

D. By a Partial Release/Reassignment dated the [] day of [] All Those [] equal undivided [] parts or shares of and in the Land and the Estate together with the exclusive right to hold use occupy and enjoy ALL THAT Villa [] of the Estate (“the said Property”) were released/reassigned by the Mortgagee to the First Owner freed and discharged from the Mortgage.

E. By an assignment bearing even date herewith and made between the First Owner of the first part and the Second Owner of the second part the First Owner assigns unto the Second Owner All Those [] equal undivided [] parts or shares of and in the Land and the Estate together with the exclusive right to hold use occupy and enjoy ALL THAT Villa [] of the Estate (“the said Property”) absolutely subject to the Conditions.

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

G. This Deed has been approved by the Director of Lands in accordance with Special Condition No.(21) of the Conditions.

NOW THIS DEED WITNESSETH as follows :-

SECTION I

1. DEFINITION AND INTERPRETATION

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

“Authorized Person” Miss Pi Tsui Man Angelina of Barrie Ho Architecture Interiors Limited or any other authorized person or persons as defined in Section 2(1) of the Buildings Ordinance appointed by the First Owner in her place.

“Approved Plans” The general building plans prepared by the Authorized Person for the development of the Land and approved by the Building Authority under BD Ref. No.BD2/9224/11 as the same may be amended from time to time with the approval of the Director of Buildings and the Director of Lands

“Building Management” The Building Management Ordinance, Cap.344 of the

Ordinance”	Laws of Hong Kong Special Administrative Region and any statutory amendments, modifications or re-amendments thereof for the time being in force.
“Mortgage”	The Mortgage dated 23rd February 2018 made between the First Owner and the Mortgagee and registered in the Land Registry by Memorial No.18030201670024.
"Brown Area"	The Brown Area as defined in Special Condition No.(31) of the Conditions.
“Common Areas”	Subject to Clause 2.12, such of the driveways, ramps, passageways, staircases, caretaker’s quarter, caretaker’s office, refuse storage and recovery chamber (if any), Visitors’ Carparking Spaces, Loading and Unloading Space, the E&M Building, Central Sewage Treatment Plant Room, Slopes and Retaining Walls, fence walls, accessible toilet, planters and common landscaped areas (being the areas landscaped in accordance with Special Condition No.(15) of the Conditions), the entire foundation system of the Estate, all external walls (whether structural or load bearing or not) (save to the extent forming part of the Houses), all structural or loading bearing elements of the Estate (save to the extent forming part of the Houses) and other areas and spaces containing the Common Facilities and other areas and spaces in any part or parts of the Estate which are designated as being for the common use and benefit of the Owners, PROVIDED THAT, where appropriate, if (a) any parts of the Estate covered by paragraph (a) of the definition of “common parts” set out in section 2 of the Building Management Ordinance and/or (b) any parts specified in the Schedule 1 to the Building Management Ordinance and included under paragraph (b) of the definition of “common parts” set out in section 2 of the Building Management Ordinance, shall also be covered by the provisions hereinbefore provided, such parts shall be deemed to have been included as, and shall form part of, the Common Areas and the Common Areas are shown for the purpose of identification only on the DMC Plans (insofar as such areas and spaces are identifiable on the DMC Plans) annexed hereto, the accuracy of the DMC Plans has been certified by or on behalf of the Authorized Person,

and thereon coloured Yellow and Indigo EXCLUDING such areas within the Estate in respect of which the exclusive right and privilege to hold, use, occupy and enjoy the same belong to any particular Owner.

“Common Facilities”

All equipment facilities and system designated as being for the use, benefit or service of the Common Areas and without limiting the generality of the foregoing, include :-

- (a) Conduits;
- (b) Machineries, equipment and installations in E&M Building, Caretaker's Office and Central Sewage Treatment Plant Room;
- (c) Fire fighting and lightning installation and equipment;
- (d) Lamp posts, traffic lights and public lighting within the Estate;
- (e) lightning protection installations on roofs of Villa B and Villa D including their respective connections to earth for common protection of the Estate as shown and coloured Yellow on the Lightning Protection Installation Location Plan hereto annexed;
- (f) Other facilities and systems (if any) for the use and benefit of the Estate and not for the use and benefit of any particular Owner.

“Common Areas Undivided Shares”

Those Undivided Shares allocated to the Common Areas and Common Facilities.

“Conditions”

Agreement and Conditions of Sale dated the 6th day of September 2011 and registered in the Land Registry as New Grant No.21283 and includes any further variation and modification thereto, if any.

"Conduits"

Includes sewers, drains, pipes, wires, cables, ducts, risers, gutters, flues, watercourses, fibres and any

medium for the passage or transmission of soil, sewage, water, gas, electricity, air, smoke, information or other matters, and associated equipment and structures.

“Conveyancing and Property Ordinance”	The Conveyancing and Property Ordinance, Cap.219 of the Laws of the Hong Kong Special Administrative Region, and any statutory amendments, modifications or re-enactments thereof for the time being in force.
“DMC Plans”	The Plans annexed to this Deed comprising Master Layout – Ground Floor Plan, Master Layout – First Floor Plan, Master Layout – Second Floor Plan, Master Layout – Roof Plan, Elevation Facing Clear Water Bay Road, Elevation Facing Pak Shek Wo San Tsuen Road, Slope Structure Plan and Lightning Protection Installation Location Plan.
“E&M Building	Electrical and Mechanical Building comprising Water Meter Room, Transformer Room, Main Switch Room and TBE Room.
“Estate”	The whole of the development comprising 6 detached Houses, Common Areas and Common Facilities known or intended to be known as “THE WOODS (尚林)” constructed or in the course of construction on the Land, all structures, facilities and services whatsoever installed or provided in, under, on or over the Land for the use of the Estate or any part or parts thereof including without limiting the generality of the foregoing, all machinery and equipment in or upon the Estate and the driveway, footpaths, stairways, cables, pipes, drainage and sewage for common use of the Estate.
“Estate Rules”	The rules governing the Estate as a whole and the Common Areas and the Common Facilities from time to time in force.
“General Fund”	The fund established and maintained by the Manager under Clause 6.3.1 to pay the Management Expenses.
“Government”	The Government of the Hong Kong Special Administrative Region.

"Green Area"

The Green Area as defined in Special Condition No. (4) of the Conditions.

"House"

Each of the 6 detached houses referred to as Villa A, Villa B, Villa C, Villa D, Villa E and Villa F in the First and Second Schedules hereto erected on the Land in accordance with the Approved Plans to which Undivided Shares have been or will be allocated to and is for private residential uses to which the full and exclusive possession, right and privilege to the use, occupation and enjoyment has been or is intended to be assigned to an Owner and has the same definition as "flat" under the Building Management Ordinance, including :-

- (a) their respective walls and partitions (whether load bearing or structural or not), columns, floor slabs, ceiling slabs, beams, the entire façade and external walls (whether structural or load bearing or not) and other structural supports thereof, gardens, open areas, carports, roofs, parapet walls and flat roofs appurtenant thereto, switch room, water tank and pump room, swimming pool (if any), filtration plant room (if any) and the entire walls enclosing the house provided that where any of such enclosing walls is a dividing wall which separates two adjoining gardens and open ground then only the part of that wall from the middle thereof to the surface facing the relevant house shall be included and for identification purpose are shown and coloured Orange and Green on the DMC Plans hereto annexed and certified as to its accuracy by or on behalf of the Authorized Person;
- (b) parapets, railings or glass balustrades enclosing a flat roof, roof, garden or swimming pool held with and forming part of that House;
- (c) all systems, equipment, facilities, machinery, fixtures, fittings and Conduits serving exclusively that House but shall exclude any Conduits located inside or under that House which do not exclusively serve that House.

In addition to the aforesaid appurtenances, Villa A includes Motor Cycle Parking Space M2.

“Land”	All That piece or parcel of land registered in the Land Registry as LOT NO.1282 IN DEMARCATION DISTRICT NO.253.
“Loading and Unloading Space”	The loading and unloading space designated as being for the common use of the Owners provided pursuant to Special Condition (25) of the Conditions and for identification purpose only the Loading and Unloading Space is shown on the Master Layout - Ground Floor Plan hereto annexed certified as to its accuracy by or on behalf of the Authorized Person and thereon coloured Yellow and marked "L/UL".
“Maintain or maintain”	Includes but is not limited to inspecting, testing, repairing, upholding, supporting, rebuilding, overhauling, paving, purging, scouring, cleansing, emptying, amending, keeping, replacing, redesigning, refurbishing, renovating, improving, decorating and painting or such of the foregoing as may be applicable in the circumstances and in the interest of good estate management and “maintenance” shall be construed accordingly.
“Maintenance Manual”	The slope maintenance manual (if any) in respect of the Slopes and Retaining Walls prepared in accordance with Geoguide 5 - Guide to Slope Maintenance issued by the Geotechnical Engineering Office (as amended or substituted from time to time).
“Maintenance Manual for the Works and Installations”	The maintenance manual for the Works and Installations as mentioned in Clauses 9.1.11(a), (b), (c), (d) and (e) of Section IX as may from time to time be amended or revised in accordance with the provisions of this Deed.
“Management” or “management”	All duties and obligations to be performed and observed by the Manager pursuant to this Deed.
“Management Expenses”	Expenses, costs and charges necessarily and reasonably incurred in the management and maintenance of the Land and the Estate as more particularly provided in

Clauses 6.4.1 and 6.14.1 hereof.

