e) does not impose any obligation on the Manager to carry out any works or activities it is empowered to carry out under this paragraph 11(e).
- (f) Where an Owner defaults in:
  - (i) any repair or maintenance obligations under this Deed; or
  - (ii) carrying out any activity to his Unit which is required to be carried out under the law or this Deed;

to carry out to or in the Owner's Unit all necessary works or activities as the Manager considers appropriate to ensure compliance with this Deed or (as the case may be) the law, and to recover from the Owner all costs and expenses incurred by the Manager in connection with the exercise of the power in this paragraph 11(f) Provided That this paragraph 11(f) does not impose any obligation on the Manager to carry out any works or activities it is empowered to carry out under this paragraph 11(f).
- (g) To take such steps as the Manager deems appropriate for removing from the Land any animal the presence of which in the Land or any Unit constitutes a contravention of this Deed.
- (h) To remove from the Recreational Facilities, any person who fails to comply with or is in breach of any applicable Development Rules and to exclude any person who has been in persistent breach of such Development Rules from the use of the Recreational Facilities, for such period as the Manager shall in its discretion deem appropriate.
- (i) To post on the public notice boards of or other prominent places in the Development the unit number of any Owner who is in breach of this Deed together with particulars of the breach.

12. Dealings with Government.

- (a) Subject to the Ordinance and the directions of the Owners' meeting, including a resolution of Owners passed at an Owners' meeting convened under this Deed, to have the right to represent the Owners in dealings with the Government or any other competent authority or any other person concerning the Land as a whole or the Common Parts, with power to bind all Owners as to any policy adopted, decision reached or action taken in relation to any such dealings.
- (b) Subject to the approval by a resolution of the Owners at an Owners' meeting convened under this Deed to surrender to the Government any part of the

Common Parts on such terms and conditions and by deeds and documents of form and substance as the Manager deems fit.

- (c) To comply with any legislation and lawful requirements of the Government and any competent authority.
- (d) To comply with and take all steps the Manager may decide to ensure the compliance with all provisions in the Land Grant applicable to the Land as a whole (including without limitation provisions in the Land Grant relating to the Green Hatched Black Areas).

13. Grant and acceptance of leases, rights.

- (a) Subject to the Land Grant, to, subject to the prior approval by a resolution of the Owners' meeting convened under this Deed, grant upon such terms as it considers appropriate:
  - (i) rights of way and other easements and rights of any other kind (whether constituting an interest in land or otherwise) over or relating to any Common Parts; and
  - (ii) leases or tenancy agreements in respect of and licences to use any Common Parts;

in either case to any person (including, without limitations, owners or occupiers of any adjoining or neighbouring property, the Government or members of the general public), Provided That all Owners' right, interest, use, access and enjoyment of their Units must not be affected or interfered with by the exercise of the right conferred herein. All income and receipts arising therefrom shall form part of the Management Funds.

- (b) To, subject to the prior approval by a resolution of the Owners' meeting convened under this Deed, obtain, upon such terms as the Manager deems fit grant of leases, tenancies, easements, licences or rights of any other kind whether constituting an interest in land or otherwise which will, in the opinion of the Manager, benefit the Owners and occupiers of the Land and to perform all terms and conditions on which such a grant is made.

14. Common Parts Shares. To take an assignment of and hold the Common Parts Shares and the Common Parts on trust in accordance with this Deed.

15. Staff and professional consultants.

- (a) To employ such staff and on such terms as it deems fit to enable it to perform its powers and duties under this Deed and to provide such staff with any necessary accommodation, uniforms, working clothes and all materials and equipment.

- (b) To retain the service of such professional consultants on such terms as it deems fit for the purpose of carrying out its powers and duties under this Deed.

16. Entry.

- (a) To enter with or without workmen, equipment or materials at all reasonable times on reasonable notice (except in an emergency when no notice is required and the entry may take place at all times) any part of the Land to exercise or carry out any of its powers or duties under this Deed (including without limitation to carry out necessary repairs to the Development or abate any hazard or nuisance which does or may affect the Common Parts or Owners other than the Owner whose Unit is being entered under the power provided in this paragraph 16(a)) Provided That the Manager shall at its own costs and expense make good any damage and be responsible for any liability caused by the negligent, wilful or criminal acts or omissions of the Manager or its employees, agents or contractors in entering any part of the Land pursuant to this paragraph 16(a).
- (b) To (at the expense of the Owner concerned) replace broken window glass or glazing in any Unit which remains unreplaced for 7 days after the Manager has served a notice on the Owner or occupier of that Unit requiring him to replace the same Provided That this paragraph 16(b) does not impose any obligation on the Manager to replace any broken window glass or glazing in any Unit.

