



☒ SLOPE
☐ RETAINING WALL

SCALE 1:1250

SLOPE AND RETAINING WALL PLAN OF
 R.B.L. NO.821 AND THE EXTENSION THERETO

Amman

WOO YAN FAN, STELLA
 B.A. (AUS) MARCH, H.V.A. P.I.B.A.
 AUTHORIZED PERSON ARCHITECT

THIS DEED OF MUTUAL COVENANT AND MANAGEMENT AGREEMENT made
the 16th day of January One thousand
nine hundred and ninety-nine

BETWEEN GOLDEN SQUARE PROPERTIES ENTERPRISES LIMITED principal
place of business in Hong Kong is situate at 45th Floor, Sun Hung
Kai Centre, 30 Harbour Road, Wanchai, Hong Kong (hereinafter
called "the Registered Owner" which expression shall where the
context so admits include its successors and assigns) of the
first part, [REDACTED]

[REDACTED] (hereinafter called
"the First Purchaser" which expression shall where the context
so admits include his executors administrators and assigns) of
the second part and KAI SHING MANAGEMENT SERVICES LIMITED
(啟勝管理服務有限公司) whose registered office is
situate at 45th Floor, Sun Hung Kai Centre, 30 Harbour Road,
Wanchai, Hong Kong (hereinafter called "the Manager" which
expression shall where the context so admits include its
successors or assigns) of the third part.

WHEREAS :-

Definitions (1) In this Deed the following
expressions shall have the following
meanings ascribed to them wherever
the context so permits :-

"Approved
Plans"

The plans for the Development of the
Land and/or any amendments thereto
duly approved by the Building
Authority and/or the Director of
Lands.

"Club House"

The Club House in the Development
including the children play area,
gymnasium, sun decks, swimming pool,
sauna, jacuzzi, landscaped area,
landscaped garden, male and female
changing rooms, male and female
lavatories and all ancillary
equipment and structures erected by
the Registered Owner for the common
use and enjoyment of the Owners
and/or residents for the time being
of the Development.

"Common Areas"

Any areas or spaces intended for the
common use and enjoyment of the
Owners and/or residents for the time
being of the Development including
the Club House, the footpaths,
walkways, roads, driveways, landscape

"Common
Facilities"

area (save and except those assigned or intended to be assigned together with any of the Houses), all planters (save and except those assigned or intended to be assigned together with any of the Houses), gardens (save and except those assigned or intended to be assigned together with any of the Houses), retaining walls, water works reserve areas, circular ramp-driveway, open yard, non-building area and parking loading and unloading spaces for refuse collection vehicles.

"the
Conditions"

The facilities and systems for the common use and enjoyment of all the Owners and/or residents for the time being of the Development such as the fence walls, the transformer room, the drainage discharge system, street hydrant pump room, lift machine room, electrical room, fire services pump room, switch room, television broadcast equipment room, fire service control room, refuse storage chamber, water meter rooms filtration plant rooms, M & E room, water tank and A/C plant room.

Agreement and Conditions of Sale No.8666 and Conditions of Extension No.10239 as varied or modified by two Modification Letters registered in the Land Registry by Memorial Nos.6202162 and 7233741 respectively.

"this Deed"

This Deed of Mutual Covenant and Management Agreement.

"the
Development"

The whole of the residential development known as Le Palais (皇府灣) including all the Houses constructed or in the course of construction on the Land including all structures, facilities or services whatsoever installed or provided in, under on or over the Land for the use of the Development or any part or parts thereof and including without limiting the generality of the foregoing the Common Areas, the Common Facilities, all machinery and equipment in or

"Equipment
Fund"

upon the Development, all roads, driveways, footpaths, stairways, cables, pipes, drainage and sewage etc.

The non-transferable and non-refundable sum to be contributed by the Owners towards the purchase of equipment, tools, plant and machinery in connection with the management of the Development or the provisions of amenities for the enjoyment of the Owners or residents for the time being of the Development in accordance with the provisions of this Deed.

"General Rules"

The rules and regulations governing the Development from time to time in force as provided herein.

"House"

One of the 34 houses with carport(s), garden deck, yard (if any), roof and garden on grade (if any) erected or in the course of erection on the Land intended for residential use in accordance with the Approved Plans.

"Land"

All that piece or parcel of land registered in the Land Registry as Rural Building Lot No.821 and the Extension thereto.

"Maintain"

Repair, uphold, support, rebuild, overhaul, pave, purge, scour, cleanse, employ, amend, keep, replace, decorate and paint or such of the foregoing as may be applicable in the circumstances and in the interest of good estate management and "maintenance" shall be construed accordingly.

"Management"

All duties and obligations to be performed and observed by the Manager pursuant to the provisions of this Deed.

"Management
Expenses"

The costs charges and expenses for the management and maintenance of the Development provided in this Deed which, except for the purpose of Sub-clause (1) of Clause (C) of Section V hereof, shall include the Manager's

	Remuneration.
"Management Funds"	All monies recovered or held by the Manager pursuant to this Deed except only the Manager's Remuneration.
"Manager"	KAI SHING MANAGEMENT SERVICES LIMITED or any other manager for the time being appointed as manager of the Development pursuant to the provisions of this Deed.
"Manager's Remuneration"	The remuneration of the Manager as provided herein.
"Occupation Permit"	A temporary or permanent occupation permit issued by the Building Authority.
"Owners"	The Registered Owner, the First Purchaser and any person who may hereafter become the registered owner and registered as such under the Land Registration Ordinance Chapter 128 of the Laws of Hong Kong or mortgagee or chargee in possession or one who has foreclosed of any Undivided Shares in the Land and the Development including joint-tenants or tenants-in-common and its or his or their executors administrators successors and assigns and references to the Owner or Owners of any part of the Development shall mean the Owner or Owners for the time being whose Undivided Shares entitle him or them to the exclusive right to hold use occupy and enjoy such part of the Development.
"Owners' Committee"	A Committee of all the Owners of the Development established under the provisions of this Deed.
"Slopes and Retaining Walls"	The slopes, retaining walls or other structures (if any) within or outside the Land, which are required to be maintained by the Owners under the Conditions and in accordance with the "Geoguide 5 - Guide to Slope Maintenance" issued by the Geotechnical Engineering Office, as amended from time to time.

"Undivided
Share"

Any one of the Undivided Shares.

"Undivided
Shares"

All those 20,457 equal undivided parts or shares of and in the Land and the Development as set out in the Schedule hereto.

Singular
includes plural

In this Deed references to the singular shall include the plural and vice versa and references to the masculine gender shall include the feminine or neuter gender.

The Land

- (2) Immediately prior to the assignment (hereinafter recited) to the First Purchaser, the Registered Owner was the registered owner of the Land held under the Conditions Subject to payment of the rent and to the observance and performance of the terms and conditions therein reserved and contained.

The Development

- (3) The Registered Owner has developed or is in the course of developing the Land in accordance with the Approved Plans and has constructed or is in the course of constructing on the Land the Development.

Division of
Shares in the
Land and the
Development

- (4) For the purposes of sale the Land and the Development have been notionally divided into 20,457 Undivided Shares which have been allocated in manner set out in the Schedule hereto.

Assignment to
First Purchaser

- (5) By an Assignment (hereinafter called "the said Assignment") of even date and made between the Registered Owner of the one part and the First Purchaser of the other part the Registered Owner assigned unto the First Purchaser All Those 482/20,457 equal Undivided Shares in the Land and the Development together with the full and exclusive right and privilege to hold use occupy and enjoy All That House [REDACTED] of the Development.

Purpose of this
Deed

- (6) The parties hereto have agreed to enter into this Deed for the purposes of making provision for the management, maintenance, insuring and servicing of the Land and the Development, and of defining and regulating the rights, interests and obligations of the Owners in respect of

the Land and the Development.

NOW THIS DEED WITNESSETH as follows :-

SECTION I

The Registered
Owner to have
exclusive use of
the Development
except only
House [REDACTED] and
the Common Areas

- (1) The Registered Owner shall at all times hereafter subject to and with the benefit of the Conditions insofar as they relate thereto have the full and exclusive right and privilege to hold use occupy and enjoy All the Development save and except only (a) the said House [REDACTED] of the Development assigned to the First Purchaser and (b) the Common Areas and Subject to the easements, rights and privileges granted to the First Purchaser by the said Assignment and this Deed Together with the appurtenances thereto and the entire rents and profits thereof.

First Purchaser
to have
exclusive use
of House [REDACTED]

- (2) (a) The First Purchaser shall at all times hereafter subject to and with the benefit of the Conditions insofar as they relate thereto have the full and exclusive right and privilege to hold use occupy and enjoy All That the said House [REDACTED] of the Development Together with the appurtenances thereto and the entire rents and profits thereof.
- (b) Subject to Clause (7) hereinbelow, the Common Areas shall be deemed to be common areas for the benefit of the Owners of the Development which areas may, subject to the provisions hereof, be used by each Owner in common with the Registered Owner and all other people having the like right.

Easements
rights and
privileges of
Owners

- (3) Each Undivided Share in the Land and the Development and the full and exclusive right and privilege to hold use, occupy and enjoy any part of the Development shall be held by the person or persons from time to time entitled thereto subject to and with the benefit of the easements, rights, privileges and obligations contained in this Deed.

Owners bound by
covenants etc.

- (4) The Owners shall at all times hereafter be bound by and shall observe and perform the covenants, provisions and restrictions contained in this Deed and the benefit and burden thereof shall be annexed to every part of the Land and the Development and the Undivided Share or Shares held therewith. The Conveyancing and Property Ordinance Chapter 219 of the Laws of Hong Kong and any statutory amendments, modifications or re-enactments thereof for the time being in force shall apply to these presents.

Rights of
Owners to
assign etc.

- (5) Every Owner shall have the full right and liberty without reference to the other Owners or other persons who may be interested in any other Undivided Share or Shares in any way whatsoever and without the necessity of making such other Owners or other persons a party to the transaction to sell, assign, mortgage, charge, lease, let, license or otherwise dispose of or deal with his share or interest in the Land and the Development PROVIDED THAT any such transaction shall be expressly subject to the terms of this Deed.