“Management Fee”	The monthly sum payable by an Owner under Clause 6.14.3 hereof for his share of the budgeted Management Expenses.
“Management Shares”	The respective shares set out in the Second Schedule hereto based on which the contribution of each Owner towards the management of the Land and the Estate under this Deed including the budgeted Management Expenses and the Manager’s Remuneration is calculated.
“Manager”	[until it resigns or its appointment is terminated and thereafter the manager for the time being appointed at the meeting of the Owners or the Owners’ Committee in accordance with the provisions hereof.
“Manager’s Remuneration”	The remuneration of the Manager as provided in Clause 6.13.1 hereof.
“Month”	A calendar month.
“Motor Cycle Parking Space” or "Motor Cycle Parking Spaces"	The parking space or spaces designated as being for the parking of motor cycle provided pursuant to Special Condition No.24(b) of the Conditions and for identification purpose only the Motor Cycle Parking Spaces are shown on the Master Layout - Ground Floor Plan hereto annexed certified as to its accuracy by or on behalf of the Authorized Person and thereon coloured Orange hatched Black and marked "M1" and "M2".
"Non-building Areas"	The non-building areas as defined in Special Condition No. (11) of the Conditions.
“Occupation Permit”	An occupation permit or temporary occupation permit of the Estate or any part thereof issued by the Building Authority.
“Occupier”	An occupant or occupier of a House for the time being.
“Owner” or “Owners”	A person who for the time appears from the records at the Land Registry to be the owner of an Undivided

	Share in the Land on which there is a building and a registered mortgagee in possession of such Undivided Share.
“Owners’ Committee”	A committee of the Owners of the Estate established under the provisions of this Deed.
“Owners’ Corporation”	The corporation of the Owners incorporated under the Building Management Ordinance.
"Preserved Trees"	The existing tree(s), replanted or transplanted tree(s) and/or other tree(s) growing on the Land or adjacent thereto required to be preserved in accordance with Special Condition No.(14) of the Conditions.
“Slopes and Retaining Wall”	Such slopes (if any), slopes treatment works, retaining walls and/or other structures and drainage within or outside the Land or the Estate as shown and coloured Yellow on the Slope Structure Plan attached hereto certified by the Authorised Person that it includes all the said slopes, slope treatment works, retaining walls and other structures which are required to be maintained and carried out by the Owners under the provisions of the Conditions and in accordance with the "Geoguide 5 - Guide to Slope Maintenance" issued by the Geotechnical Engineering Office (as amended or substituted from time to time and the Maintenance Manual).
“Special Fund”	The fund established and maintained by the Manager pursuant to Clause 6.7.1 hereof to meet the expenditure of a capital nature or expenditure of a kind not expected to be incurred annually.
“TBE Room”	Telecommunication and Broadcasting Equipment Room for the installation or use of aerial broadcast distribution or telecommunications network facilities.
“This Deed” or “this Deed”	This Deed of Mutual Covenant And Management Agreement.
“Undivided Shares”	All or any of the 15,100 equal undivided parts or shares into which the Land and the Estate are notionally

divided.

“Visitors’ Carparking Space”
or "Visitors' Carparking
Spaces"

The carparking space or spaces designated as being for the parking of visitors’ motor vehicles provided pursuant to Special Condition No.(24)(a)(ii) of the Conditions and for identification purpose only the Visitors' Carparking Spaces are shown on the Master Layout - Ground Floor Plan hereto annexed certified as to its accuracy by or on behalf of the Authorized Person and thereon coloured Yellow and marked "V1" and "V2".

“Works and Installations”

The major works and installations in the Estate requiring regular maintenance on a recurrent basis which include but not limited to those works and installations set out in the Third Schedule hereto being the schedule of Works and Installations.

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

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

SECTION II

2. RIGHTS AND OBLIGATIONS OF THE OWNERS

2.1 The First Owner shall at all times hereafter subject to and with the benefit of the Conditions and this Deed and subject to the Mortgage so far as it is still subsisting have the full and exclusive right and privilege to hold, use, occupy and enjoy to the exclusion of the Second Owner All That the Estate Together with the appurtenances thereto and the entire rents and profits thereof save and except only (a) the said Property assigned to the Second Owner as aforesaid and (b) the Common Areas and Common Facilities.

2.2 The Second Owner shall at all times hereafter subject to and with the benefit of the Conditions and this Deed have the full and exclusive right and privilege to hold, use, occupy and enjoy to the exclusion of the First Owner All That the said Property Together with the appurtenances thereto and the entire rents and profits thereof.

2.3 Each Undivided Share and the full and exclusive right and privilege to hold, use, occupy and enjoy any part of the Estate shall be held by the person or persons from

time to time entitled thereto subject to and with the benefit of the easements, rights, rights of way, privileges and obligations herein contained.

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

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

2.6 No right or entitlement to the exclusive use occupation and enjoyment of any part of the Land or the Estate may be sold, assigned, mortgaged, charged, leased or otherwise dealt with separately from the Undivided Share with which the same is held Provided Always that the provisions of this clause shall not extend to any lease or tenancy.

2.7 The Common Areas and the Common Facilities are deemed to be common areas and facilities for the benefit of all Owners and may, subject to the provisions hereof be used by each Owner.

2.8 Exceptions and Reservations

Each and every Owner covenants with the First Owner with the intent that the covenants, rights, liberty, privileges, entitlements, exceptions and reservations herein conferred upon the First Owner shall bind each and every Owner and their respective successors and assigns and are intended to run and shall run with the Land and the Estate and the interest therein that for so long as the First Owner remains the registered owner of any Undivided Share, and in addition to any other right which it may have reserved under the assignment to any Owner, the First Owner shall have the right in its reasonable discretion at any time or times and from time to time as it shall deem fit to do all or any of the following acts or deeds and/or to exercise all or any of the following rights, liberty, privileges and entitlements without the necessity of joining in or reference to, concurrence or approved of any other Owner, the Manager or any other person interested in the Land and the Estate :-

- (a) The right to change, amend, vary, add to or alter the Approved Plans existing at the date hereof without the concurrence or approval of any Owner or any of the parties hereto but nothing herein shall absolve the First Owner from the requirements of obtaining the prior written approval of the Director of Lands and all other relevant Government Authorities Provided that any such addition to, change, amendment, variation or alteration of the Approved Plans aforesaid shall not affect the rights and interest of the Owners in the enjoyment of their Houses And Provided that the exercise of the right under this sub-clause shall not interfere with the Owner's right to hold, use, occupy and enjoy the House(s) owned by him or impede or restrict the access to and from the House(s) or unreasonably affect an Owner's rights and interest in the Estate Provided that any benefit, concession or compensation whether monetary or otherwise acquired shall be accrued to all Owners or the Owners concerned and Provided Further that the exercise of such right shall not affect any House not held by the First Owner.
- (b) The right to apply to, negotiate and agree with the Government and/or other persons and to execute licence agreements, wayleave agreements or other necessary documents for the purpose of obtaining or renewing or granting any licences, wayleave, right of way or other rights or easements over Government land and the Land and other land or either of them as the First Owner may consider necessary for the Estate without the necessity of making any other Owner a party thereto Provided that the exercise of the right under this sub-clause shall be subject to the prior approval of the Owners at a meeting of Owners and any payment received shall be credited to the Special Fund and shall not interfere with the Owner's right to hold, use, occupy and enjoy the House(s) owned by him or impede or restrict the access to and from the House(s) or adversely affect an Owner's rights and interest in the Estate.
- (c) The right to apply to, negotiate and agree with the Government to amend vary or modify the Conditions or any conditions thereof in such manner as the First Owner may deem fit and to execute modification letters or other necessary documents without the necessity of making any other Owner a party thereto Provided that the exercise of the right under this sub-clause shall be subject to the prior approval of the Owners at a meeting of Owners Provided further that the exercise of the right under this sub-clause shall not interfere with the Owner's right to hold, use, occupy and enjoy the House(s) owned by him or impede or restrict the access to and from the House(s) or adversely affect an Owner's rights and interest in the

Estate Provided that the First Owner shall be fully responsible to the exclusion of other Owners for any relevant premium or premia (if any) payable to the Government including administrative fees unless such amendment, variation or modification of the Conditions is required by the Government or for the benefit of the Owners.