17. Development Rules.

With the approval of the Owners' Committee, if any, to make, revoke and amend Development Rules regulating:

- (a) the use, occupation, security, maintenance, fitting-out, decoration, renovation and environmental control of the Land or any part thereof;
- (b) the conduct of persons occupying, visiting or using the Common Parts and the conditions of such occupation, visit or use, including the payment of charges;
- (c) matters pertaining to the protection of the Common Parts; and
- (d) other matters pertinent to the beneficial management of the Land (including without limitation matters pertaining to the protection of the environment of the Land and the implementation of waste reduction and recycling measures with reference to guidelines on property management issued from time to time by the Director of Environmental Protection);

Provided That Development Rules made or amended in accordance with this paragraph 17 shall not be inconsistent with or contravene this Deed (and in case of such inconsistency, this Deed shall prevail), the Ordinance or the Land Grant. Such Development Rules shall bind the Owners, their tenants, licensees and invitees. A copy of the Development Rules shall be posted on the public notice boards of the

Development and a copy shall be supplied to each Owner on request on payment of reasonable copying charges. Any monies paid as such a charge shall be credited to the Special Fund. For the avoidance of doubt, the Manager may make or amend such Development Rules before the formation of an Owners' Committee in which case the approval of the Owners' Committee is not required.

18. Sub-Deed of Mutual Covenant.
  - (a) If so appointed under a Sub-Deed of Mutual Covenant, to act as manager under a Sub-Deed of Mutual Covenant relating to any part of the Development and exercise all powers and perform all duties under the Sub-Deed of Mutual Covenant.
  - (b) Where a Sub-Deed of Mutual Covenant, management agreement or any similar deed or document is entered into in respect of any part of the Development and the Manager is not appointed Manager under the Sub-Deed of Mutual Covenant, management agreement or other deed or document, to do all things as the Manager considers appropriate for co-ordinating with the manager appointed under such Sub-Deed of Mutual Covenant, management agreement or other deed or document.
19. Consent. Subject as otherwise provided in this Deed, to give (with or without conditions) or withhold its consent to anything which requires its consent pursuant to this Deed and where any fee is imposed by the Manager as an administrative fee for the granting of such consent, such fee shall be held for the benefit of the Owners and be credited to the Special Fund. The Manager shall be entitled to charge not more than a reasonable administrative fee for issuing the consent.
20. Complaints. To deal with all enquiries, complaints, reports and correspondence relating to the Land.
21. Festive decorations. To provide such Christmas, Chinese New Year and other festive decorations and to organize such festive celebrations or activities for the Development as it deems fit.
22. Meetings of Owners. To convene meetings of the Owners and to act as secretary in keeping the minutes of such meetings.
23. Acquisition of supplies, goods and services. To, subject to Clause 8.4 and Clause 10.8 purchase, hire or otherwise acquire as it deems fit supplies, goods and services for use in relation to the Land.
24. Execution of documents. For the purpose of effecting any dealing or transaction relating to the Common Parts or the Common Parts Shares in accordance with this Deed, to execute and enter into any deed or document without joining any Owner (including any previous Owner) as a party thereto, the intention being that:
  - (a) the Manager, as trustee holding the Common Parts and the Common Parts Shares in accordance with this Deed, is empowered to execute and enter into such deed or document; and

- (b) such deed and document shall, upon execution by the Manager as trustee empowered as mentioned above, be binding on all Owners as beneficial owners of the Common Parts and the Common Parts Shares.

25. Environmental matters.

- (a) To provide appropriate and sufficient waste separation and recovery facilities consisting of materials that will not cause any fire hazard (including, but not limited to, waste separation bins) at such locations within the Common Parts:
  - (i) as it may consider suitable and convenient to facilitate waste separation and recovery by Owners and occupiers of the Development; and
  - (ii) so as not to cause obstruction to any fire escape route.
- (b) To ensure that recyclable materials recovered from the waste separation and recovery facilities or through the regular cleaning process shall be properly collected, stored and sent for recycling.
- (c) To maintain the waste separation and recovery facilities in an environmentally acceptable and hygienic manner to avoid creating nuisance to the Owners and occupiers of the Development.
- (d) To organize on a regular basis activities it may consider appropriate to promote the environmental awareness of the Owners and occupiers of the Development and encourage Owners and occupiers of the Development to participate in such activities with a view to improving the environmental conditions of the Development.
- (e) Subject to the approval of the Owners' Committee or the Owners' Corporation, if formed, to make Development Rules requiring Owners and occupiers of the Development to dispose of their rubbish properly for waste separation and recycling purposes.