No Right to
enjoyment of
the Land be
dealt with
separately from
Undivided
Shares

- (6) The right to the exclusive use occupation and enjoyment of any part of the Land or the Development shall not be sold, assigned, mortgaged, charged, leased, let or otherwise dealt with separately from the Undivided Share with which the same is held PROVIDED ALWAYS that the provisions of this Clause shall not be extended to leases or tenancies for terms not exceeding seven years.

Rights reserved
to the
Registered
Owner

- (7) (a) There are reserved unto the Registered Owner its successors and assigns the following rights and privileges:-

- (i) The Registered Owner its contractors servants agents or other persons authorized by it shall have the right at all reasonable times to enter into and upon all parts of the Land and the Development with all necessary equipment plant and materials for the purpose of

completing the construction of the Development in accordance with the Approved Plans and may carry out works in under on or over the Land and the Development as it sees fit Provided that except in case of emergency the Registered Owner shall first obtain the relevant Owner's consent (such consent not to be unreasonably withheld or delayed) before entering into any House as aforesaid. The Registered Owner in pursuance of any works shall notify the Owners, their servants, agents or licensees in writing as to the areas or parts of the Land and the Development that the Owners may not use while such works are being carried out.

- (ii) The right to change the name of the Development or any part thereof at any time and shall not be liable to any Owner or other person having an interest in the Development for any damages, claims, costs or expenses resulting therefrom or in connection therewith.
- (iii) The right to change, amend, vary, add to or alter the Approved Plans existing at the date thereof without the concurrence or approval of any Owner or any of the parties hereto but nothing herein shall absolve the Registered Owner from the requirements of obtaining the prior written approval of the Director of Lands. No such change or addition shall give to the Owners any right of action against the Registered Owner Provided that any such addition to, change, amendment, variation or alteration of the Approved Plans aforesaid shall only affect those parts of the Development exclusively owned by the Registered Owner and shall

not affect the rights and interest of the Owners in the enjoyment of his House.

- (iv) The exclusive right to install on or affix to any part of the Land and the Development (save and except those parts specifically assigned) such flues, pipes, conduits, aerials, plant, machinery, and other apparatus, signs, placards, posters and other advertising structures whatsoever (illuminated or not) as the Registered Owner and its successors in title and assigns think fit together with the right to remove repair maintain service or replace the same, subject always to the Conditions and the prior written consent or approval of any Government Authorities as may be required by legislation and/or the Conditions.
- (v) The right to apply to negotiate and to agree with the Hong Kong Government and/or other persons and to execute licence agreements, wayleave agreements, deeds of dedication or other necessary documents for the purpose of obtaining or renewing or granting any licences, wayleaves, rights of way or other rights or easements over Government land and/or the Land and/or other land as the Registered Owner shall think fit for the benefit of all the Owners but without the necessity of making any other Owner a party thereto.
- (vi) The right to apply to negotiate and agree with the Hong Kong Government to amend vary or modify the Conditions or any conditions thereof in such manner as the Registered Owner may deem fit and to execute modification letters or other

necessary documents without the necessity of making any other Owner a party thereto.

- (vii) The right and full power at all times hereafter to enter into and upon all parts of the Land (save and except those specifically assigned) with all necessary equipment plant and materials and to construct install erect place complete and maintain thereon or thereupon aerial and/or dish installation apparatus structures and/or other equipment relating to broadcasting and/or reception of cable and/or satellite television and may for such purpose carry out all such works as it may from time to time see fit. The right of the Registered Owner to enter the Land (save and except those parts specifically assigned) to carry out such works shall extend equally to all necessary contractors agents workers and other persons authorized by the Registered Owner. The Registered Owner in pursuance of such work may from time to time issue in writing to the Owners instructions as to the areas or parts of the Land (save and except those parts specifically assigned) that the Owners their servants or agents or licensees may or may not use or have access to or over while such works are being carried out. The Registered Owner shall not incur any liability to the Owners or any person having an interest in the Land in respect of any inconvenience, disturbance, damage or loss that may be caused by or arise from such works Provided that the Registered Owner shall make good forthwith any damage caused and that such works are carried out without negligence.

- (b) The Registered Owner shall be entitled to do all or any of the things mentioned in paragraphs (i), (ii) and (iii) of (a) above by exhibiting a prior notice in English and Chinese on the Notice Boards within the Development for 7 consecutive days in the cases of the said paragraphs (i) and (iii), and for six months in the case of the said paragraph (ii).

SECTION II

EASEMENTS AND OTHER RIGHTS ATTACHED TO UNDIVIDED SHARES IN THE LAND AND THE DEVELOPMENT

Owner to have
benefit of
easements

- (1) The Owners of Undivided Shares and Houses in the Development shall subject to the General Rules and payment by such Owners of the Management Expenses as herein provided have the following easements rights and privileges :-

Right to use
Common Areas

- (a) Full right and liberty for the Owner of a House, his servants, agents and licensees (in common with all persons having the like right) to go, pass and repass over and along the Common Areas for all purposes connected with the proper use and enjoyment of his House.

Right to
support

- (b) The Owner of a House shall have the right to lateral support from Houses attached to his House (if any).

Passage of
water etc.

- (c) The Owner of a House shall have the right to the free and uninterrupted passage and running of water, sewage, gas, electricity and other services from and to the House owned by the Owner through the sewers, drains, watercourses, cables, pipes and wires which now are or may at any time hereafter be in under or passing through the Land and the Development for the proper use and enjoyment of the House.

Right to enjoy
recreational
facilities

- (d) Full right and liberty for the Owner of a House and his bona fide visitors to use and enjoy the Club House and other sports and recreational

facilities, if any, (in common with all other persons having the like right) of the Development subject to the General Rules provided herein.

Exclusion of rights

- (2) The Owner shall have no right to enter upon any part of the Land or Development save as expressly herein provided.

SECTION III

EASEMENTS AND OTHER RIGHTS TO WHICH UNDIVIDED SHARES IN THE LAND AND THE DEVELOPMENT ARE SUBJECT

Owner to hold subject to easement etc.

Easements rights and privileges subject to which each Undivided Share is held :-

Manager's right to enter Houses to inspect and maintain

- (1) The Manager shall have full right and privilege at all reasonable times on notice (except in the case of emergency) with or without agents, surveyors, workmen and others to enter into and upon each House for the purposes of inspecting, examining and maintaining the Development or any part or parts thereof or any Common Facilities therein or any other apparatus and equipment used or installed for the benefit of the Development or any part thereof provided that the Manager shall be liable for remedying any damages due to negligent or wilful acts.

Reciprocal easements rights

- (2) Easements rights and privileges over along and through each House equivalent to those set forth in paragraphs (a) to (d) inclusive of Clause (1) of SECTION II. Subject always to the rights of the Registered Owner herein the Manager shall have full right and authority to control and manage the Common Areas and the Common Facilities of the Development.

SECTION IV

COVENANTS AND RESTRICTIONS TO BE OBSERVED AND PERFORMED BY THE OWNERS

To Notify Manager of change of ownership

- (1) Every Owner shall notify the Manager of any change of his ownership within one month from the date of the Assignment in

respect thereof. The previous Owner shall remain liable for all Management Expenses until such time as the Manager receives such notice and all payment made up to date of the Assignment.

- | | |
|---|--|
| To discharge taxes etc. | (2) Each Owner shall promptly pay and discharge all taxes, rates, assessments and outgoings of every kind assessed or payable in respect of that part of the Development owned by him and shall indemnify the other Owners from and against all liability therefor. |
| To pay management fees and expenses | (3) Each Owner (except the Owner of the Common Areas) shall pay to the Manager on the due date the Management Expenses as herein provided. |
| No structural alteration which affects other parts of Development | (4) No Owner shall make any structural or other alterations to any part of the Development which may damage or interfere with the use and enjoyment of any other part thereof or the rights of other Owners. |
| No contravention of the Conditions or acts affecting insurance | (5) No Owner shall do or permit or suffer to be done any act or thing in contravention of the Conditions or whereby any insurance on the Development may become void or voidable or whereby the premium for any such insurance may be increased and in the event of any breach of this Clause by any Owner, such Owner shall in addition to any other liability pay the amount of any increase in premium caused by or on account of such breach. |
| To indemnify other Owners | (6) Each Owner shall indemnify all other Owners and occupiers against any actions, proceedings, claims and demands whatsoever in respect of any loss or damage to any person or property caused by or as the result of the act or negligence of such Owner or any occupier of any part of the Development owned by him or any person using such part of the Development with his consent expressed or implied arising out of or owing to the defective condition thereof or the overflow of water therefrom. |

To be
responsible for
acts or
omissions of
occupants

- (7) Each Owner shall indemnify the other Owners for the acts and omissions of all persons occupying with his consent expressed or implied any part or parts of the Development owned by him and shall pay all costs, charges and expenses incurred in repairing or making good any loss or damage caused by the act, neglect or default of such person. In the case of loss or damage which the Manager is responsible to make good or repair pursuant to the Manager's duties, such costs, charges and expenses shall be recoverable by the Manager as herein provided and in the case of loss or damage suffered by other Owners or occupiers of any part of the Development for which the Manager is not responsible to repair or make good, such costs, charges and expenses together with all other damages recoverable by law shall be recoverable by the person or persons sustaining the loss or damage.

No interference
with
construction or
maintenance of
the Development

- (8) No Owner shall do or permit or suffer to be done and each Owner will take all possible steps to prevent his tenants, occupiers or licensees from doing any act, deed, matter or thing which in any way interferes with or affects or which is likely to interfere with or affect the construction of any part of the Development at any time in the course of construction or the maintenance of the Development as herein provided.

To keep in good
repair

- (9) Each Owner shall maintain in good repair and condition to the satisfaction of the Manager that part of the Development in respect of which he is entitled to exclusive possession.