2.9 (a) Insofar as may be necessary, the Owners hereby jointly and severally and irrevocably appoint the First Owner as their agent and grant unto the First Owner the full right, power and authority to do all acts, deeds, matters and things and to execute and sign seal and as their act and deed deliver such deed or deeds and to sign such documents and instruments as may be necessary for or incidental to the exercise of the First Owner's rights referred to in Clause 2.8 above with full power of delegation, and the Owners hereby jointly and severally undertake to do all acts, deeds, matters and things and to execute and sign seal such deeds and to sign such document or instrument as may be necessary to give effect to the above-mentioned grant.

(b) Every assignment of any House shall contain a covenant in substantially the following terms :

"The Purchaser acknowledges the rights conferred on Stanhope Holdings Limited ("Stanhope") under Clause 2.8 of a Deed of Mutual Covenant and Management Agreement dated the [•] day of [•] in respect of the Estate. The Purchaser hereby appoints Stanhope to be its attorney and grants unto Stanhope the full right power and authority to do all acts matters and things and to execute and sign seal and as the act of the Purchaser deliver such deed and to sign such documents or instruments as may be necessary for the exercise of or incidental to the exercise of the rights conferred on Stanhope as aforesaid."

2.10 Upon execution of this Deed, the Common Areas Undivided Shares together with the Common Areas and Common Facilities shall be assigned to and vested in the Manager free of costs or consideration. The Manager shall hold the Common Areas Undivided Shares together with the Common Areas and Common Facilities assigned as aforesaid on trust for the benefit of all the Owners for the time being subject to the Conditions and this Deed. In the event the appointment of the Manager is terminated, or the Manager shall be dismissed, wound up or have a receiving order made against it or is removed, and another manager be appointed in its stead as the new Manager in accordance with this Deed, then the liquidator or the receiver or the outgoing Manager shall assign the Common Areas Undivided Shares together with the Common Areas and Common Facilities to the new Manager free of costs or consideration or that if an Owners' Corporation is formed under the Building Management Ordinance, it may require the Manager to assign the same and transfer the management responsibilities to it free of costs or consideration, in which event, the Owners' Corporation must hold them on trust for the benefit of all the Owners for the time being PROVIDED ALWAYS THAT nothing

herein contained shall in any way fetter or diminish the rights and powers of the Manager contained in this Deed.

2.11 Subject to Clause 2.12, no Owner including the First Owner shall have the right to convert the Common Areas and/or the Common Facilities or any part thereof to his own use or for his own benefit unless approved by the Owners' Committee. Any payment received for the approval must be credited to the Special Fund to be established by Manager under Clause 6.7.1. No Owner including the First Owner shall have the right to convert or designate any of his own areas as the Common Areas and/or the Common Facilities unless the approval by a resolution of Owners at a meeting of Owners convened under this Deed has been obtained. No Owner (including the First Owner) and no Manager will have the right to re-convert or re-designate the Common Areas to his or its own use or benefit.

2.12 The Owners shall be entitled to the exclusive use and enjoyment of the following parts of the Estate :-

- (a) The Owner of Villa A shall be entitled to the exclusive use and enjoyment of :-
 - (i) the surface of the retaining wall facing Villa A;
 - (ii) the surface of the wall of the E&M Building facing Villa A;
 - (iii) the surface of the fence wall facing Villa A;
 - (iv) the surface of the external wall below the 1st Floor level of Villa B facing Villa A; and
 - (v) the surface of the common wall between Villa A and Loading/Unloading Space facing Villa A.
- (b) The Owner of Villa B shall be entitled to the exclusive use and enjoyment of the surface of the parapet wall facing Villa B.
- (c) The Owner of Villa C shall be entitled to the exclusive use and enjoyment of the surface of the parapet wall facing Villa C.
- (d) The Owner of Villa E shall be entitled to the exclusive use and enjoyment of the surface of the foundation structures facing the garden of Villa E.
- (e) The Owner of Villa F shall be entitled to the exclusive use and

enjoyment of :-

- (i) the surface of the retaining wall facing Villa F;
- (ii) the planter on top of the retaining wall facing Villa F; and
- (iii) the surface of the foundation structures facing the garden of Villa F.

2.13 The Owners of Villa B and Villa D shall not remove or tamper with the lightning protection installations installed on the roofs of Villa B and Villa D and their respective connections to earth for the common protection of the Estate referred to in paragraph (j) under the definition of “Works and Installations” in Clause 1.1.

SECTION III

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

3.1 The Owners shall have the benefit of the following easements, rights and privileges subject to the provisions in this Deed including the provisions of the rights of the Manager and the First Owner as herein provided :-

- (a) full right and liberty for each Owner, his tenants, servants, agents and licensees (in common with all persons having the like right) to go pass and repass over and along and use the Common Areas and the Common Facilities for all purposes connected with the proper use and enjoyment of his House and to use the Common Areas and Common Facilities in accordance with the provisions of this Deed;
- (b) the right to subjacent and lateral support from other parts of the Estate and the foundations of the Estate;
- (c) the free and uninterrupted passage and running of water, sewage, gas (if any), electricity, telephone and all 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 Estate for the proper use and enjoyment of the House owned by the Owner; and

- (d) full right and liberty for the Owner, his tenants, servants, agents and licensees (in common with all persons having the like right) to use the Loading and Unloading Space for the purpose of loading and unloading of goods vehicles connected with the proper use and enjoyment of his House.

3.2 Each Owner may, with or without servants, workmen and others at all reasonable times on reasonable written notice to the Manager (except in the case of emergency) enter into and upon the Common Areas for the purposes of carrying out any work for the maintenance and repair of his House or its services (such work not being the responsibility of the Manager hereunder) where such entry is necessary in the circumstances causing as little disturbance as possible and forthwith making good any damage caused thereby.

3.3 The Owner of Undivided Shares and House in the Estate, his servants agents workmen or contractors shall have the right by prior appointment with the Owner or Occupier of the House adjacent thereto (“the Other House”) enter upon the Other House with or without tools or equipment for the purpose of reasonable repair or maintenance of the part of his House, equipment apparatus services and facilities serving his House exclusively but only accessible from the Other House Provided That :-

- (a) a prior written request of not less than 14 days from the Owner exercising the right under this Clause 3.3 (“the Relevant Owner”), except in case of emergency, setting out the nature of the repair and maintenance to be carried out and the estimated time of such work shall be given to the Owner and the Occupier of the Other House;
- (b) the Relevant Owner shall at his own costs and expenses make good all damage caused to the Other House, the Owner or Occupier thereof or any other person as a result of the exercise of the rights under this Clause 3.3;
- (c) the Relevant Owner shall ensure that such works shall be carried out without delay or negligence and the least disturbance and inconvenience will be caused; and
- (d) the Relevant Owner shall indemnify the Owner and Occupier of the Other House against all actions claims demands and proceedings that may be suffered by the Owner or Occupier of the Other House by reason of the default or negligence of the Relevant Owner his servants agents workmen or contractors in carrying out such work.

SECTION IV

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

4.1 The following are the easements, rights and privileges subject to which each Undivided Share and the exclusive right to hold, use, occupy and enjoy each House is held :-

- (a) The Manager shall have full right and privilege at all reasonable times on reasonable notice (except in the case of emergency) with or without agents, surveyors, workmen and others to enter into and upon any House or any part or parts thereof for the purpose of carrying out necessary repairs to the Estate or to abate any hazard or nuisance which does or may affect the Common Areas and the Common Facilities or other Owners provided that the Manager shall ensure that the least disturbance as is reasonably practicable is caused and shall be liable for and shall at his own expense make good any damage caused by the Manager in exercising the power under this Clause 4.1(a) as well as caused by the negligent, wilful or criminal acts of the Manager or the Manager's staff, employees, agents or contractors to the relevant House(s) and reinstate the same causing the least disturbance as is reasonably practicable.
- (b) Easements, rights and privileges over, along and through each House equivalent to those set forth in Clause 3.2.
- (c) The full rights and privileges of the Director of Lands and his officers, contractors and any other persons authorized by him, of ingress, egress and regress to, from and through the House for the purpose of inspecting, checking and supervising any works to be carried out under the Conditions.

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

SECTION V

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

5.1 Each Owner shall notify the Manager in writing of any change of ownership within one month from the date of the assignment in respect thereof. The previous Owner shall remain liable for all Management Expenses and all payments made up to the date of completion of the relevant sale and purchase. For the avoidance of doubt, Management Expenses include Manager's Remuneration.