26. Decoration Deposits.

- (a) If any works are to be carried out to a House, to obtain from its Owner a refundable Decoration Deposit of a sum as determined by the Manager payable for that Unit for the time being or of such amount as may from time to time be stipulated in the Development Rules.
- (b) Without prejudice to other rights and remedies of the Manager, to deduct from the Decoration Deposit any amount which an Owner is liable to pay to or indemnify the Manager under paragraph 9(d) of Schedule 5 or any cost of making good any damage caused to the Land and to refund to the Owner concerned the balance (if any) of the Decoration Deposit without interest.

27. Matters outside boundary. To carry out and perform, in relation to the Green Hatched Black Areas, all acts, activities and works required by the Land Grant, the

law or insurers of insurance taken out in relation thereto, or which are deemed appropriate by the Manager for performing and complying with the provisions of the Land Grant, the law or those insurers in relation to the same.

28. Geotechnical works. To inspect, keep and maintain in good and substantial repair and condition and carry out all necessary works in respect of the Slope Structures in compliance with the conditions of the Land Grant and in accordance with the Geotechnical Guidelines, the Slope Maintenance Manuals and all guidelines issued from time to time by the appropriate Government departments regarding the maintenance of the Slope Structures and to employ suitably qualified personnel for that purpose.

## **SCHEDULE 8**

### **WORKS AND INSTALLATIONS**

The following Works and Installations:

- (1) structural elements;
- (2) external wall finishes and roofing materials;
- (3) fire safety elements;
- (4) the Slope Structures;
- (5) plumbing system;
- (6) drainage system;
- (7) fire services installations and equipment;
- (8) electrical wiring system;
- (9) lift installations;
- (10) gas supply system;
- (11) window installations;
- (12) noise barrier; and
- (13) the Greenery Areas.

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

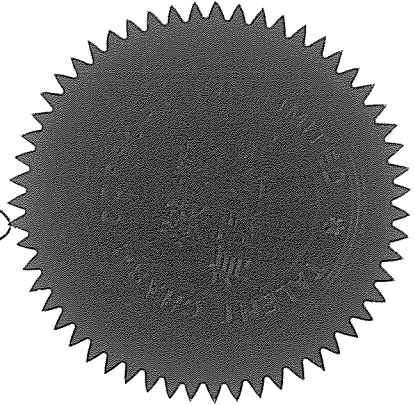
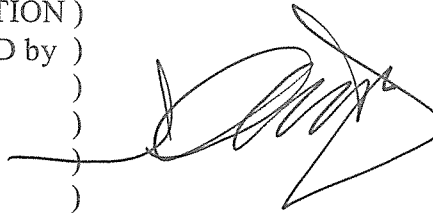
THE FIRST OWNER

SEALED with the COMMON SEAL of)  
TALENT CHARM CORPORATION)  
LIMITED (傑懋有限公司) and SIGNED by )  
Fan Man Seung, Vanessa )

whose signature(s) is/are verified by: )



Ambrose Ng  
Solicitor, Hong Kong SAR  
Messrs. Baker & McKenzie



~~THE FIRST ASSIGNEE~~

SIGNED SEALED and DELIVERED by )

~~in the presence of:~~

THE FIRST ASSIGNEE

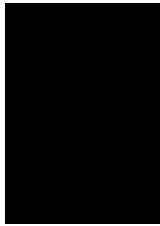
SIGNED SEALED and DELIVERED )

by [REDACTED] )

(holder of Hong Kong Identity Card )

No. [REDACTED] whose signature is )

witnessed by :- )

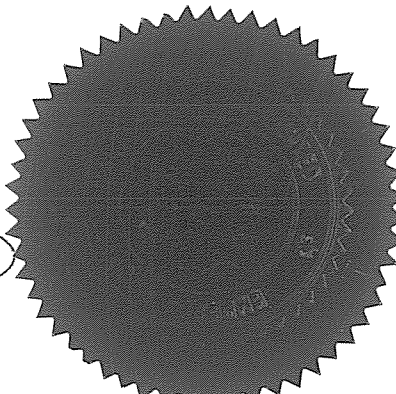


A handwritten signature in black ink, appearing to read 'Leo K.W. Lok'.