Not to use for
illegal or
immoral
purposes or
cause nuisance

- (10) No Owner shall use or permit or suffer the part of the Development owned by him to be used for any illegal or immoral purpose nor shall he do cause or permit or suffer to be done any act or thing which may be or become a nuisance or annoyance to or cause damage to the other Owners and occupiers for the time being.

Use in
accordance with
the Conditions
and Buildings
Regulations and
other
regulations

(11) No Owner shall use or permit or suffer any part of the Development owned by him to be used except in accordance with the terms and conditions of the Conditions and any applicable Buildings or other Regulations or any Government permit, consent or requirement applicable thereto.

Not to obstruct
Common Areas

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

Use of refuse
disposal areas

(13) The refuse disposal areas shall be used only in the manner prescribed by and subject to the General Rules.

No right to
interfere with
Common
Facilities

(14) No Owner shall have the right to enter into, alter, repair, connect to or in any other way interfere with or affect the working of the Common Facilities without the prior written consent of the Manager.

Use of aerials
and television
antenna, etc.

(15) No Owner shall erect any private aerial telecommunication transmitter or receiver and/or television antenna outside any part of his House but may connect to the communal aerial and/or television antenna installed in the Development with the permission of the Manager and shall use the same in accordance with any General Rules relating to them.

External signs
and structures

(16) Subject to Clause (7)(a)(iv) of Section I above, no external signs, signboards, notices, advertisements, flags, banners, poles, cages or other projections, or structures whatsoever extending outside the exterior of any House and/or the Development shall be erected, installed or otherwise without the prior consent in writing of the Manager and any Government authorities as may be required.

Not to alter
external
appearance of
House or
Development

(17) No Owner shall do or permit to be done any act or thing which may or will alter the external appearance of any House and/or the Development without the prior consent in writing of the Manager and any

Government authorities as may be required.

Not to discard
refuse

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

To observe
General Rules

- (19) All Owners and occupiers shall at all times observe and perform all the covenants, conditions and provisions of this Deed and the General Rules.

Not to cause
damage by
installation
and removal of
fixtures

- (20) Each Owner may at his own expense install in the part of the Development owned by him such additions, improvements, fixtures, fittings and decoration and remove the same Provided however that no such installation or removal shall cause any structural damage or interfere with the enjoyment of any other part of the Development and Provided further that all permits or consents from Government authorities as required in respect of such additions, improvements, or other work have been obtained. In the event that any Owner shall install or erect any addition or improvements without having obtained all necessary permits and consents the Manager shall be entitled to remove the same at the costs of such Owner and the Owner shall indemnify the Manager and all other Owners in respect of any costs, damages, claims or expenses arising out of or in connection with such work.

Hanging of
Laundry

- (21) No clothing or laundry shall be hung outside any House or any part of the Development other than in the spaces specifically provided for such purpose.

Not to
interfere with
flush or
drainage
systems

- (22) No Owner shall do or suffer or permit to be done anything whereby the flushing or drainage system of the Development may be clogged or the efficient working thereof may be impaired.

Houses to be
used for
private
residential
purposes

- (23) All Houses shall be used for private residential purposes only and in particular shall not be used as an apartment house or for any form of commercial letting or occupancy in bed spaces or cubicles.

Recreational
Facilities

(24) The Club House and other sports and recreational facilities, if any, shall only be used for recreational purposes by the residents of the Development and their bona fide visitors and by no other person or persons whatsoever.

No illegal
structure on
roof

(25) No Owner shall erect or place or cause or permit to be erected or placed any illegal structure on any of the roofs or garden deck(s) in the Development or any part thereof and the Manager shall have the right to remove anything erected or placed on any roof or garden deck(s) in contravention of this provision at the costs and expenses of the Owner of such roof.

No grilles or
shutters

(26) No Owner shall permit or suffer to be erected affixed installed or attached in on or at the entrance or entrances of any House any metal grille or shutter or gate which shall in any way contravene this Deed or the regulations of the Fire Services Department or other authority and/or which may in any way impede the free and uninterrupted passage over through and along any of the Common Areas, in particular, no Owner shall add, install or affix any metal grille shutter or gate to his carport. No Owner shall alter the metal grille, shutter or gate installed by the Registered Owner without the prior consent in writing of the Manager and any government authority as may be required.

No advertising
or signs

(27) Subject to Clause (7) (a) (iv) of Section I above, no Owner shall erect, affix, install, attach or display or permit or suffer the same from any House any advertising or other sign (except a small name plate outside the entrance door giving the Owner's or occupier's name) without the prior written approval of the Manager.

Not to store
dangerous goods

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

Repair of
services and
facilities

(29) Each Owner shall in such manner so as to avoid any loss, damage, nuisance or annoyance to the Owners or occupiers of the other Houses at his sole expense repair maintain and keep in good repair and condition the House of which he is the Owner its equipment apparatus services and facilities and shall when necessary replace any part or parts thereof which require replacement.

To remove live
poultry

(30) The Manager shall also have the power and right to remove any live poultry, birds, dogs or other animals in any part of the Development if the same has been the cause of reasonable complaint by at least two owners or occupiers in any part of the Development.

Debris Removal
Fee

(31) The Owner shall at his own costs and expense remove all the debris or rubbish which may accumulate as a result of the fitting-out of the House to the satisfaction of the Manager. Save and except the Registered Owner, the first person who becomes the owner of each House shall on completion of the purchase of his House in addition to any other sums payable by him under this Deed deposit with the Manager a sum of HK\$10,000.00 or any reasonable sum to be determined by the Manager from time to time which shall be held by the Manager until such debris or rubbish has been removed to his satisfaction and the Manager shall have the right to deduct therefrom any charges and expenses of removing such debris or rubbish Provided that any deficit which may arise shall be paid by such Owner or be made up from the Management Funds in such manner as the Manager may from time to time decide.

User of
carports

(32) The carports of the Houses shall only be used for the purpose of parking private motor cars registered under the Road Traffic Ordinance and belonging to the residents of the Development. No goods of any description (including in particular unregistered motor vehicles) shall be stored therein.

No unlawful
parking

(33) No Owner shall park a motor vehicle in any part of the Development other than in the carport of his own House or such other

part of the Development designated by the Manager for such purpose (if any) and each Owner shall take all possible steps to prevent the unlawful parking of motor vehicles within the Development by other Owners or any other person.

House not to be
designed or
occupied as
flats

(34) No House shall be designed or occupied as flats except with the prior written consent of the Director of Lands and the Manager.

Address of
Owners

(35) Each Owner (whether or not he is in occupation of the House of which he is the Owner) shall notify the Manager of his address in Hong Kong (and/or the name and address in Hong Kong of the person authorised by him) for accepting service of process and/or notice(s) under this Deed.

Maintenance of
Slopes and
Retaining Walls

(36) The Owners shall at their own expenses maintain and carry out all works in respect of any of the Slopes and Retaining Walls.

Not to
partition

(37) No Owner shall partition or make any application for the partitioning of the Land or the subdivision thereof into two or more sections or subsections.

Removal of
waste matters

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

Discharge into
sewers etc.

(39) No Owner shall discharge directly or indirectly or cause or permit or suffer to be discharged into any public sewer, storm-water drain, channel, stream-course or sea any trade effluent or foul or contaminated water or cooling or hot water without the prior written consent of the Director of Environmental Protection and the Manager.

Use of Fresh
and salt water

(40) No Owner shall use any fresh or salt water from Government mains for air-conditioning purpose.

No interference
with water
mains or pipes

(41) No Owner shall interfere with any watermain or pipe within or adjoining the extension area to Rural Building Lot No.821 which said extension area is shown on the plan annexed to the Condition of Extension No.10239 and registered in the Land Registry by Memorial No.898915.

SECTION V

MANAGEMENT OF THE DEVELOPMENT

(A) General

Term of
Management

1(a) The management of the Development shall be undertaken by the Manager for the term of two years from the date of issue of the Occupation Permit in respect of the Development or any part thereof or parts (during the period of which the appointment shall not be terminated) and thereafter the Manager shall continue to manage the Development until its appointment is terminated either by the Owners' Committee upon a majority resolution of the Owners of not less than 50% of the Undivided Shares (excluding those allocated to the Common Areas) being passed giving three months' prior written notice of termination to the Manager or by the Manager giving three months' prior written notice of resignation to the Owners' Committee (or where there is no Owners' Committee, by serving such notice on each of the Owners and by displaying such a notice in a prominent place in the Development) Provided Always that no such notice shall be given by either party until the expiry of the initial period of two years.

(b) (i) Without prejudice to the generality of the foregoing Sub-Clause (a) and subject to Sub-Clause (b) (ii) and (iv), at a general meeting convened for that purpose, an Owners' Incorporation (as hereinafter defined) may, by a resolution of the Owners of not less than 50% of the

Undivided Shares (excluding those allocated to the Common Areas), terminate by notice the Manager's appointment without compensation.

(ii) A resolution under Sub-Clause (b)(i) shall have effect only if :-

- (A) the notice of termination of appointment is in writing;
- (B) the length of notice specified therein is for a period of not less than 3 months;
- (C) the notice is accompanied by a copy of the resolution terminating the Manager's appointment; and
- (D) the notice and the copy of the resolution is served upon the Manager not more than 14 days after the date of the meeting.

(iii) Service of the notice and the copy of the resolution required to be served under Sub-Clause (b)(ii)(D) may be effected :-

- (A) personally upon the Manager; or
- (B) by post addressed to the Manager at his last known address; or
- (C) by leaving the notice at the address of the registered office of the Owners' Incorporation.