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

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

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

5.5 No Owner shall use or permit or suffer the House owned by him to be used for any purpose other than for private residential purpose. No Owner shall permit or suffer to be done any act or thing on the Land and the Estate in contravention of the terms and conditions in the Conditions.

5.6 No Owner shall permit or suffer to be done any act or thing whereby any insurance on the Estate or any part thereof may become void or voidable or whereby the premium for any such insurance may be increased and in the event of any breach of this Clause by any Owner, in addition to being responsible for any other liability incurred thereby, such Owner shall pay to the Manager the amount of any increase in premium caused by or on account of such breach.

5.7 Each Owner shall be responsible for and shall indemnify all other Owners and Occupiers and the Manager against all actions, proceedings, claims and demands whatsoever arising out of or in respect of any loss or damage to any person or property caused by or as the result of the act or default or negligence or omission of such Owner or his Occupier by or through or in any way owing to the overflow of water or spread of fire

from his House.

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

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

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

5.11 No Owner shall do or permit or suffer to be done and each Owner shall take all possible steps to prevent his tenants, Occupiers or licensees from doing any act, deed, matter or thing which in any way interferes with or affects or which is likely to interfere with or affect the management and maintenance of the Estate.

5.12 Each Owner shall maintain in good repair and condition the House (both interior and exterior condition), garden areas and all other areas owned by him its equipment apparatus services and facilities in such manner so as to avoid any loss, damage, nuisance or annoyance to the Owners or Occupiers of any other Houses and shall when necessary replace any part or parts thereof which require replacement.

5.13 No Owner shall do cause or permit or suffer to be done any act or thing which may be or become a nuisance or annoyance to or cause damage or inconvenience to the Government or to other Owners and Occupiers for the time being of the other Houses in the Estate the neighbouring lot or lots or premises.

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

5.15 No Owner shall alter, repair, connect to or in any other way interfere with or affect the Common Areas or the Common Facilities and the Manager shall have no authority to give consent to any Owner to do so.

5.16 Except as herein provided, no flags, banners, poles, cages, shades, sculptures or other projections or structures whatsoever extending outside the exterior of any House and/or the Estate or any part thereof shall be erected, installed or otherwise affixed to or projected from the Estate or any part thereof.

5.17 All Owners shall at all times observe and perform the Estate Rules and all the covenants, conditions and provisions of this Deed.

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

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

5.20 No Owner shall :-

- (a) make any structural or other alterations to any part of the Estate which may damage or interfere with the use and enjoyment of any other part thereof;
- (b) do or permit to be done any act or thing which may or will alter the external appearance of the Estate and the Houses without the prior consent in writing of the Owners' Corporation or the Manager and any Government authorities if required;
- (c) make any alteration to any installation or fixtures so as to affect or be likely to affect the supply of water, electricity or gas or other services to or in the Land and the Estate;
- (d) cut or damage any of the structural walls, beams, columns, ceilings, roofs, floors or any structural part of the Estate or do anything whereby the structural strength of any part of the Estate may be affected; or

- (e) do or permit to be done any act or thing which may damage the Slopes and Retaining Walls, the E&M Building, the foundation system or any other Common Areas irrespective whether the surface of these structures forms part of the House.

5.21 No Owner shall use the Estate or any part thereof for any purpose which is in contravention of the terms and conditions contained in the Conditions or the Occupation Permit or any applicable Regulations or any Ordinance, or store or permit to be stored in any House any hazardous, dangerous or unlawful goods or combustible or explosive substances or any “dangerous” or “prohibited” goods within the meaning of the Dangerous Goods Ordinance, Cap295 of the Laws of the Hong Kong Special Administrative Region except such as may be reasonably required for the purpose of domestic cooking and heating and in reasonable quantity.

5.22 No air-conditioning or other units or plants or any other fixture shall be installed through the windows or external walls of the House without the prior written consent of the Manager or the Owners’ Corporation to any such installations other than at places designated for such purpose and all possible measures shall be taken to prevent excessive noise, condensation or dripping onto any part of the Estate. Every Owner shall at his own costs and expenses keep and maintain the air-conditioning or other units or plants (if any) serving exclusively his part of the House in good repair and condition.

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

5.24 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 thereof be used for any business or private purpose and no Owner shall do or suffer or permit to be done anything therein as may be or become a nuisance or cause annoyance to any other Owners or Occupiers.

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

5.26 No Owner shall, without the prior written consent of the Manager and the conditions of such consent having been complied with, install, or affix any frames, iron cage, flower rack or any other structures whether made of wood, metal, cement or any other materials to, upon or along the exterior walls of or outside his House or in the Common Areas or any part thereof.

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

5.28 (a) No Owner or Occupier shall use or permit to be used any House for any illegal or immoral purpose and no Owner shall use or permit or suffer any part of the Estate owned by him to be used for any purpose other than that permitted by the Conditions and the Building Authority and in accordance with any applicable building or other regulations or any Government or other permit consent or requirement from time to time applicable thereto and in particular no Owner shall use or permit or suffer any part of the Estate to be used as a mahjong school, funeral parlour, coffin shop, temple, Buddhist hall or for the performance of the ceremony known as “Ta Chai” (打齋) or for any similar ceremony or such use as may become a nuisance or annoyance to or cause danger to the other Owners or Occupiers for the time being of the Estate.

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

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

(b) No Owner shall perform installation or repair works to the electrical wiring from the Main Switch Room in the E&M Building to his House and such works shall be carried out by the Manager or any contractor appointed or approved by the Manager at the expense of the Owner or Owners thereof and in such manner as the Manager shall in its reasonable discretion think fit.

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

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

5.32 No partitioning wall shall be erected or installed in any House or any part of the Estate which does not leave clear access for emergency exits and no windows shall be wholly or partially blocked or the light and air therefrom in any way obstructed.

5.33 No Owner shall permit or suffer to be erected, affixed, installed or attached in or on or at the door or doors or entrance or entrances of any House or any part of the Estate, any metal grille or shutter or gate without the prior approval in writing of the Manager and which shall in any way contravene the regulations of the Fire Services Department or other competent authority concerned from time to time in force.

5.34 For the purpose of maintaining an uniform and harmonious external appearance and landscaping of the Estate, and in addition to but without prejudice to any restrictions (if any) as prescribed in the other provisions of this Deed, each of the Owners hereby covenants with all other Owners and the Manager that he would not do permit or suffer to be done any act or thing which may or will alter the external appearance and façade of the Houses and the landscaping features in the Estate without the prior consent in writing of the Manager and the Manager shall have absolute discretion in determining whether or not its written consent should be given.

5.35 Without prejudice to the generality of the preceding Clause 5.34, each Owner covenants with all other Owners and the Manager without having obtained the Manager's approval :-

- (a) not to make any alterations or additions to the façade of their Houses;
- (b) not to put or install any canvas or awnings onto any roof decks of their Houses other than those the colour and design of which have been approved by the Manager;
- (c) not to alter any structures or the positions of any external walls;
- (d) not to :-
 - (i) install any metal grille other than metal grill of such design and colour approved by the Manager in writing;
 - (ii) install any awning to the exterior walls of his House;
 - (iii) build up any parapet masonry walls; or
 - (iv) add trellises on the roof decks.
- (e) not to enlarge or alter the colour and type of the external walls and/or

windows and/or the doors of their Houses; and

- (f) not to erect any private aerial telecommunication transmitter or receiver and/or television antenna or disc or any similar device (whether for radio or television or telecommunication purpose or otherwise) outside any part of his House or at the lawn garden or open ground or flat roof of his House except in such space designated for such purpose with the permission of the Manager and shall use the same in accordance with any Estate Rules relating to them,

5.36 The carparking spaces within the carports of the Houses and Visitors' Carparking Spaces shall not be used for any purpose other than for the parking of private motor vehicles licensed under the Road Traffic Ordinance and belonging to the Owners or Occupiers as well as their bona fide visitors or invitees. In particular, the carparking spaces within the carports of the Houses and Visitors' Carparking Space shall not be used for storage, display or exhibiting of motor vehicles or motor-cycles for sale or otherwise. Use of Visitors' Carparking Spaces and Loading and Unloading Space shall be subject to rules or conditions from time to time made by the Manager. Priority of using the Visitors' Carparking Spaces shall be reserved for the parking of motor vehicles by disabled persons as defined in the Road Traffic Ordinance, any regulations made thereunder and any amending legislation. Carparking spaces within the carports of the Houses and Visitors' Carparking Spaces shall not be used for the parking of motor cycles.

5.37 All Owners and Occupiers shall park their motor vehicles within their own carparking spaces within the carports of the Houses and their motor cycles in their Motor Cycle Parking Spaces (if any).