LEO K.W. LOK  
Solicitor, Hong Kong SAR  
Jimmie K.S. Wong & Partners

SEALED with the COMMON SEAL of)  
EMPEROR PROPERTY MANAGEMENT)  
(HK) LIMITED (英皇物業管理(香港)有限公  
司) and SIGNED by Fan Man Seung, Vanessa)

AL of)  
MENT)  
有限公)  
anessa)  
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)



THE MORTGAGEE

**Wong Wing Sze Cecilia**



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## **APPENDIX 1**

### **The Plans**

**LEGEND**

|                                                                                     |                                                                   |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------|
|  | YELLOW<br>COMMON PARTS                                            |
|  | YELLOW HATCHED BLACK<br>COMMON PARTS<br>(RECREATIONAL FACILITIES) |
|  | PINK<br>HOUSE                                                     |
|  | GREEN<br>HOUSE                                                    |



SCALE 1:500

I hereby certify the accuracy  
of this DMC Plan

*[Handwritten signature]*

Lee Kar Yan Douglas  
Authorised person, Architect

(For identification purpose only)

RURAL BUILDING LOT NO. 1198



- LEGEND
- YELLOW COMMON PARTS
  - YELLOW HATCHED BLACK COMMON PARTS (RECREATIONAL FACILITIES)
  - YELLOW STIPPLED BLACK COMMON PARTS (GREENERY AREA) (2039.180 S.M.)
  - PINK HOUSE
  - GREEN HOUSE
  - INDIGO DOTTED LINE VERTICAL GREEN FEATURES (265.718 S.M.)
  - RED LINE NON STRUCTURAL PREFABRICATED WALL

MASTER GROUND FLOOR PLAN  
PLAN NO. DMC-02

SCALE 1:500  
FOR IDENTIFICATION ONLY

I hereby certify the accuracy  
of this DMC Plan

Lee Kar Yan Douglas  
Authorised person, Architect  
(For identification purpose only)



FOR IDENTIFICATION ONLY



(For identification purpose only)

RURAL BUILDING LOT NO. 1198



I

INDIGO DOTTED LINE

VERTICAL GREEN FEATURES

(265.718 S.M.)

R

RED LINE

NON STRUCTURAL

PREFABRICATED WALL

Y

YELLOW

COMMON PARTS

Y

YELLOW STIPPLED BLACK

COMMON PARTS

(GREENERY AREA) (2039.180 S.M.)

P

PINK

HOUSE

G

GREEN

HOUSE

PINK CROSS-HATCHED BLACK

GROSS FLOOR AREA EXEMPTED

PART OF BALCONY OF A HOUSE

GREEN CROSS-HATCHED BLACK

GROSS FLOOR AREA EXEMPTED

PART OF BALCONY OF A HOUSE

2ND FLOOR PLAN FOR HOUSE 8 - 18  
GROUND FLOOR PLAN FOR HOUSE 1 - 7  
PLAN NO. DMC-04  
SCALE 1:500  
FOR IDENTIFICATION ONLY