(iv) The Manager's appointment may not be terminated under this Sub-Clause (b) :-

- (A) in the case of an Owners' Incorporation in respect of which a certificate of registration was issued under Section 8 of the Building Management Ordinance prior to the commencement of Section 41 of the Multi-storey Buildings (Owners Incorporation) (Amendment) Ordinance 1993 (27 of 1993), by a notice that expires before the end of a period of 9 months from that commencement;
- (B) in any other case, by a notice that expires before the end of a period of 1 year from the commencement of Section 41 of

- the Multi-storey Buildings (Owners Incorporation) (Amendment) Ordinance 1993 (27 of 1993).
- (C) if, within the previous 3 years, the appointment of a previous Manager was terminated under this Sub-Clause (b); or
 - (D) if the Manager was appointed by the Owners' Incorporation under Sub-Clause (b) (v) (B).
- (v) If a notice to terminate a Manager's appointment is given under this Sub-Clause (b) :-
- (A) no appointment of a new manager shall take effect unless the appointment is approved by a resolution of the Owners' Committee (if any); and
 - (B) if no such appointment is approved under Sub-Clause (b) (v) (A) by the time the notice expires, the Owners' Incorporation may appoint another manager and, if it does so, the Owners' Incorporation shall have exclusive power to appoint any subsequent manager.
- (vi) If any person has given an undertaking in writing to, or has entered into an agreement with, the Government to manage or be responsible for the management of the Development, and the Owners' Incorporation has appointed a manager under Sub-Clause (b) (v) (B), the Owners' Incorporation shall be deemed to have given to that person an instrument of indemnity under which the Owners' Incorporation shall be liable to indemnify that person in respect of any act or omission by the Manager appointed under that Sub-Clause that may otherwise render that person liable for a breach of that undertaking or agreement.
- (vii) this Sub-Clause (b) is subject to any notice relating to the Development that may be published by the Authority under Section 34E(4) of the Building Management Ordinance but

does not apply to any single manager referred to in that Section.

Appointment of
Manager by
Owners

- (2) Each Owner hereby appoints the Manager irrevocably as his agent who shall be duly authorised to enforce the provisions of this Deed in respect of any matters concerning the Common Areas and the Common Facilities and to execute and sign all deeds and documents for and on behalf of all the Owners as shall be required or may be deemed proper for or in relation to all or any of the purposes of this Deed Provided that the Manager shall not exercise such powers so as to affect the Owner's enjoyment of his House or the Common Areas without the prior approval by a resolution of the Owners' Committee and each Owner hereby covenants not to enforce the terms of this Deed otherwise than through the Manager unless the Manager shall be in breach of the provisions of this Deed.

Manager to
observe
conditions

- (3) The Manager shall be bound by and shall observe and perform all of the conditions, duties and obligations herein provided and shall have all of the rights and privileges herein granted to the Manager.

Commencement of
Manager's
obligations

- (4) The obligations of the Manager to provide management services in respect of any part of the Development shall commence from the date when an Occupation Permit has been issued in respect of such part.

(B) Powers and Duties of Manager

General duties

- (1) The Manager shall be responsible for and shall have full and unrestricted authority to do all such acts and things as may be necessary or requisite for the proper management of the Development and the Slopes and Retaining Walls and in particular the following :-

Inspection

- (a) to inspect and examine at reasonable intervals the Development including the Common Areas and Common Facilities and at reasonable times with reasonable prior notices given the interior of Houses causing as little disturbance to the Owners as possible.

Maintenance

(b) to put in hand all works necessary to maintain the Development including (subject to sub-clause (c) hereof) the interiors of Houses, the Common Areas and Common Facilities and the foundation to ensure that the Development is maintained in a good, clean and safe condition.

Owners' and
Occupiers'
obligations to
repair

(c) to ensure that all Owners or occupiers of the Houses maintain their respective Houses in a satisfactory manner and in the event of default by any such Owners or occupiers, to put in hand any necessary maintenance and to recover the cost therefor from the defaulting Owner or occupier.

To maintain
exterior

(d) to maintain as appropriate the exterior and the landscaping of the Development and the Common Areas at reasonable intervals.

To replace
glass metal or
grille or
shutter of gate

(e) (i) to replace any broken glass in the Common Areas.

(ii) to demand any Owner to remove and/or replace and if necessary, to remove and/or replace metal grille or shutter or gate erected affixed installed or attached in or on or at the entrance or entrances of any House which shall in any way contravene this Deed or the regulations of the Fire Services Department or other authorities and/or which may in any way impede the free and uninterrupted passage over through and along any of the Common Areas.

To provide
lighting

(f) to keep all the Common Areas well lighted.

To keep good
ventilation

(g) to keep in good repair the ventilation of all enclosed Common Areas.

To clean

(h) to keep the Development and all parts thereof in a clean sanitary and tidy condition.

- | | |
|---|--|
| To remove refuse | (i) to remove all refuse from the Development and arrange for its disposal at regular intervals and to maintain refuse collection facilities to the satisfaction of the Director of Urban Services. |
| To prevent obstruction | (j) to prevent the obstruction of the Common Areas and to remove any obstruction. |
| To clear sewers | (k) to keep all the common sewers, drains, watercourses and pipes clear. |
| To keep Common Facilities in good condition | (l) to keep all Common Facilities in good condition and working order. |
| To keep plant and machinery, in working order | (m) to keep all plant, machinery and equipment on or serving the Development in good condition and working order and in accordance with any relevant laws and regulations. |
| To maintain the Slopes and Retaining Walls | (n) to engage suitable qualified personnel to inspect keep and maintain in good substantial repair and condition any of the Slopes and Retaining Walls in compliance with the Conditions and in particular in accordance with all guidelines issued from time to time by the appropriate Government department regarding the maintenance of slopes, retaining walls and related structures (for the purpose of this sub-clause, the reference to "the Manager" shall include the Owners' Committee or Owners Incorporation). |
| To prevent obstruction or damage to Government property | (o) to prevent so far as is possible any refuse or other matter being deposited, washed, eroded or falling from the Development onto any public roads or Government property and to remove any such matter therefrom. |
| To remove unauthorized structure | (p) to remove anything erected or installed in contravention of the terms of the Conditions, this Deed and the Approved Plans and to demand and recover from the person responsible for the cost of removal and making good any damage. |

To provide fire
fighting
facilities

(q) to provide and maintain any fire and safety installations as the Manager may deem necessary.

To provide
security
measures

(r) to provide a security force, watchmen and caretakers and to provide and maintain security installations on and within the Development.

To manage
maintain and
control traffic

(s) to manage, control and maintain within the Development parking and all forms of traffic management.

To install
aerials

(t) to install, maintain and operate wireless or television aerials to serve the Development and to enter into contracts with third parties for the installation, maintenance and operation of any system of communal aerial broadcast distribution or satellite master antenna television for the Development.

To maintain and
improve
services

(u) to do all things which the Manager shall in its discretion deem necessary or desirable for the purposes of maintaining and improving the Common Facilities and services in or on the Development or for the better enjoyment or use of the Development by its Owners occupiers and their licensees.

To appoint
Solicitors

(v) to appoint solicitors with authority to accept service on behalf of all the Owners of all legal proceedings relating to the Development or any part thereof and, in particular but without limiting the foregoing, in all proceedings in which the Government of Hong Kong shall be a party and at all times within 7 days of being requested so to do by the Government of Hong Kong or other authorized officer, to appoint a solicitor who shall undertake to accept service on behalf of all such Owners for the purpose of Order 10 Rule 1 of the Rules of the Supreme Court (or any provision amending or in substitution for the same).

To prevent
unauthorized
use of Common
Areas

(w) to prevent any person from occupying or using otherwise than in accordance with the written permission of the Manager or the provision of this Deed any of the Common Areas or the Common Facilities.

To comply with
statutory
requirements

(x) to take all steps necessary or expedient for complying with the Conditions and any Government requirements concerning the Development.

To prevent
breach of
Conditions

(y) to prevent and to take action to remedy any breach by the Owner or other person of any provisions of the Conditions.

To prevent
alteration of
the Development
etc.

(z) to prevent any person detrimentally altering damaging or injuring any part of the Development or the Common Facilities.

To collect
monies and pay
outgoings

(aa) to demand collect and receive all amounts payable by the Owners under the provisions of this Deed and to pay and discharge out of the monies so collected all outgoings relating to the management and maintenance of the Development, the drains and channels referred to in Special Condition No.(19) of the Conditions and the Slopes and Retaining Walls or incurred by the Manager hereunder.

To insure

(bb) to insure and keep insured the structural parts of the Houses together with the fixtures provided by the Registered Owner (excluding the security system and any component thereof), the Common Areas and Common Facilities or any part of the Development as the Manager may think fit against loss or damage by fire and such other risks to the full new reinstatement value or such larger amount as the Manager thinks fit and to effect public and/or occupiers' liability insurance and workmen's compensation liability (and for the purpose of this Sub-clause (bb), workmen means the staff employed by the Manager to carry out the management and/or maintenance works in respect of the Development) in

such amounts as the Manager may think fit, such insurance to be in the name of the Manager for and on behalf of the Owners and pay all premiums required to keep such insurance policies in force.

To represent
Owners

(cc) to represent the Owners in all dealings with Government or any utility or other authorities or any other person in relation to the management of the Development.

To commence
legal
proceedings and
to enforce
provisions of
this Deed

(dd) to commence and defend legal and other proceedings relating to the Development and to enforce the due observance and performance by the Owners or any person occupying any part of the Development through under or with the consent of any such Owner of the terms and conditions of this Deed and the General Rules made hereunder.

To post name of
Owner or
Occupier in
default

(ee) to post the number of the House of any Owner or occupier in default or in breach of the terms and conditions of this Deed together with particulars (including the nature of the default) on the notice boards within the Development.

To recruit
staff

(ff) to recruit and employ such staff as may from time to time be necessary to enable the Manager to comply with its duties hereunder on such terms as the Manager shall in its absolute discretion decide including the provision of provident or retirement fund and to provide accommodation, uniforms, working clothes, tools, appliances, cleaning and other materials and all equipment necessary therefor.

To do all other
matters
incidental

(gg) to do all such other things as are reasonably incidental to the management of the Development in accordance with the Conditions.