5.38 No Owner or Occupier may park his motor vehicle or motor-cycle in such a manner so as to cause inconvenience or annoyance to the Owners of the other Houses.

5.39 No Owner or Occupier shall allow any motor vehicle parked in his carparking spaces within the carports of his House and any motor cycle parked in his Motor Cycle Parking Space to deteriorate to a condition detrimental to the environmental appearance of the Estate.

5.40 No Owner shall do or permit or suffer to be done any act, deed, matter or thing which may in any way interfere with, cause any damage to or adversely affect or cut down any Preserved Trees, or relocate any Preserved Trees without the prior written consent of the Director of Lands (or other relevant Government authorities) and the Manager; and each Owner shall keep, maintain and preserve any Preserved Trees located within the garden and other areas of his House at his own costs and expenses to the satisfaction of the Manager and in accordance with the terms and conditions of the Conditions.

5.41 No Owner shall erect or place or cause or permit to be erected or placed any advertising sign or other sign, flags or banners and illegal structures on any of the roofs (including flat roofs) external walls, garden areas and open ground of his House.

5.42 No Owner shall bring on to or keep any livestock, birds, poultry, or animals on any part of the Estate PROVIDED THAT (i) dogs, cats, pets, birds or animals may be kept in a House unless the same has been the cause of reasonable complaint by Owners or Occupiers of at least three Houses, and (ii) dogs may be kept by the Manager at the Estate for the management and security of the Estate.

5.43 The Owners shall, subject to the provisions of this Deed, inspect, maintain and carry out at their own expense all necessary works for the maintenance of the Estate and including the Works and Installations.

5.44 (a) The Owners shall at their own expenses maintain and carry out all works in respect of any and all of the Slopes and Retaining Walls (if any) as required by the Conditions and in accordance with the Geoguide 5-Guide to Slope Maintenance issued by the Geotechnical Engineering Office (as amended or substituted from time to time) and the Maintenance Manual for the Slopes and Retaining Walls (if any) prepared in accordance with the said Geoguide 5.

(b) No Owner shall make any alteration to the Slope and Retaining Walls or any part or parts thereof no matter whether the same is adjoining or enclosing his House without the prior written consent of the Manager and the relevant Government Authorities.

5.45 The Owners shall at their own expenses maintain the Green Area and all structures constructed, installed and provided thereon or therein to the satisfaction of the Director of Lands until the Green Area shall have been redelivered to the Government as required under the Conditions.

5.46 The Owners shall at their own expenses uphold, maintain and repair the Brown Area and everything forming a portion of or pertaining to it, all to be done to the satisfaction of the Director of Lands and the Owners shall be responsible for the whole as if they were the absolute owner thereof.

5.47 No Owners shall, except with the prior written consent of the Director of Lands, erect or construct within the Non-building Area any building or structure or support for any building or structure (except boundary walls or fences as may be approved by the Director of Lands).

5.48 No Owner shall make any alteration to or interfere with the sprinkler system (if any) or any other fire fighting equipment or suffer to be done anything to such sprinkler system or fire fighting equipment which would constitute a breach of the Fire Services Ordinance (Cap.95) or any by-laws or regulations made thereunder. If any extension of

the sprinkler heads and/or smoke detectors or alteration to the fire fighting equipment shall be required by any Owner then such works, subject to the prior approval of the Manager, shall be carried out by the Manager or any contractor appointed or approved by the Manager at the expense of such Owner and in such manner as the Manager shall in its reasonable discretion think fit.

5.49 No Owner shall place on any part of the Houses any article, machinery, goods or merchandise which may cause the maximum floor loading-bearing capacity thereof to be exceeded and in the event of breach of this covenant the Owner in default shall make good any damage caused thereby to that part of the Estate or any fixtures and fittings therein.

5.50 No Owner shall without the prior written consent of the Manager and the approval of the Building Authority (if such approval is required) erect or build or suffer to be erected or built on or upon the flat roofs (if any) or roofs forming part of a House any walls, windows, gates, doors, curtains, external awnings, canopies, partitions, security bars, protection grilles or any other structures whatsoever either of a permanent or temporary nature so that the said flat roofs (if any) or roofs will be enclosed or partitioned either in whole or in part and where such installations have been approved in writing by the Manager the same shall be erected in accordance with designs approved by the Manager and in compliance with the Conditions and shall be installed in accordance with the fixing instructions specified by the Manager and the subsequent installation shall follow strictly the approved design and any conditions that may be imposed and shall thereafter be maintained to such standard as may from time to time be laid down by the Manager. The Manager shall have the right to require the relevant Owner to remove from such flat roofs (if any) or roofs such unauthorised structure or structures at the cost and expense of the defaulting Owners.

5.51 The Owner of each House which have a dividing wall separating his garden and open ground with the garden and open ground of the neighbouring House shall each have the right to the use of the interior surface of such dividing wall. Neither Owner shall use any portion of the dividing wall so as to interfere with the use and enjoyment of the other Owner. Neither Owner shall erect any fence or any structure (including but not limited to spikes or wires) on top of the dividing wall without the written consent of the other Owner. Neither Owner shall put structures of any kind (including but not limited to fish ponds) so near to the dividing wall as to cause leakage of water to the other side of the dividing wall or likely to cause the dividing wall to collapse. If the dividing wall or any portion thereof, except the interior surface of the one side, is damaged from any cause, other than the act or negligence of either Owners of the Houses concerned, it shall be repaired or rebuilt at the joint cost and expenses of the Owners of the Houses on either side of the dividing wall in equal shares.

SECTION VI

6. MANAGEMENT OF THE ESTATE

A. Appointment of Manager

6.1.1 Subject to the provisions of the Building Management Ordinance, [] shall be appointed as the Manager for all the Owners to undertake the management, operation, serving, renovation, improvement and security of the Land and the Estate initially for a term of two (2) years commencing from the date of this Deed and such appointment shall continue thereafter until and unless (i) termination by the Manager after the expiry of the said initial term upon giving to the Owners' Committee not less than three (3) months' notice in writing to terminate the appointment and where there is no Owners' Committee, by serving such a notice on each of the Owners and by displaying such a notice in a prominent place in the Estate, or (ii) prior to the Owners' Corporation being formed, the Owners' Committee shall give three (3) months' notice in writing to the Manager to terminate its service without compensation pursuant to a resolution passed by a majority of votes of the Owners voting either personally or by proxy in a meeting of Owners and supported by Owners of not less than 50% of the Undivided Shares in aggregate excluding the Common Areas Undivided Shares passed at a general meeting convened for that purpose. The appointment of the Manager shall be terminated forthwith without compensation whether before or after the said initial term if the Manager shall go into liquidation (except for the purpose of a solvent amalgamation or reconstruction). No provision of this Deed shall limit the application of Schedule 7 to the Building Management Ordinance by restricting or prohibiting the termination of the Manager's appointment during the initial period of two (2) years of his appointment. Upon termination of the appointment of the Manager, the Owners' Committee shall establish, employ or appoint such or such type of estate management company or agency as it shall in its discretion think fit to carry out the management and maintenance of the Estate in accordance with the provisions of this Deed.

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

B. Powers and Duties of Manager

6.2.1 (a) During the term of its appointment as the Manager, the Manager shall, subject to the provisions of the Building Management Ordinance and subject also to Clauses 6.1.1 and 6.1.2, manage the Land and the Estate in a proper manner and in accordance with the provisions of this Deed and each Owner hereby appoints the Manager as agent for all Owners in respect of any matters concerning the Common Areas and the

Common Facilities duly authorized in accordance with the provisions of this Deed with full power to enforce the provisions of this Deed against the other Owners. Subject to the provisions of the Building Management Ordinance, the Manager shall be responsible for and shall have full authority to do all such acts and things as may be necessary or expedient for the proper management of the Estate in accordance with the provisions of this Deed Provided that the Manager shall not effect any improvements to facilities or services which involves expenditure in excess of 10% of the current annual management budget except with the prior approval by resolution of the Owners passed at a meeting of Owners convened under this Deed. Without in any way limiting the generality of the foregoing the Manager shall have the following duties :-

- (1) To put in hand work necessary to maintain all Common Areas and Common Facilities so that the same are maintained in a good, clean and safe condition at all times and for this purpose to employ reputable and competent contractors and workmen.
- (2) To ensure that all Owners or Occupiers maintain the Houses owned or occupied by them in a proper manner and if there is any default on the part of any such Owners or Occupiers and such default continues after notice to make good the same has been given by the Manager to such Owners or Occupiers, the Manager may but shall not be bound to put in hand any maintenance and repair works and to take all possible steps to recover the cost therefor from the defaulting Owner or Occupier PROVIDED ALWAYS THAT the Manager shall not be liable for any loss and damage caused to any person by any Owner's or Occupier's default in carrying out any maintenance or repair works.
- (3) To paint, wash, tile or otherwise treat as may be appropriate the external walls of the Estate and all Common Areas at such intervals as the same may reasonably require to be done.
- (4) To replace any glass in the Common Areas and/or the Common Facilities that may be broken.
- (5) To keep the Common Areas well lit.
- (6) To keep in good order and repair the ventilation of the Common Areas and/or the Common Facilities.
- (7) To keep the Common Areas and/or the Common Facilities in a clean sanitary and tidy condition.