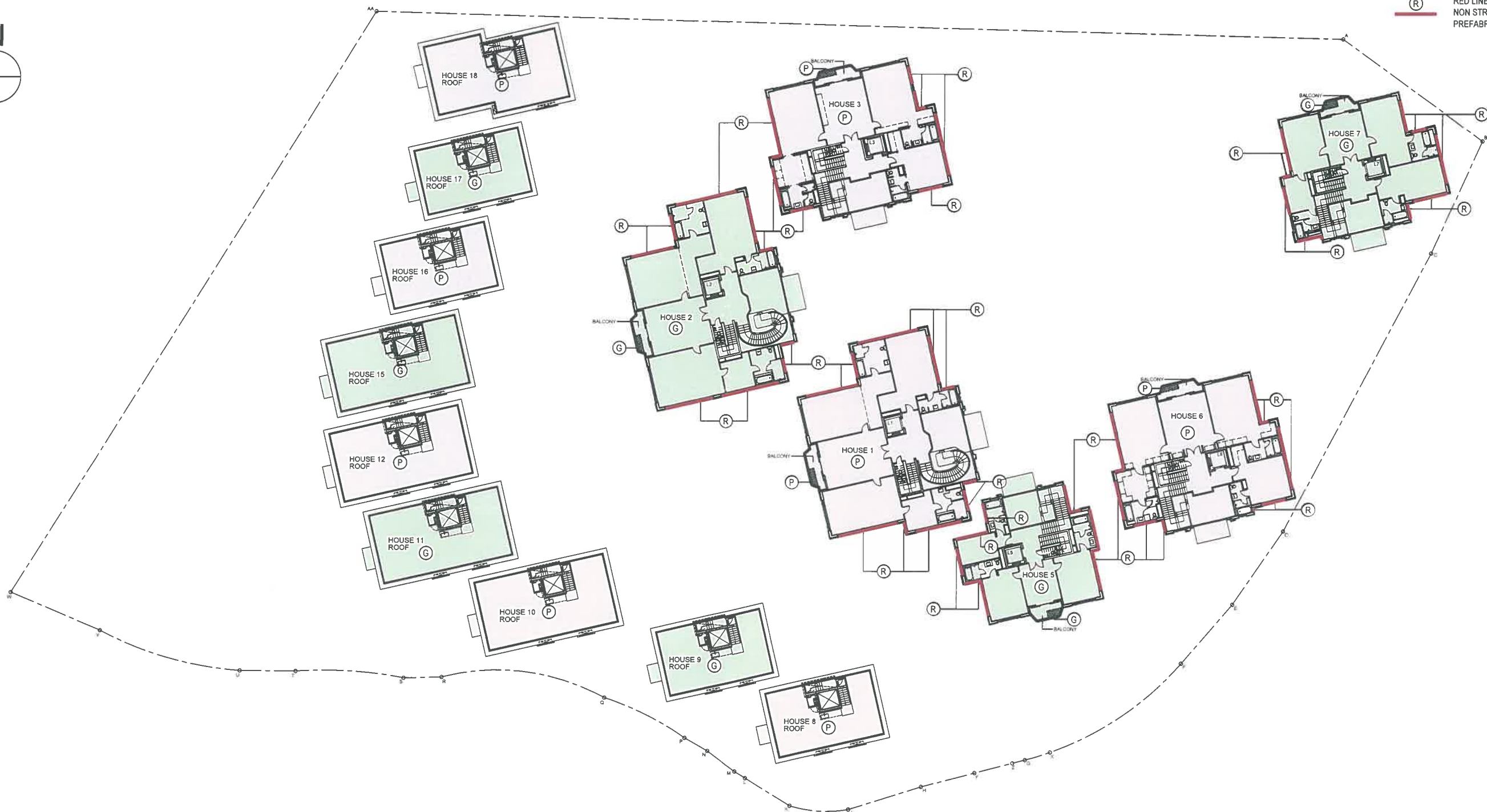
I hereby certify the accuracy  
of this DMC Plan

Lee Kar Yan Douglas  
Authorised person, Architect  
(For identification purpose only)

RURAL BUILDING LOT NO. 1198

LEGEND

-  PINK HOUSE
-  GREEN HOUSE
-  PINK CROSS-HATCHED BLACK GROSS FLOOR AREA EXEMPTED PART OF BALCONY OF A HOUSE
-  GREEN CROSS-HATCHED BLACK GROSS FLOOR AREA EXEMPTED PART OF BALCONY OF A HOUSE
-  RED LINE NON STRUCTURAL PREFABRICATED WALL