To manage and
control parking

(hh) to manage and control within the Development the parking of all cars and vehicles and to remove any car or other vehicles parked in any area not reserved for parking or any car or

vehicle parked in any carport without the consent of the Owner or licensee of such carport and to do all such acts and things as may be necessary to provide unimpeded access thereto by the persons entitled for the time being to the use of such carports.

To operate
shuttle bus
services

- (ii) to operate or to engage on such terms as the Manager may think fit any contractor to operate shuttle bus services if deemed necessary for the use and benefit of the Owners and residents for the time being of the Development whether on its own or together with the manager and/or owners of other neighbouring premises and during such times and at such intervals and to such destinations as the Manager may think appropriate and to charge the users of the shuttle bus services such fares as the Manager may think reasonable and to terminate and/or suspend such shuttle bus services at any time or times as the Manager may think fit.

To keep plans
showing the
Common Areas

- (jj) to obtain from the Registered Owner and keep in the Manager's office the plans showing Common Areas and to allow the Owners free of charge to inspect the same upon reasonable notice being given.

To define
Common Areas
and Common
Facilities

- (kk) to designate the areas and facilities intended for the common use and enjoyment of the Owners and/or residents for the time being of the Development not already defined under the provisions of this Deed into Common Areas and Common Facilities.

To operate Club
House

- (ll) to operate, manage and maintain the Club House and all the facilities and equipment therein.

General Rules

- (2) With the approval of the Owners' Committee once in being, the Manager shall have power from time to time to make, revoke and amend the General Rules regulating the use, operation and maintenance of the Development and any structures, services or amenities thereof, the Common Area and Common Facilities and the conduct of persons occupying, using or visiting the

same provided that such General Rules, which must not be inconsistent with this Deed, may be amended or revoked, by a majority resolution passed by all the Owners at a meeting held in accordance with the provisions of Section VI of this Deed and such General Rules shall be binding on all Owners, their tenants, licensees, servants or agents. Copies of the General Rules from time to time in force shall be kept with the Manager's Office and a copy thereof shall be supplied to each Owner on request free of charge.

Acts of Manager
binding

- (3) All acts and decisions of the Manager arrived at in accordance with the provisions of this Deed shall be binding in all respects on all the Owners.

Extent of
Manager's
liability

- (4) Neither the Manager nor any servant agent or other person employed by the Manager shall be liable to the Owners or any of them or to any person or persons whomsoever whether claiming through, under or in trust for any Owner or otherwise, for or in respect of any act, deed, matter or thing done or omitted in pursuance or purported pursuance of the provisions of this Deed not being an act or omission involving criminal liability or dishonesty or wilful negligence and the Owners shall fully and effectually indemnify the Manager and all its servants agents or employees from and against all actions, proceedings, claims and demands whatsoever arising directly or indirectly out of or in connection with the proper management of the Development or any act, deed, matter or thing done or omitted as aforesaid and all costs and expenses in connection therewith and not involving criminal liability, dishonesty or wilful negligence on the part of the Manager or its servant agent or employee.

Right of
Manager to
enter House for
repairs

- (5) The Manager shall have the right with or without workmen :-

- (a) upon reasonable notice (except in case of emergency) to enter upon any part of the Land or any of the Houses to such extent as may be necessary for the purpose of replacing repairing and maintaining any of the

water mains and pipes serving any part of the Land whether or not the same belong exclusively to any House and to charge the relevant Owner the cost of repairing and/or replacement provided that the Manager shall be liable for remedying any damages due to negligent or wilful acts; and

Manager to provide furniture and equipment for Common Areas and Common Facilities

- (b) to provide within the Common Areas and Common Facilities such fixtures, fittings and furniture and other equipment as it may consider appropriate and the Manager shall have the same power to repair, replace and maintain the same and the costs, charges and expenses thereof shall form part of the costs of the management as a whole.

Owners to bear expenses

- (6) The Manager shall further have the right and power to require each Owner to pay a proportionate part of the expenditure for the provision, operation, management, upkeep and maintenance of the Slopes and Retaining Walls and such Common Areas and Common Facilities as the Manager shall consider fair and reasonable.

Owners remain liable for requirements of the Conditions

- (7) The Manager shall not be made personally liable for carrying out any requirements of the Conditions relating to the Slopes and Retaining Walls which shall remain the responsibility of the Owners if, having used all reasonable endeavours, he has not been able to collect the costs of the required works from all Owners.

(C) Manager's Remuneration

Remuneration of Manager

- (1) The Manager's Remuneration being the sum equivalent to 15% of the total expenses per annum necessarily and reasonably incurred in the course of proper and efficient management of the Development (the total expenses, for the purposes of this sub-clause, shall exclude the Manager's Remuneration). The rate chargeable shall be subject to increase if approved by the Owners' Committee or by a resolution passed at an Owners Meeting.

Manager's
Remuneration
exclusive of
disbursements

- (2) The Manager's Remuneration shall be the Manager's net income and shall not be subject to any requirement by the Manager to disburse or provide from such money any staff, facilities, accountancy services, or other professional supervision the cost for which shall be a direct charge upon the Management Funds.

Payment of
Manager's
Remuneration

- (3) The Manager's Remuneration shall be payable in advance on the first day of each month.

(D) Management Expenses

Manager to
prepare annual
budget

- (1) For the purpose of fixing contributions towards the Management Expenses payable by the Owners the Manager shall prepare an annual budget showing the estimated expenditure necessarily and reasonably incurred in the course of proper and efficient management of the Development. The annual budgets, except the first one, are to be prepared in consultation with the Owners' Committee.

Monthly
payments in
advance

- (2) The estimated Management Expenses shall be payable by way of equal monthly payments in advance with adjustments to be made at the end of each financial year when the final annual Management Expenses are ascertained.

Items included
in Management
Expenses

- (3) The annual budget in respect of the Common Areas and the Common Facilities shall cover all costs, expenses and outgoings incurred in relation to the management or maintenance of the Common Areas and the Common Facilities whether the Manager be obliged hereunder to incur such expenditure or not and including without limiting the generality of the foregoing the following items :-

(a) The costs and expenses in connection with the carrying out of all or any of the duties of the Manager as set out in Section V hereof;

(b) The Manager's Remuneration;

(c) The charges for electricity, water, gas and telephone and all other charges, assessments, impositions and other outgoings payable in connection

with the Common Areas and the Common Facilities and insurance premiums payable on any policy taken out by the Manager as hereinbefore provided and any other expenses charged or assessed on or payable in respect of the Common Areas and Common Facilities;

- (d) The costs of operating, maintaining, servicing, keeping in good and tenantable repair and condition (including whenever necessary the costs of replacement) all the Common Areas and all Common Facilities (except as regards damage caused by or resulting from any act default or negligence of any Owner(s) its or their servants agents tenants or licensees for which damage such party shall be solely responsible and so that each of the Owners herein shall be responsible for the acts defaults and negligence of his servants agents tenants and licensees).
- (e) The costs of rebuilding or re-instatement of the Common Areas and the Common Facilities or any part thereof in case of destruction or damage or condemnation by the Building Authority or other competent Authority;
- (f) Annual Rent payable in respect of the Land Provided that upon such Annual Rent being apportioned under the Crown Rent and Premium (Apportionment) Ordinance Chapter 125 of the Laws of Hong Kong such Annual Rent shall not be included as part of the Management Expenses but shall be paid direct by the Owners of the relevant Houses in accordance with the said apportionment;
- (g) The costs of maintenance and/or repair works described in Sub-Clauses (1)(n) and 1 (aa) of Subsection B of Section V of this Deed;
- (h) Any fees or charges payable to the Hong Kong Government or any other person under any Licence Agreement, Wayleave Agreement, Deed of Grant of

Easement and/or Right of Way or any other documents of a similar nature affecting the Land;

- (i) Contributions towards the costs of maintenance and repair of any facilities installed outside the Land but serving the Development whether exclusively or in common with other developments; and
- (j) Any other items of expenditure which are in the discretion of the Manager considered to be necessary for the administration, management and maintenance of the Common Areas and the Common Facilities.

Monthly
contributions
by Owners

- (4) Each Owner (except the Owner of the Common Areas) shall contribute towards the Management Expenses of the Development from the date of the issue of the Occupation Permit covering his House solely or together with other Houses or at such later date as the Manager shall consider to be reasonable at the commencement of each and every month and in such manner in such amount and in such proportion as provided in this Deed.

Contribution to
Management
Expenses of
Development

- (5) Each Owner of a House shall contribute to the Management Expenses at the rate at which the number of Undivided Shares allocated to the House held by the Owner bears to the total number of the Undivided Shares of the Development.

Vacant Houses
are subject to
payment of
Management
Expenses

- (6) The Owner's liability to make payment or contribution to the Management Expenses shall in no way be reduced by reason of the fact that the House to which he is entitled to exclusive possession is vacant or has been let or leased or occupied by any other person. For the avoidance of doubt, it is hereby expressly agreed that the Registered Owner shall be liable for payment or contribution to the Management Expenses in respect of all unsold Houses.

Security for
moneys due to
the Manager

- (7) Each Owner before taking possession of his House shall :-
 - (a) deposit with the Manager as security for the due payment of the monthly contributions which may be or become

payable by him under sub-clause (5) above a non-refundable sum equivalent to three times the monthly sum specified in sub-clause (5) above;

(b) pay the Manager the first month's contribution in advance; and

(c) pay to the Manager a non-refundable sum equivalent to one month's contribution which may be or become payable by him under sub-clause (5) above, as debris removal fee.

Contribution to
the Equipment
Fund

(8) Notwithstanding any other sums payable by each Owner under the provisions of this Deed, each Owner of a House shall pay to the Manager in respect of his House a non-transferable and non-refundable sum equivalent to three months' contribution payable by him under sub-clause (5) above, as payment towards setting up of the management office and/or purchasing capital equipments for the provision of amenities which shall be applied by the Manager towards the Equipment Fund. Provided that the Manager shall keep separate accounts in respect of the Equipment Fund and in the event of the Equipment Fund being exhausted the Owners' Committee may decide to re-establish the Equipment Fund by way of further contributions from the House Owners or to discontinue the Equipment Fund entirely as the Owners' Committee shall think fit.