- (8) To prevent any decaying, noxious, excrementitious or other refuse matter from being deposited on the Estate or any part thereof and to remove all refuse from such parts of the Estate and arrange for its disposal at such regular intervals and to maintain either on or off the Estate refuse collection facilities.
- (9) To prevent the obstruction of the Common Areas and/or the Common Facilities and to remove any article or thing causing the obstruction.
- (10) To keep away and prevent strangers from and within the Land and the Estate and to remove strangers found to be in the Land and the Estate and to post up notices prominently of any kind as the Manager deems fit at any part of the Common Areas to the effect stranger is prohibited on the Land and the Estate.
- (11) To keep all the common sewers, drains, watercourses and pipes free and clear from obstruction.
- (12) To keep the Common Facilities in good condition and working order.
- (13) To keep all plant, machinery and equipment including but without limiting the generality of the foregoing, all lighting equipment, ventilation system (if any), water systems, public address systems (if any), fire fighting equipment, sprinkler systems, and maintenance unit in good condition and working order.
- (14) To prevent so far as is possible any refuse or other matter being deposited, washed, eroded or falling from the Estate into any part of the public highway, sewers, drains, nullahs or other Government property and to remove any such matter therefrom and to ensure that no damage is done to any drains, waterways, watercourses, footpaths, sewers, nullahs, pipes, cables, wires, utility services or other works being in, under, over or adjacent to the Land or any part or parts thereof by reason of any maintenance or other works carried out by the Manager as herein provided and to make good any such damage.
- (15) To remove any structure, installation, bills, notices, placard, posters, advertisement, flag, banner, poles, cages, signboard, sunshade, bracket, fitting or other things in or on the Estate which have been erected in contravention of the terms of this Deed or the Conditions or the Buildings Ordinance or regulations of Fire Services Department and/or without the written permission of the Manager (or if such permission has been given upon the expiration or withdrawal of the same) and to demand and recover from the person by whom

such structure or other thing as aforesaid was erected or installed the cost of such removal and the making good of any damage thereby caused.

- (16) To maintain fire fighting equipment and fire alarms and fire shutters and other fire services installations (if any) in the Common Areas and Common Facilities to the satisfaction of the Director of Fire Services and so far as may be possible, to maintain the Estate safe from fire hazards at all times.
- (17) To provide security force, watchmen, porters and caretakers and such other staff as shall be determined by the Manager in its reasonable discretion and to provide and maintain security installations and to maintain security in the Estate at all times.
- (18) To enter into contracts for the installation, maintenance and operation or use of aerial broadcast distribution or telecommunication network facilities including the wireless and/or television aerials, antennae, transmitters, receivers, turners, and satellite dishes and such other devices as the Manager shall see fit for serving the Estate or any part thereof, and contracts for the provision of broadcast distribution network or telecommunication network services PROVIDED THAT :-
 - (i) the term of the contracts will not exceed three (3) years;
 - (ii) the right to be granted under the contracts must be non-exclusive and must provide for sharing the use of the facilities and network with other service providers; and
 - (iii) no Owner is required to make any payment in any form attributable to the installation or provision of the facilities and services, unless the Owner is a subscriber to the relevant service.
- (19) To manage, control and maintain within the Estate the parking of motor vehicles in the Visitors' Carparking Space, the use of Loading and Unloading Space, the flow of vehicular traffic, the use of road, driveway, ramps and passage.
- (20) To provide such Chinese New Year, Christmas and other festival decorations for the Estate as the Manager shall in his reasonable discretion consider desirable.

- (21) To do all things the Manager shall in consultation with the Owners' Committee deem necessary or desirable for the purposes of maintaining and improving all facilities and services in or on the Estate for the better enjoyment or use of the Estate by its Owners, Occupiers and their licensees Provided that the Manager shall obtain the approval by resolution of the Owners passed at a meeting of Owners convened under this Deed prior to carrying out any improvement works to the Estate or any part thereof involving sum in excess of 10% of the current annual management budget.
- (22) To appoint solicitors with authority to accept service on behalf of all the Owners of all legal proceedings relating to the Land and the Estate (except proceedings relating to the rights or obligations of individual Owners) or any part thereof and, in particular but without limiting the foregoing, in all proceedings in which the Government shall be a party and at all times within seven (7) days of being requested so to do by the Director of Lands or other competent officer, to appoint a solicitor who shall undertake to accept service on behalf of all such Owners for the purpose of Order 10 Rule 1 of the Rules of the High Court (or any provision amending or in substitution for the same).
- (23) To prevent any person other than any Owners, tenants and Occupiers or their bona fide guests, visitors or invitees from occupying or using any part of the Estate including Visitors' Carparking Spaces and Loading and Unloading Space otherwise than in accordance with the Conditions or the provisions of this Deed or the Estate Rules from time to time in force.
- (24) To take all steps necessary or expedient for complying with the Conditions and any statutory or Government requirements concerning or relating to the Estate for which no Owner, tenant or Occupier is solely and directly responsible.
- (25) To take all precautions to prevent and to take action to remedy any breach by any Owner or other person residing in or visiting the Estate of any provisions of the Conditions or this Deed.
- (26) To prevent any person from detrimentally altering or injuring any part of the Estate or any of the Common Areas or the Common Facilities.
- (27) To pay and discharge out of all moneys so collected all outgoings relating to the management of the Estate reasonably and necessarily

incurred by the Manager hereunder.

- (28) Unless otherwise directed by the Owners' Committee or Owners' Corporation (if formed), to insure and keep insured the Common Areas and the Common Facilities to the full new reinstatement value and in particular against loss or damage by fire and such other risks or perils as the Manager shall deem fit and in respect of public and occupiers' liability insurance and liability as employer of the Manager's employees employed within or exclusively in connection with the management of the Land and the Estate with some reputable insurance company or companies in the name of the Manager for and on behalf of itself as Manager and the Owners according to their respective interests and in such sum or sums as the Manager shall deem fit and to pay all premia required to keep such insurance policies in force.
- (29) To keep proper accounts of all income received and expenditure incurred by and of all payments made to the Manager in respect of carrying out its duties hereunder as herein provided and to prepare summaries of income and expenditure at least every three (3) months and publish the same in the management office within the Land and the Estate for a reasonable time.
- (30) To represent the Owners in all matters and dealings with Government or any statutory body, any utility or other competent authority or any other person whomsoever in any way touching or concerning the management of the Estate.
- (31) Subject to sub-clauses (22) and (30) above, to commence, conduct, carry on and defend legal and other proceedings touching or concerning the management of the Land and the Estate in the name of the Manager.
- (32) To enforce the due observance and performance by the Owners or Occupiers of the terms and conditions of this Deed and the Estate Rules made hereunder and to take action including the commencement and conduct and defence of legal proceedings to enforce the due observance and performance thereof and/or to recover damages for any breach non-observance or non-performance thereof and the registration and enforcement of charges as hereinafter mentioned.
- (33) Subject to the provisions of Clause 6.2.2, to make, revoke or amend

the Estate Rules which shall not be inconsistent with this Deed.

- (34) To post (if deemed necessary by the Manager) the name of the House of any Owner in default or in breach of the terms and conditions of this Deed as aforesaid together with particulars of the default or breach on the notice boards and/or other prominent place(s) within the Estate.
- (35) To recruit, dismiss and employ such staff as may from time to time be necessary to enable the Manager to perform its powers and duties provided in this Deed on such terms as the Manager shall in its reasonable discretion decide and to provide accommodation within the Estate, uniforms, working clothes, tools, appliances, cleaning and other materials and all equipment necessary therefor.
- (36) To deal with all enquiries, complaints, reports and correspondence relating to the Estate.
- (37) To act as agent for and on behalf of all Owners in respect of all matters concerning the Common Areas or the Common Facilities duly authorized in accordance with the provisions in this Deed and the Manager is hereby authorized to act as such agent.
- (38) Full authority to engage suitable qualified personnel to inspect keep and maintain in good substantial repair and condition and carry out any necessary works in respect of the Slopes and Retaining Walls in compliance with the Conditions and in accordance with the "Geoguide 5-Guide to Slope Maintenance" issued by the Geotechnical Engineering Office (as amended or substituted from time to time) and the Maintenance Manual and all other guidelines issued from time to time by the appropriate Government department regarding the maintenance of slopes, retaining walls and related structures, and to collect from the Owners all costs lawfully incurred or to be incurred by the Manager in carrying out the necessary maintenance, repair and other works provided that the Manager shall not be made personally liable for carrying out any such requirements of the Conditions which shall remain the responsibility of the Owners if, having used all reasonable endeavours, the Manager has not been able to collect the costs of the required works from all Owners. For the purpose of this sub-clause (38), the definition of the Manager shall include the Owners' Corporation.
- (39) To remove any vehicle parked on the Common Areas not so designated for parking or which shall cause an obstruction and any

damage caused to such vehicles during or as a consequence of such removal shall be the sole responsibility of the owners thereof.