ROOF PLAN FOR HOUSE 8 - 18  
1ST FLOOR PLAN FOR HOUSE 1 - 7  
PLAN NO. DMC-05

SCALE 1:500  
FOR IDENTIFICATION ONLY

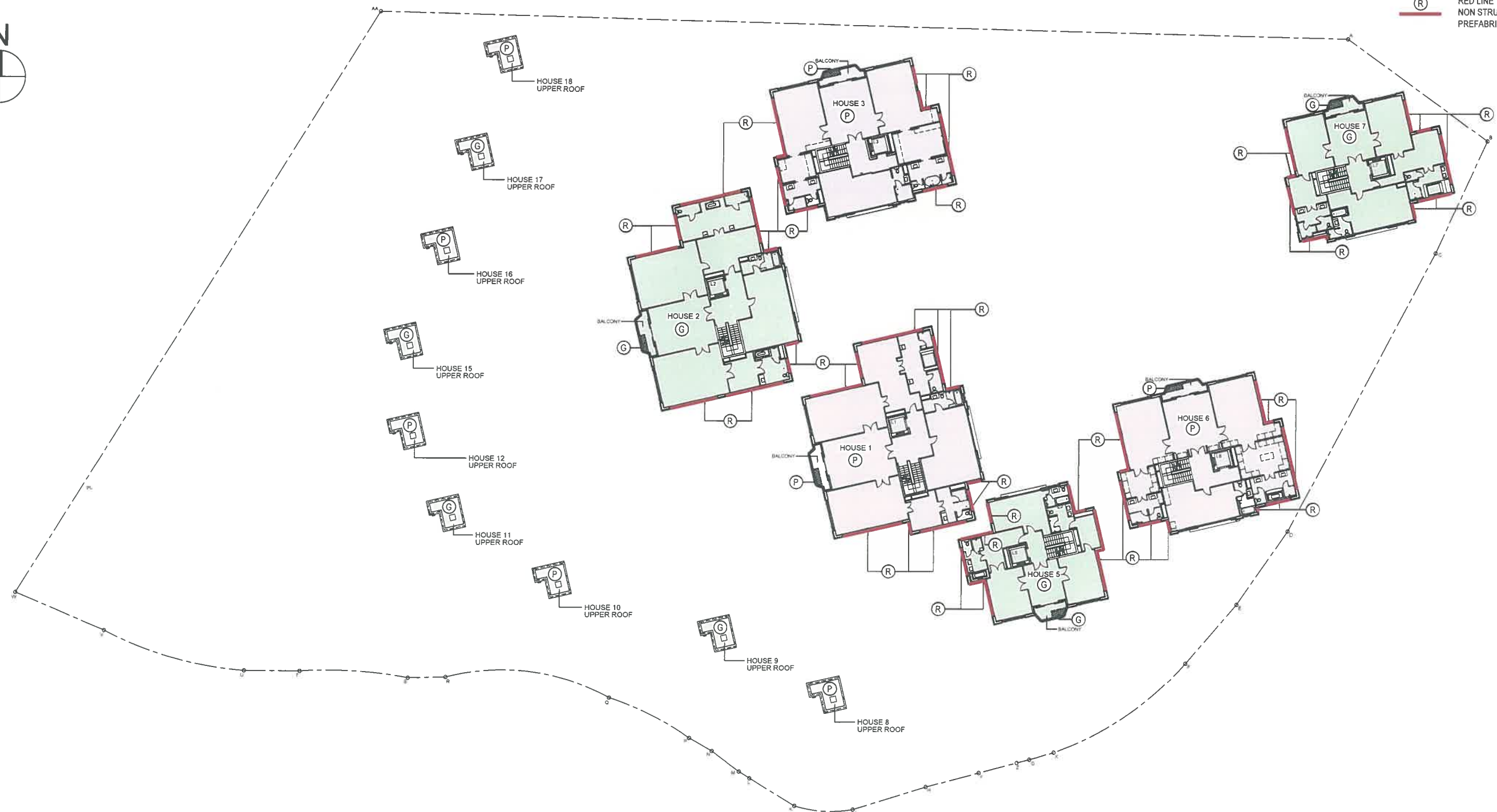
I hereby certify the accuracy  
of this DMC Plan

Lee Kar Yan Douglas  
Authorised person, Architect  
(For identification purpose only)

RURAL BUILDING LOT NO. 1198

LEGEND

-  PINK HOUSE
-  GREEN HOUSE
-  PINK CROSS-HATCHED BLACK GROSS FLOOR AREA EXEMPTED PART OF BALCONY OF A HOUSE
-  GREEN CROSS-HATCHED BLACK GROSS FLOOR AREA EXEMPTED PART OF BALCONY OF A HOUSE
-  RED LINE NON STRUCTURAL PREFABRICATED WALL



UPPER ROOF PLAN FOR HOUSE 8 - 18  
2ND FLOOR PLAN FOR HOUSE 1 - 7  
PLAN NO. DMC-06

SCALE 1:500  
FOR IDENTIFICATION ONLY

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of this DMC Plan

Lee Kar Yan Douglas  
Authorised person, Architect  
(For identification purpose only)