Deficit and
Surplus of
Management
Expenses

(9) (a) In the event that the total contributions receivable as aforesaid by the Manager are insufficient to meet the Management Expenses as estimated in the annual budgets, each Owner shall at the request of the Manager pay a due proportion of the deficiency by making a further contribution to the Manager;

(b) Should there be any surplus after payment of the Management Expenses, such surplus shall be held by the Manager in the Management Fund on trust for the Owners and shall only be applied towards payment or settlement of such Management Expenses thereafter to become due and payable by the Owners of the

Development.

Capital Fund

- (10) In the event that expenditure of a capital nature, including but not limited to major repairs or replacement items, shall be incurred, the Manager shall make an estimate in the annual budget for the establishment of a Capital Fund and the time when money in this Fund shall be drawn. Except in a situation considered by the Manager to be an emergency, no money shall be drawn unless it is for a purpose approved by a resolution of the Owners' Committee (if any). The Capital Fund shall be held by the Manager on trust for the Owners and the Fund shall be placed in an interest bearing account with such bank or banks granted with a licence under the Banking Ordinance as the Manager shall think fit, the title of which account(s) shall refer to the Capital Fund for the Development and the Manager shall use that account(s) exclusively for the purposes abovementioned. The Manager shall upon receipt of money in this Fund deposit the same into the said account(s). Unless the Owners in an Owners Meeting shall determine otherwise each Owner of a House shall make a due contribution to the Capital Fund at the rate at which the number of Undivided Shares of the House held by that Owner bears to the total number of Undivided Shares of the Development. The amount to be contributed to the Capital Fund for the ensuing year shall be decided by the Owners in their annual general meetings. If there is an Owners Incorporation (as hereinafter defined), the Owners Incorporation shall determine, by a resolution of the Owners, the amount to be contributed to the Capital Fund by the Owners in any financial year, and the time when those contribution shall be payable.

Exclusive user
to bear
expenses

- (11) Notwithstanding anything to the contrary contained in these presents where any expenditure relates solely to or is solely for the benefit of any House and no Owner of any other House would receive any material benefit therefrom, the full amount of such expenditure shall be paid by the Owner of that House PROVIDED HOWEVER that in the case of any single item of expenditure not exceeding

HK\$20,000.00 (which limit shall increase by 10% annually) the Manager may in its absolute discretion exclude the application of this sub-clause hereof with regard to such expenditure and such expenditure may in any such circumstances be treated as part of the Management Expenses.

Water Charges

- (12) If any House shall have its own separate water meter then the water charges for the supply of water to such House shall be paid by the Owner thereof but if a group of two or more Houses share the same water meter then the water charges for the supply of water to such group of Houses shall be shared and paid by the Owner(s) thereof according to the separate private water meter of each House if such meter had been installed but if no separate private meter has been installed then such water charges shall be borne and paid by the Owners in proportion to the number of Houses for the time being owned by the Owners of the said group.

Contract by tender

- (13) The Manager shall not, in any financial year, enter into any contract that involves an average annual expenditure of more than 20% of the budget or revised budget, as the case may be, for that financial year or of such lesser amount as the Secretary for Home Affairs may specify by notice in the Gazette unless the contract is to be let at intervals of not more than 3 years and complies with such standards and guidelines as may be specified in a Code of Practice referred to in Section 20A(3) of the Building Management Ordinance relating to procurement and tender procedures.

Fee for granting consent

- (14) Where any consent is required from the Manager by an Owner, the Manager may charge a reasonable fee for granting such consent. Such fees shall be held as part of the Management Funds and be applied towards the Management Expenses in such manner as the Manager may from time to time decide.

Formalities relating to preparation of annual budget

- (15) (a) In respect of each annual budget, the Manager shall :-
(i) prepare a draft budget setting

out the estimated Management Expenses 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;
 - (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 is sent or first displayed;
 - (iv) after the end of that period, prepare a budget specifying the estimated Management Expenses during the financial year;
 - (v) send a copy of the budget to the Owners' Committee or, where there is no Owners' Committee, display a copy of the budget in a prominent place in the Development.
- (b) Where, in respect of a financial year, the Manager has not complied with Sub-Clause (a) before the start of that financial year, the total amount of the Management Expenses for that year shall :-
- (i) until he has so complied, be deemed to be the same as the total amount of Management Expenses (if any) for the previous financial year;
 - (ii) when he has so complied, be the estimated Management Expenses specified in the budget for that financial year, and the amount that the Owners shall contribute towards the Management Expenses shall be calculated and adjusted accordingly.

- (c) Where an annual budget has been sent

or displayed in accordance with Sub-Clause (a)(v) and the Manager wishes to revise it, he shall follow the same procedures in respect of the revised budget as apply to the draft budget and annual budget by virtue of Sub-Clause (a).

- (d) Where a revised budget is sent or displayed in accordance with Sub-Clause (c) the total amount of the Management Expenses for that financial year shall be the Estimated Management Expenses specified in the revised budget and the amount that Owners shall contribute towards the Management Expenses shall be calculated and adjusted accordingly.
- (e) If there is an Owners' Incorporation (as hereinafter defined) and, within a period of 1 month from the date that an annual budget or revised budget for a financial year is sent or first displayed in accordance with Sub-Clause (a) or (c), the Owners' Incorporation decides, by a resolution of the Owners, to reject the annual budget or revised budget, as the case may be, the total amount of Management Expenses for the financial year shall until another annual budget or revised budget is sent or displayed in accordance with Sub-Clause (a) or (c) and is not so rejected under this Sub-Clause, be deemed to be the same as the total amount of Management Expenses (if any) for the previous financial year, together with an amount not exceeding 10% of that total amount as the Manager may determine.
- (f) If any Owner requests in writing the Manager to supply him with a copy of any draft budget, annual budget or revised budget, the Manager shall, on payment of a reasonable copying charge, supply a copy to that person.

(E) Interest and Recovery of Management Expenses

Interest on
unpaid monthly
contribution

- (1) If any Owner shall fail to pay any amount payable hereunder within 30 days of the date on which the same shall fall due, he

shall further pay to the Manager:-

- Application of interest and collection charges
- (a) Interest calculated at the rate of 2% over and above the Prime Lending Rate quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time on the unpaid amount.
- (b) A collection charge of HK\$500.00 or such other sum as the Manager shall deem appropriate to cover the cost (other than legal costs as hereinafter mentioned) of the extra work in recovering the unpaid amount as occasioned by the default.
- Action against defaulting Owner
- (2) All moneys paid to the Manager by way of interest and collection charges shall be held as part of the Management Funds for the management of the Development and be applied towards the Management Expenses in such manner as the Manager may from time to time decide.
- (3) All amounts which become payable by any Owner in accordance with the provisions of this Deed together with interest thereon as aforesaid and the said collection charges and all other expenses incurred in or in connection with recovering or attempting to recover the same shall be recoverable by civil action at the suit of the Manager. The claim in any such action may include a claim for legal costs on the solicitor and own client basis. In any such action the Manager shall conclusively be deemed to be acting as the agent or agents for and on behalf of the Owners as a whole (other than the defaulting Owner) and no Owner sued under the provisions of this Deed shall raise or be entitled to raise any defence of want of authority or take objection to the right of the Manager as plaintiff to sue or to recover such amounts as may be found to be due.
- Charge on shares of defaulting Owner
- (4) In the event of any Owner failing to pay any sum due and payable by him in accordance with the provisions of this Deed within 30 days of the date on which the same became payable, the amount thereof together with interest as aforesaid and the said collection charge and all costs and expenses which may be

incurred in recovering or attempting to recover the same including the legal costs referred to in sub-clause (3) hereof and in registering the charge hereinafter referred to, shall be charged on the Undivided Share or Shares of the defaulting Owner and the Manager shall be entitled without prejudice to any other remedy hereunder to register a memorial of such charge in the Land Registry against the Undivided Share or Shares of the defaulting Owner. Such charge shall remain valid and enforceable as hereinafter mentioned notwithstanding that judgment has been obtained for the amount thereof unless and until such judgment has been satisfied.

Enforcement of
charge

- (5) Any charge registered in accordance with the last preceding clause shall be enforceable as an equitable charge by action at the suit of the Manager for an order for the sale of the Undivided Share or Shares of the defaulting Owner together with the right to the exclusive use occupation and enjoyment of his House or Houses and sub-clause (3) hereof shall apply equally to any such action.

Action against
non-observance
of covenants

- (6) The Manager shall further have power to commence proceedings for the purposes of enforcing the observance and performance by any Owner or any person occupying any part of the Development through under or with the consent of any such Owner of the covenants conditions and provisions of this Deed and of General Rules made hereunder and of recovering damages for the breach non-observance or non-performance thereof. The provisions of sub-clauses (3), (4) and (5) hereof shall apply to all such proceedings.

Application of
damages
recovered

- (7) All damages recovered in any such proceedings shall be held as part of the Management Funds for the management of the Development and be applied accordingly.

(F) Management Funds

Manager to keep
proper account

- (1) Unless authorised by the Owners' Committee, all monies collected by the Manager (who shall be deemed to be a trustee for and on behalf of the Owners in

respect of all monies and deposits received on their behalf) in the exercise of its powers and duties hereunder (save and except that the Manager may retain or pay into a current account a reasonable amount to cover expenditure of a minor nature as is from time to time determined by a resolution of the Owners' Committee (if any) and also subject to such conditions as may be approved by a resolution of the Owners' Committee (if any)) shall without delay be paid into an interest-bearing bank account or accounts of the Manager and such bank account(s) shall be maintained with a bank granted with a licence under the Banking Ordinance, the title of which refers to the management of the Development. The Manager shall use that amount(s) exclusively for the management of the Development and keep true and proper accounts of all such monies and the expenditure thereof and shall produce a detailed summary of such accounts each month and shall after the close of every financial year produce an annual set of accounts as soon as the accounts are certified by the Auditors hereinafter referred to as providing an accurate summary of all items of income and expenditure during the preceding year. The Manager shall keep all bills, invoices, vouchers, receipts and other documents referred to in the accounts for at least 6 years.