- (40) Subject to the prior approval of the Director of Lands thereto as may be required under the Conditions, to repair and maintain any drains and channels and drainage system whether within or outside the Land serving the Estate which are required to be maintained pursuant to the Conditions.
- (41) To enter into contracts and to engage, employ, remunerate and dismiss solicitors, architects, accountants and other professional advisers and consultants, contractors, workmen, servants, agents, watchmen, caretakers and other building staff and attendants Provided That where any contract for the procurement of supplies goods or services by the Manager which involves sums in excess of (i) HK\$200,000.00 or such other sum in substitution therefor as the Secretary for Home Affairs may specify by notice in the Gazette, or (ii) an average annual expenditure of more than 20% of the budget or revised budget, as the case may be, for that financial year or such other percentage as the Secretary for Home Affairs may specify by notice in the Gazette, whichever is the lesser, such contract shall be awarded in accordance with the provisions in Clause 6.8.1 hereof.
- (42) To prohibit the keeping of and to take such action as the Manager shall deem fit for the purpose of removing any live poultry, pets, birds or other animals from any part of the Estate if the same has been the cause of reasonable written complaint by Owners or Occupiers of at least three Houses.
- (43) To grant such easements, quasi-easements, rights, privileges, licences and informal arrangement to any party in respect of the Common Areas and the Common Facilities as it shall in its discretion consider necessary to ensure the efficient management or for the benefit of the Estate subject to the approval of the Owners at a meeting of Owners provided that any fee or monetary benefit arising therefrom or any consideration received therefor shall be credited to the Special Fund for the benefit of the Owners.
- (44) To grant rights of way or access or use at any level to the owners or occupiers of any other premises adjoining the Land or to such person and persons and upon such terms and conditions as the Manager may think fit in respect of the Common Areas and the Common Facilities or any part thereof and on behalf of the Owners to obtain a grant of similar rights in respect of such adjoining premises PROVIDED

that the approval of the Owners at a meeting of Owners has been obtained and such grant of rights of way or access or use shall not contravene the terms and conditions contained in the Conditions nor interfere with an Owner's right to hold, use, occupy and enjoy his House nor adversely affect an Owner's rights and interests and PROVIDED FURTHER that any charges or fees arising from the granting of such rights of way shall be credited to the Special Fund for the benefit of the Owners.

- (45) Subject always to the prior approval of the Director of Lands thereto as may be required under the Conditions, to grant easements and rights of any other kind to the owners and occupiers of adjoining properties to construct, lay, maintain, remove and renew drains, pipes, cables, irrigation pipes and other installations, fittings chambers and other equipment and structures within the Common Areas and the Common Facilities which the Manager shall in its reasonable discretion deem appropriate subject to approval by the Owners at a meeting of Owners Provided that any charges, rent or fees payable and arising from the granting of such easements or rights shall be credited to the Special Fund for the benefit of the Owners and PROVIDED FURTHER that the exercise of such right shall not adversely affect an Owner's rights and interests or interfere with an Owner's right to hold, use, occupy and enjoy his House or impede or restrict the access to and from his House.
- (46) To makes rules to protect the environment of the Estate and to implement waste reduction and recycling measures with reference to guidelines on property management issued from time to time by the Director of Environmental Protection. To provide appropriate and sufficient waste separation and recovery facilities including, but not limited to, waste separation bins at such locations within the Common Areas as the Manager may consider suitable and convenient to facilitate waste separation and recovery by the Owners and the Occupiers. The Manager shall ensure that the recovery facilities shall consist of materials that will not cause any fire hazard and shall be placed in locations so as not to cause obstruction to any fire escape route, and that recyclable materials recovered from the facilities or through the regular cleansing process shall be properly collected, stored, and sent for recycling. The Manager shall maintain the facilities in an environmentally acceptable and hygienic manner to avoid creating nuisance to the Owners and the Occupiers.
- (47) To organize any activities as the Manager may consider appropriate to promote the environmental awareness of the Owners and the

Occupiers and to encourage them to participate in activities with a view to improving the environmental conditions of the Estate.

- (48) Subject as otherwise provided in this Deed to give or withhold its written consent or approval to anything which requires its written consent or approval pursuant to this Deed (provided that the Manager shall not unreasonably withhold its consent or approval) and to impose conditions including payment of reasonable administrative fee relative thereto (such fees shall be paid into the Special Fund).
- (49) To maintain the Green Area and all the structures constructed, installed and provided thereon or therein until possession of the same is re-delivered to the Government in accordance with the Conditions.
- (50) To uphold, maintain and repair the Brown Area and everything forming a portion of or pertaining to it in accordance with the Conditions.
- (51) To maintain and keep the landscaped works in a safe, clean, neat, tidy and healthy condition in accordance with the Conditions.
- (52) To maintain any drainage system, whether within or outside the Land, which is required to be maintained pursuant to the provisions of the Conditions and/or the Government Authorities.
- (53) Without prejudice to the Manager's obligations under this Deed, to appoint or employ agents, contractors or sub-managers, which may include professional property management companies, to carry out the management, maintenance, operation and control of the Common Areas and Common Facilities or any part or parts thereof on such terms and conditions as the Manager shall, subject to the provisions in this Deed and the Building Management Ordinance, in its reasonable discretion deem fit. For avoidance of doubt, the Manager shall not assign or transfer any of his duties or obligations under this Deed to such person or company and such person or company shall remain responsible to the Manager. The Manager shall at all times be responsible for the management and control of the whole Estate.
- (54) To do all such other things as are reasonably incidental to the proper management of the Land and the Estate in accordance with the Conditions and this Deed or for the common benefit of the Owners.

(b) The Manager must call the first meeting of Owners as soon as possible, but in any event not later than 9 months after the date of this Deed (and to call further and

subsequent meetings if required), which meeting must appoint a chairman and committee of owners or must appoint a management committee for the purpose of forming an Owners' Corporation under the Building Management Ordinance.

6.2.2 Before the formation of an Owners' Committee or the Owners' Corporation, the Manager shall have power from time to time to make Estate Rules :-

- (a) regulating the use, occupation, maintenance and environmental control of the Estate and any of the Common Areas and Common Facilities and of any of the facilities, services or amenities thereof and the conduct of persons occupying, using or visiting the same;
- (b) setting out requirements relating to the proper disposal of rubbish by the Owners and the Occupiers for waste separation and recycling purposes; and
- (c) regarding any matter or thing which the Manager is empowered to do pursuant to this Deed;

Provided That they are not inconsistent with, contravene or contradict the terms of the Conditions, the Building Management Ordinance and this Deed and such Estate Rules shall be binding on all the Owners of the relevant part of the Estate and their tenants, licensees, servants or agents. A copy of such Estate Rules from time to time in force shall be posted on the public notice boards in the Estate or the relevant part of the Common Areas (as the case may be) and a copy thereof shall be supplied to each Owner on request free of charge.

After the formation of the Owners' Committee or the Owners' Corporation, amendments to the Estate Rules may be made by the Manager with the approval of the Owners' Committee or the Owners' Corporation.

6.2.3 Subject to the provisions of the Building Management Ordinance, all acts and decisions of the Manager arrived at in accordance with the provisions of this Deed in respect of any of the matters aforesaid shall be binding in all respects on all the Owners for the time being.