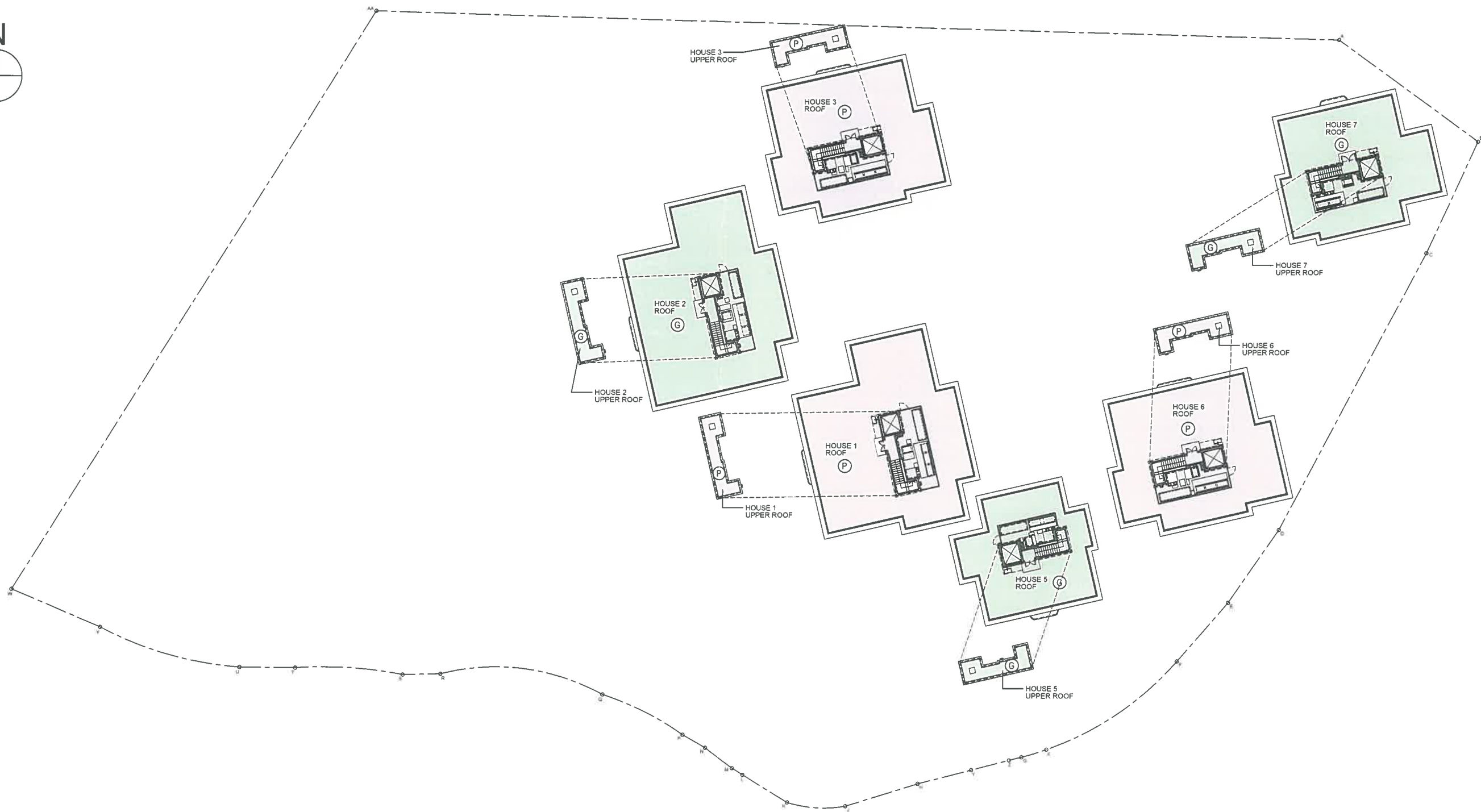
LEGEND



PINK  
HOUSE



GREEN  
HOUSE



ROOF & UPPER ROOF PLAN FOR HOUSE 1- 7  
PLAN NO. DMC-07

SCALE 1:500  
FOR IDENTIFICATION ONLY

I hereby certify the accuracy  
of this DMC Plan

Lee Kar Yan Douglas  
Authorised person, Architect

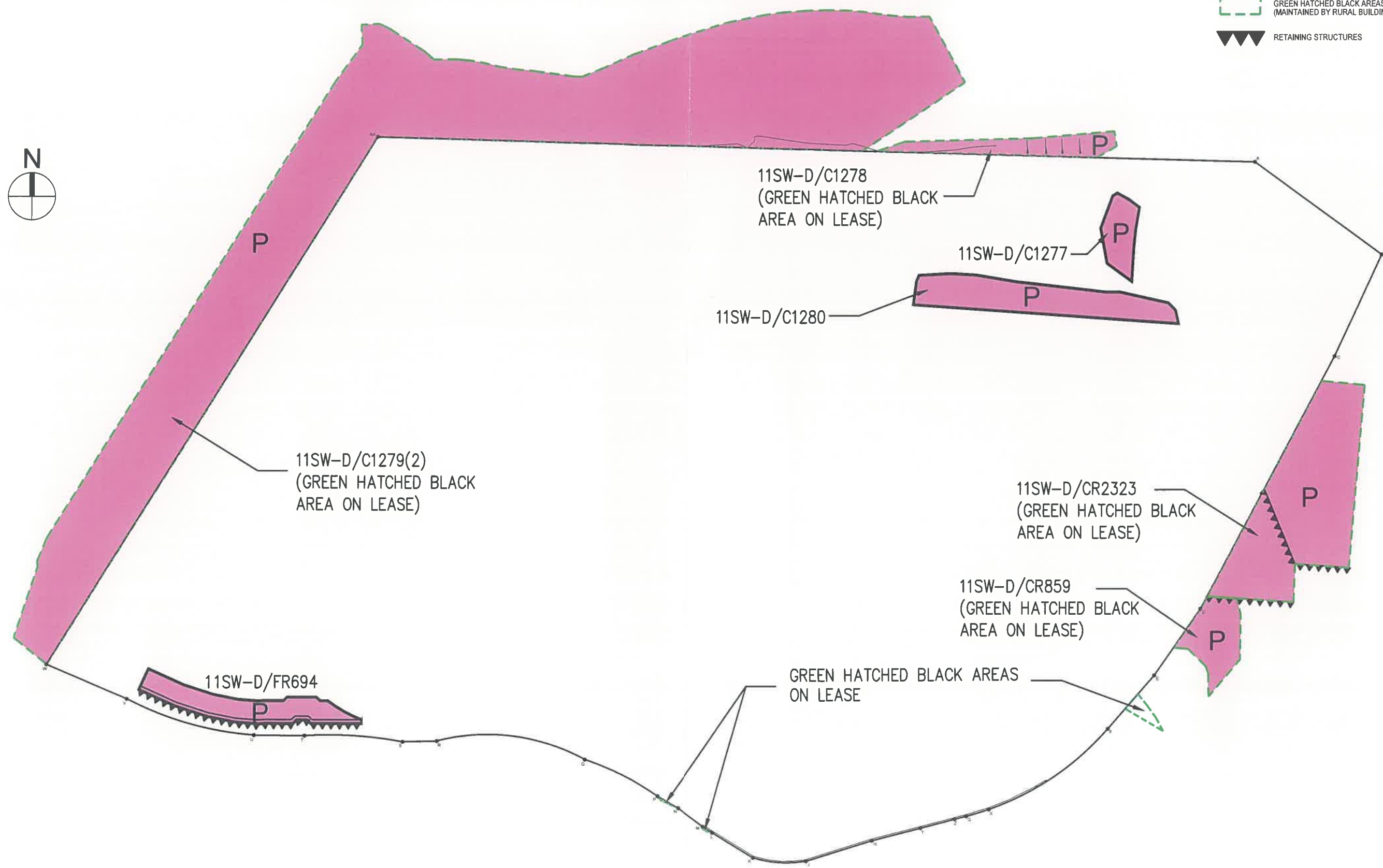
(For identification purpose only)

## APPENDIX 2

### Slope Plan

**LEGEND**

-  PINK  
SLOPE STRUCTURES OR  
SLOPE WITH ASSOCIATED RETAINING STRUCTURES  
(MAINTAINED BY RURAL BUILDING LOT NO. 1198 OWNERS)
-  GREEN  
GREEN HATCHED BLACK AREAS ON LEASE  
(MAINTAINED BY RURAL BUILDING LOT NO. 1198 OWNERS)
-  RETAINING STRUCTURES



FOR IDENTIFICATION ONLY



Lee Kar Yan Douglas  
Authorised person, Architect  
(For identification purpose only)

### APPENDIX 3

#### Noise Mitigation Measures

| Location              | Floor      | Noise Mitigation Measures                                                                                                                                                                                  |
|-----------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| House 3               | 2/F        | Fixed glazing applied for the windows facing west & north at two bedrooms.                                                                                                                                 |
| House 8 –<br>House 18 | G/F to 1/F | 3.2m to 4.2m high vertical noise barrier with 2m cantilever provided at the west of the boundary of the Land.<br>4m high vertical noise barrier provided at the south-western of the boundary of the Land. |
| House 17              | 2/F        | Acoustic balcony and fixed glazing applied for the window facing west at the bedroom.                                                                                                                      |
| House 18              | G/F        | 2m high solid parapet wall provided at north-western of the boundary of the Land.                                                                                                                          |
|                       | 1/F        | Fixed glazing applied for the window facing west & north, acoustic balcony and 2m high solid parapet wall provided at north-western of the boundary of the Land.                                           |
|                       | 2/F        | Baffle type acoustic balcony and fixed glazing applied for the window facing west & north.                                                                                                                 |

Note: further details of the Noise Mitigation Measures are provided in the NIAR.