- (2) Where any compensation, damages, costs and expenses are received or recovered (as the case may be) by the Manager in any proceedings against any Owner for the purpose of enforcing the observance and performance of the covenants, conditions, or provisions of this Deed, the same shall, after deduction of any costs or expenses incurred by the Manager in recovering the same, be held as part of the Management Funds and be applied towards the Management Expenses as the Manager may from time to time decide.
- (3) All moneys paid to the Manager by way of interest and collection charges shall be applied towards the Management Expenses in such manner as the Manager may from time to time decide.

Manager to
appoint
auditors

- (4) The Manager shall have power to appoint a firm of Certified Public Accountants to audit the accounts and records of the Manager concerning the management of the Development and to certify the Annual Accounts prepared in accordance with the foregoing clause and the accountant's fees shall be part of the Management Expenses. The Manager shall further have power to replace such firm and to appoint another firm in their place as it may deem necessary from time to time provided that the Owners' committee or the Owners at an Owners' Meeting may choose to appoint an auditor of their choice from time to time. If there is an Owners' Incorporation (as hereinafter defined) and the Owners' Incorporation 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 by that person.

Owner's
Interest in
Management
Funds and
Capital Fund

- (5) Any person ceasing to be an Owner shall in respect of the Undivided Share or Shares of which he ceases to be the Owner thereupon cease to have any interest in the Management Funds and Capital Fund held by the Manager including the deposit paid under Clause (7) (a) of Subsection D of Section V hereof and the due contributions paid under Clause (10) of Subsection D of Section V hereof to the intent that all such Management Funds and Capital Fund shall be held and applied for the management of the Development irrespective of changes in ownership of the Undivided Shares PROVIDED that any such deposit and contributions may be transferred to the new Owner of such Undivided Shares AND PROVIDED further that upon the rights and obligations hereunder being released as provided herein or upon the Land reverting to the Government and no renewal of the Conditions being obtainable any balance of the Management Funds and Capital Fund shall be divided proportionately between the Owners of the Undivided Shares immediately prior to such release or reversion.

(G) Management Records and Accounts

- | | |
|--|---|
| Financial year | (1) The financial year for the purpose of management of the Development shall commence on the day on which the Occupation Permit in respect of the Development or any part thereof is issued and shall end on the 31st day of December of the following year but thereafter the financial year shall commence on the 1st day of January and shall end on the 31st day of December of the following year Provided Always that the Manager shall have the right to change the financial year once in every five years upon the prior approval of the Owners' Committee. |
| Payment into bank account | (2) All monies collected by the Manager in the exercise of its powers and duties hereunder (save and except sufficient petty cash for day to day requirements) shall be paid into an interest bearing bank account or accounts in the name of the Manager (who shall be deemed to be a trustee for and on behalf of the Owners in respect of all monies and deposits received on their behalf). |
| Manager to keep accounts | (3) The Manager shall keep true and proper accounts of all monies received in the exercise of its powers and duties hereunder and all expenditure thereof. |
| Manager to prepare and publish summary of accounts | (4) Within 30 days of the end of each month the Manager shall prepare a detailed summary of all accounts with regard to Clause (3) hereof and shall publish the same in a prominent place in the Development for a reasonable period of time. |
| Manager to prepare audited annual account | (5) Within 60 days after the close of each financial year the Manager shall prepare a full set of annual accounts in respect of the management of the Development for the preceding financial year. |
| Owners to inspect and Manager to supply copy of accounts | (6) The Manager shall upon written request of any Owner arrange the Owner to inspect and, upon payment of a reasonable charge for copying the same, send to such Owner a copy of the annual accounts or monthly accounts at any time after the same shall have been prepared as herein provided. |

Accounts upon
termination of
appointment of
Manager

(7) If the Manager's appointment ends for any reason, he shall within 2 months of the date his appointment ends :-

(a) prepare :-

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

(ii) a balance sheet as at the date his 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

(b) deliver to the Owners' Committee (if any) or the Manager appointed in his place any books or records of account, papers, documents and other records in respect of the control, management and administration of the Development that are under his control or in his custody or possession.

(H) Manager's Statement

Manager to
prepare
statement

(1) Within 60 days after the close of each financial year the Manager shall prepare and send to each Owner upon request and payment of a reasonable charge a Manager's Statement which statement shall set out the following:-

(a) The total amount of Manager's Remuneration payable by the Owners in respect of the preceding financial year;

(b) The total amount of Management Expenses payable by the Owners in respect of the preceding financial

year;

- (c) The total amount of interest or recovery costs or any other amounts which are herein provided payable by the Owners in respect of the preceding financial year;
- (d) The total amount paid by the Owners during the preceding financial year;
- (e) The balance found to be payable or overpaid as the case may be from the foregoing amounts in respect of the preceding financial year;
- (f) The total amount of Management Expenses budgeted to be borne by the Owners in respect of the then current financial year;
- (g) The amount of the monthly Management Expenses to be borne by the Owners in the then current financial year;
- (h) A budget for the ensuing financial year.

Manager to
prepare the
revised
statement

- (2) In the event that the annual budget is revised at any time as herein provided the Manager shall prepare and send to the Owners thereby affected a revised Manager's Statement showing the revised figures for the then current financial year and the revised monthly Management Expenses to be borne by the Owners in the remaining part of the then current financial year.

SECTION VI

OWNERS' MEETINGS

From time to time there shall be meetings of the Owners to discuss and decide matters concerning the Land and the Development and in regard to such meetings the following provisions shall apply :-

First Meeting

- (1) Within nine months from the date hereof the Manager shall convene a meeting of the Owners who shall meet for the purpose of electing a Chairman and a Vice-chairman and 3 members to the Owners' Committee hereinafter referred to and transacting

business to be tabled at the meeting.

Annual Meeting

- (2) At least once in every calendar year thereafter, the Owners shall meet for the purpose of electing such officers and members as aforesaid and transacting any other business of which due notice is given in the notice convening the meeting.

Convening a Meeting

- (3) A meeting may be validly convened by the Manager, the Owners' Committee or at the request of the Owners holding not less than 20% of the Undivided Shares in the Land and the Development.

Notice of Meeting

- (4) Every such meeting shall be convened by at least 7 days' notice in writing specifying the date, time and place of the meeting and setting out the agenda therefor.

Quorum of Meeting

- (5) No business shall be transacted at any meeting unless a quorum is present when the meeting proceeds to business and Owners present in person or by proxy who in the aggregate have vested in them not less than 20% of the total number of Undivided Shares in the Land and the Development shall be a quorum. The procedure at any meeting shall be as is determined by the Owners.

Manager to act as Secretary

- (6) The Manager shall send a secretary to the meetings who shall keep a record of the persons present at the meetings and the proceedings thereof.

Corporate Owner

- (7) In the event of an Owner being a corporate body, any representative appointed by such Owner shall be entitled to attend and vote on behalf of such Owner. Such appointment shall be in writing addressed to the Manager and may be revoked at any time on notice in writing being given to the Manager.

Chairman of Meeting

- (8) In the absence of the Chairman and the Vice-Chairman, the Owners present at the meeting shall choose one of their member to be the Chairman of that meeting.

Voting right of Owners

- (9) Every Owner (other than the Owner of the Common Areas) shall have one vote for each Undivided Share in the Land and the Development vested in such Owner and in

the case of Owners who together are entitled to any such Undivided Share such Owners shall jointly have one vote for each such Undivided Share and such vote may be cast (i) by a proxy jointly appointed by such Owners; (ii) by one of such Owners appointed by the others; or (iii) if no appointment has been made under the said sub-clause (i) or (ii), by such Owner whose name stands first in relation to that Undivided Share in the register kept at the Land Registry.

Voting in
person or by
proxy

- (10) Votes may be given either personally or by proxy. The instrument appointing a proxy shall be deposited with the Chairman of the meeting at the meeting. An instrument appointing a proxy shall be in writing signed by the Owner or, if the Owner is a body corporate, under seal of that body.

Ordinary
Resolutions

- (11) Save as otherwise provided in this Deed any resolution on any matter concerning the Land and the Development passed by a simple majority of votes at a duly convened voting shall be binding on all the Owners Provided Always :-

- (a) The notice convening the meeting shall have been duly given and shall have specified the intention to propose a resolution or resolutions concerning such matters.
- (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 or amend the provisions of or is otherwise contrary to this Deed.
- (d) A resolution may be passed as to the manner in which the powers hereby conferred on the Manager are to be exercised or carried out but no such resolution shall be valid to the extent that it purports to take away or abrogate or prevent the exercise of any of the powers of the Manager unless such resolution is passed by the Owners of not less than 75% of the total number of Undivided Shares

in the Land and the Development
(excluding the Undivided Shares
allocated to the Common Areas).

Special
Resolutions

(12) Without prejudice to anything herein contained, no resolution in respect of any of the matters hereinafter referred to shall be valid unless such resolution is passed by the Owners of not less than 75% of the total number of Undivided Shares in the Land and the Development (excluding the Undivided Shares allocated to the Common Areas) namely :-

(a) Upon the expiration of the said term of years to which the Owners are entitled under and by virtue of the Conditions or in the event of the Government taking any action by way of earlier re-entry thereunder in such circumstances that the Owners for the time being may be entitled to a renewal or extension or re-grant thereof or to a new lease term upon such terms and conditions as the Government shall offer, whether and in what manner to pay any premium rent or other charges and expenses payable in respect thereof and generally any other matter relating to the continuance or renewal of the Conditions.

(b) A resolution to rebuild or redevelop the Development.

Accidental
omission of
notice

(13) The accidental omission to give notice as aforesaid to any Owner shall not invalidate the proceedings at any meeting or any resolution passed thereat.

Resolution in
writing

(14) Unless provided otherwise in this Deed, a resolution in writing signed by those Owners who in the aggregate have vested in them for the time being not less than 51% of the total number of the Undivided Shares in the Land and the Development (excluding the Undivided Shares allocated to the Common Areas) shall be as valid and effectual as if it had been a resolution requiring only a simple majority of votes passed at a validly convened meeting of the Owners.

Mortgagees'
voting right

(15) Where any Owner has charged or mortgaged his interest in any Undivided Share(s) in the Land and the Development, the voting rights conferred on such Owner shall, subject to the provisions of the relevant mortgage, be exercisable by the Owner (the Mortgagor) unless the mortgagee is in possession or in receipt of the rents and profits in respect of such Undivided Share(s).

Passing of
resolutions

(16) (a) All resolutions put to the vote of the meeting shall be decided by a poll to be taken at such time and in such manner as the Chairman shall direct.

(b) In the case of an equality of votes the Chairman shall have a second or casting vote.

Defaulting
Owner

(17) An Owner who has failed to pay his due proportion of the Management Expenses shall not be allowed to be present at any meetings.

Resolutions
binding on All
Owners

(18) All resolutions passed at a meeting duly convened and held shall be binding on all Owners.

Purpose of
Meeting

(19) The purpose of such meetings, in addition to the election of officers and members of the Owners' Committee as aforesaid, shall be to discuss all matters relating to the Development.

Election of
Owners'
Committee

(20) The Chairman, the Vice-Chairman and any other officers of the Owners' Committee shall be elected in the following manner. The candidates for election shall be proposed and seconded by any Owners present in person or by duly authorised representative at the meeting. As soon as all candidates have been proposed and seconded and provided that such candidates consent to be elected their names will be put before the meeting who will vote thereon.

SECTION VII

MEETING OF THE OWNERS' COMMITTEE

- | | |
|-------------------------------------|---|
| Members of the
Committee | (1) The Chairman, Vice-Chairman and members of the Owners' Committee (hereinafter referred to as "the Committee") elected in accordance with the provisions of Clause 1 of Section VI of this Deed shall be the Owners' Committee, which shall meet at least once every three months. |
| Notice of
Meeting | (2) The meeting of the Committee shall be convened by the Manager by at least 7 days' notice in writing specifying the date, time and place of the meeting and the subjects to be discussed. |
| Manager no
voting right | (3) The Manager may be represented at the meeting by a duly appointed representative who shall not be entitled to vote. |
| Manager to act
as Secretary | (4) The Manager shall send a secretary to the meetings who shall keep a record of the persons present at the meetings and the proceedings thereof. |
| Convening a
Meeting | (5) The Chairman or any two members may request the Manager to convene a meeting and the Manager shall, upon such request, convene the meeting in accordance with the provisions of Clause (2) above. |
| Quorum of
Meeting | (6) No business shall be transacted at any time unless a quorum is present when the meeting proceeds to business and not less than 3 members of the Committee shall be a quorum. The procedures at meetings of the Committee shall be as is determined by the Committee. |
| Passing of
resolutions | (7) All resolutions put to the vote of the meeting shall be decided by a majority on a show of hands and each member present shall have one vote and if there is an equality of votes, the Chairman shall have, in addition to a deliberative vote, a casting vote. |
| Resolutions
binding on
Owners | (8) All resolutions passed at a meeting of the Committee duly convened and held shall be binding on all Owners. |

Purpose of
Meeting

- (9) The purpose of a meeting of the Committee shall be to discuss management matters relating to the Development, to fill any casual vacancy which may occur in the post of Chairman or Vice-Chairman (provided that any person appointed to fill such position shall vacate such position at the conclusion of the next meeting of the Owners of the Development) or to recommend for appointment at the Owners' Meeting a new Manager.

Chairman of
Meeting

- (10) Any meeting of the Committee shall be presided over by the Chairman or in the absence of the Chairman, a member of the Committee appointed as Chairman for that meeting.

SECTION VIII

EXTINGUISHMENT OF RIGHTS UNDER THIS DEED

(1) In the event of the Development or any part thereof being damaged by fire, typhoon, earthquake, subsidence or other cause so as to render the same substantially unfit for use, the Manager shall convene a meeting of the Owners of the Houses in the Development or that part of the Development and such meeting may resolve by a 75% majority of the Owners present and voting that by reason of insufficiency of insurance monies, changes in building law and/or regulations or any other circumstances whatsoever, it is not practicable to reinstate and rebuild the Development or such part of the Development and in such event the Undivided Shares in the Land and the Development representing the Houses in the Development or such part of the Development shall be acquired by the Manager and the Owners of such Undivided Shares shall in such event be obliged to assign the same and all rights and appurtenances thereto to the Manager upon trust to forthwith dispose of the same by public auction or such other means as the Manager may deem appropriate and to distribute the net proceeds of sale amongst the Owners of such Undivided Shares in proportion to the respective Undivided Shares previously held by such former Owners. All insurance moneys received in respect of any policy of insurance on the Development or such part of the Development shall likewise be distributed amongst such former Owners. In such event all the rights, privileges, obligations and covenants of such former Owners under this Deed shall be extinguished so far as the same relate to such former Owners of the Development or that part of the Development.

(2) The following provisions shall apply to a meeting convened by the Manager as provided in Clause (1) above:-

(a) A meeting shall not proceed unless a quorum is

present. A quorum shall consist of Owners of the Houses in the Development or that part of the Development holding not less than 90% of the Undivided Shares or in whom not less than 90% of the Undivided Shares allocated to that part of the Development are vested. If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to the same time and day in the next week and at the same place and if at such adjourned meeting a quorum is not present the Owners present shall be deemed to be a quorum.

- (b) The Manager's representative shall preside at such meeting.
- (c) A resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least one Owner entitled to be present and present at the meeting. A poll if demanded shall be taken at such time and in such manner as the Manager shall direct.
- (d) On a show of hands every Owner entitled to be present and present at the meeting shall have one vote for every Undivided Share held by him. In case of a poll every Owner shall have one vote for every Undivided Share held by him.
- (e) The Manager shall give notice of the meeting which shall be posted on the public notice boards of the Development specifying the time and place of the meeting.

SECTION IX

MISCELLANEOUS

- (1) (a) Notwithstanding anything contained in this Deed, the Registered Owner shall not assign mortgage or charge (save by way of building mortgage or charge under Special Condition No.1 (b) of the Conditions) or otherwise dispose of or part with the possession of any of the Undivided Shares allocated to the Common Areas and Common Facilities or any interest therein or enter into any agreement so to do except that upon execution of this Deed the whole of the said Undivided Shares in the Common Areas and Common Facilities shall be vested in the Manager who must hold the said Undivided Shares on trust for the benefit of all Owners.
- (b) Subject to sub-clause (c) hereof, on termination of the Manager's appointment the Manager shall assign the

said Undivided Shares free of costs or consideration to its successor in office.

- (c) The Owners Incorporation once in being may require the Manager, in accordance with this Deed to assign the Undivided Shares in the Common Areas and Common Facilities and transfer the management responsibilities to it free of costs or consideration, in which event, the Owners Incorporation must hold them on trust for the benefit of all Owners.

(2) All notice required to be served hereunder on any of the parties hereto or on any Owner shall be deemed to have been sufficiently served if a copy of such notice is served personally on the party to be served or posted on a conspicuous part of the House of which the party to be served is entitled to the sole and exclusive use, occupation and enjoyment notwithstanding that such party may not personally occupy such House or if a copy is sent by post to the last known address in Hong Kong of the party to be served Provided that where notices are to be served on an Owner who is a Mortgagee or chargee, such notice shall be served on the Mortgagee or chargee if a company at its registered office or last known place of business in Hong Kong and if an individual at its last known place of residence.

(3) During the existence of an Owners Corporation (throughout this Deed called "the Owners' Incorporation") under the Building Management Ordinance Chapter 344 of the Laws of Hong Kong (hereinafter called "the said Ordinance") the rights, duties, powers and obligations for the control, management and administration of the Development conferred by this Deed on the Manager shall be vested in the Owners Incorporation, and the general meeting of the Owners Incorporation shall take the place of the Owners' Meeting and the management committee of the Owners Incorporation so provided for in the said Ordinance shall take the place of Owners' Committee whereupon all references throughout this Deed to "Owners' Committee" shall be construed and read as referring to the said management committee of the Owners Incorporation.

(4) Notwithstanding anything herein contained, no provision in this Deed shall prejudice the operation of the Building Management Ordinance (Cap.344).

(5) The Registered Owner will provide a direct translation or summary in Chinese of this Deed within 2 months of the date hereof, and ensure it is available for inspection and the taking of copies by the Owners at their expense at the management office. In the event of a dispute as to the effect of the Chinese translations and this Deed (in English), this Deed (in English) shall prevail.

THE SCHEDULE ABOVE REFERRED TO

ALLOCATION OF UNDIVIDED SHARES

(A) Domestic Accommodation

19,148 Shares

House No.	Shares of Each House	Total
1 & 9	497*	994
2-3 & 5-8	489*	2,934
10 & 20	490*	980
11-13 & 15-19	482*	3,856
21, 30-31 & 38	655*#	2,620
22-23 , 25-29, 32-33 & 35-37	647*#	7,764

(B) Common Areas

1,309 Shares

GRAND TOTAL : 20,457 Shares

Note: * Including Garden, roof, carport, entrance and planter.
Including Yard.

Dated the 16th day of January 1999.

GOLDEN SQUARE PROPERTIES
ENTERPRISES LIMITED

and



and

KAI SHING MANAGEMENT
SERVICES LIMITED

DEED OF MUTUAL COVENANT
AND MANAGEMENT AGREEMENT

REGISTERED in the Land Registry,
by Memorial No.

on

REGISTERED in the Land Registry
by Memorial No. 7679294
on 8 February 1999

for Land Registrar

for Land Registrar.

Winston Chu & Company
Solicitors & Notaries

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律師事務所