6.2.4 Neither the Manager nor any servants, agent or other person employed by the Manager shall be liable to the Owners or any of them or to any person or persons whomsoever whether claiming through, under or in trust for any Owner or otherwise, for or in respect of any act, deed, matter or thing done or omitted in pursuance of or purported pursuance of the provisions of this Deed and/or the Estate Rules not being an act or omission involving criminal liability or dishonesty or negligence and the Owners shall fully and effectually indemnify the Manager and all such persons from and against all

actions, proceedings, claims and demands whatsoever arising directly or indirectly out of or in connection with the management of the Land and the Estate or any act, deed, matter or thing done or omitted as aforesaid and all costs and expenses in connection therewith and not involving criminal liability, dishonesty or negligence on the part of the Manager or any such person or persons aforesaid. The Manager shall make good at his own expense any loss or damage caused by the negligent, wilful or criminal acts of the Manager or his staff, contractors or other person employed by the Manager. For the avoidance of doubt, no provision of this Deed shall operate to exclude, or shall be construed to have the effect of excluding, the liability of the Manager to the Owners for any act or omission involving criminal liability, dishonesty or negligence of the Manager or its servants, agents or contractors and no provision of this Deed shall operate to require, or shall be construed to have the effect of requiring, any Owner to indemnify the Manager or its servants, agents or contractors from and against any action, proceedings, claim and demand whatsoever arising out of or in connection with any such act or omission.

C. General Fund

6.3.1 The Manager shall establish and maintain a General Fund in respect of the day-to-day management of the Estate.

6.3.2 The Management Fee referred to in Clause 6.14.3(a) and received by the Manager from the Owners shall be credited to the General Fund.

D. Determination of total amount of Management Expenses

6.4.1 Subject to Clauses 6.4.3, 6.4.5, 6.4.6 and 6.4.8, the total amount of Management Expenses payable by the Owners during any period of 12 months adopted by the Manager as the financial year in respect of the management of the Estate shall be the total proposed expenditure during that year as specified by the Manager in accordance with Clause 6.4.2.

6.4.2 In respect of each financial year, the Manager shall :-

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

draft budget was sent or first displayed;

- (d) after the end of that period, prepare a budget specifying the total proposed expenditure during the financial year;
- (e) send a copy of the budget to the Owners' Committee or, where there is no Owners' Committee display a copy of the budget in a prominent place in the Estate, and cause it to remain so displayed for at least 7 consecutive days.

6.4.3 Where, in respect of a financial year, the Manager has not complied with Clause 6.4.2 before the start of that financial year, the total amount of the Management Expenses for that year shall :-

- (a) 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;
- (b) when he has so complied, be the total proposed expenditure specified in the budget for that financial year, and the amount that the Owners shall contribute towards the Management Expenses shall be calculated and adjusted accordingly.

6.4.4 Where a budget has been sent or displayed in accordance with Clause 6.4.2(e) 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 budget by virtue of Clause 6.4.2.

6.4.5 Where a revised budget is sent or displayed in accordance with Clause 6.4.4, the total amount of the Management Expenses for that financial year shall be the total expenditure or proposed expenditure specified in the revised budget and the amount that Owners shall contribute towards the Management Expenses shall be calculated and adjusted accordingly.

6.4.6 If there is an Owners' Corporation and, within a period of 1 month from the date that a budget or revised budget for a financial year is sent or first displayed in accordance with Clauses 6.4.2 or 6.4.4, the Owners' Corporation decides, by a resolution of the Owners, to reject the budget or revised budget, as the case may be, the total amount of Management Expenses for the financial year shall, until another budget or revised budget is sent or displayed in accordance with Clauses 6.4.2 or 6.4.4 and is not so rejected under this 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.

6.4.7 If any Owner requests in writing the Manager to supply him with a copy of

any draft budget, budget or revised budget, the Manager shall, on payment of a reasonable copying charge, supply a copy to that person.

6.4.8 For the purposes of this Sub-Section D, “expenditure” (開支) includes all costs, charges and expenses to be borne by the owners, including the Manager’s Remuneration.

E. Keeping of Accounts

6.5.1 The Manager shall maintain proper books or records of account and other financial records and shall keep all bills, invoices, vouchers, receipts and other documents referred to in those books and records for at least 6 years.

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

6.5.3 Within 2 months after the end of each financial year, the Manager shall prepare an income and expenditure account and balance sheet for that year, display a copy of the income and expenditure account and balance sheet in a prominent place in the Estate, and cause it to remain so displayed for at least 7 consecutive days.

6.5.4 Each income and expenditure account and balance sheet shall include details of the Special Fund required by Sub-Section G and an estimate of the time when there will be a need to draw on that Fund, and the amount of money that will be then needed.

6.5.5 The Manager shall :-

- (a) permit any Owner, at any reasonable time, to inspect the books or records of account and any income and expenditure account or balance sheet; and
- (b) on payment of a reasonable copying charge, supply any Owner with a copy of any record or document requested by him.

6.5.6 If there is an Owners’ Corporation and the Owners’ Corporation decides, by a resolution of the Owners, that any income and expenditure account and balance sheet should be audited by an accountant or by some other independent auditor as may be specified in that resolution, the Manager shall without delay arrange for such an audit to be carried out by that person and :-

- (a) permit any Owner, at any reasonable time, to inspect the audited income and expenditure account and balance sheet and the report made by the accountant or auditor in respect of the income and expenditure account and balance sheet; and
- (b) on payment of a reasonable copying charge, supply any Owner with a copy of the audited income and expenditure account and balance sheet, or the report made by the accountant or auditor in respect of the income and expenditure account and balance sheet, or both, as requested by the Owner.

6.5.7 The financial year may not be changed more than once in every 5 years, unless that change is previously approved by a resolution of the Owners' Committee (if any).

6.5.8 Prior to the formation of the Owners' Corporation the Owners at an Owners' meeting convened under this Deed shall have power to require the annual account prepared by the Manager to be audited by an independent auditor of their choice.

F. Manager to Open and Maintain Bank Account

6.6.1 The Manager shall open and maintain an interest-bearing account and shall use that account exclusively in respect of the management of the Estate.

6.6.2 Without prejudice to the generality of Clause 6.6.1, if there is an Owners' Corporation, the Manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a trust account or client account, for holding money received by him from or on behalf of the Owners' Corporation in respect of the management of the Estate.

6.6.3 The Manager shall display a document showing evidence of any account opened and maintained under Clauses 6.6.1 and 6.6.2 in a prominent place in the Estate.

6.6.4 Subject to Clauses 6.6.5 and 6.6.6, the Manager shall without delay pay all money received by him in respect of the management of the Estate into the account opened and maintained under Clause 6.6.1 or, if there is an Owners' Corporation, the account or accounts opened and maintained under Clause 6.6.2.

6.6.5 Subject to Clause 6.6.6, the Manager may, out of money received by him in respect of the management of the Estate, retain or pay into a current account a reasonable amount to cover expenditure of a minor nature, but that amount shall not exceed such figure as is determined from time to time by a resolution of the Owners' Committee (if any).

6.6.6 The retention of a reasonable amount of money under Clause 6.6.5 or the payment of that amount into a current account in accordance with that Clause and any other arrangement for dealing with money received by the Manager shall be subject to such conditions as may be approved by a resolution of the Owners' Committee (if any).

6.6.7 Any reference in this Sub-section F to an account is a reference to an account opened with a bank within the meaning of section 2 of the Banking Ordinance (Cap.155), the title of which refers to the management of the Estate.

G. Special Fund

6.7.1 The Manager shall establish and maintain a Special Fund to provide for expenditure of a kind not expected by him to be incurred annually. The Manager must not use the Special Fund for the payment of any outstanding management expenses arising from or in connection with day-to-day management of the Estate.

6.7.2 If there is an Owners' Corporation, the Owners' Corporation shall determine, by a resolution of the Owners, the amount to be contributed to the Special Fund by the Owners in any financial year, and the time when those contribution shall be payable.

6.7.3 The Manager shall open and maintain at a bank within the meaning of Section 2 of the Banking Ordinance (Cap.155) an interest-bearing account, the title of which shall refer to the Special Fund for the Estate, and shall use that account exclusively for the purpose referred to in Clause 6.7.1.

6.7.4 Without prejudice to the generality of Clause 6.7.3, if there is an Owners' Corporation, the Manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a trust account or client account, for holding money received by him from or on behalf of the Owners' Corporation in respect of the Special Fund.

6.7.5 The Manager shall display a document showing evidence of any account opened and maintained under Clauses 6.7.3 or 6.7.4 in a prominent place in the Estate.

6.7.6 The Manager shall without delay pay all money received by him in respect of the Special Fund into the account opened and maintained under Clause 6.7.3 or, if there is an Owners' Corporation, the account or accounts opened and maintained under Clause 6.7.4.

6.7.7 Except in a situation considered by the Manager to be an emergency, no money shall be paid out of the Special Fund unless it is for a purpose approved by a resolution of the Owners' Committee (if any).

6.7.8 The Special Fund will be held by the Manager as trustee for all Owners, to

provide for expenditure of a capital nature or of a kind not expected to be incurred annually, which includes, but is not limited to, expenses for the renovation, improvement and repair of the common areas, the purchase, setting up, replacement, improvement and addition of installations, systems, equipment, tools, plant and machineries for the Common Areas and Common Facilities and the costs of the relevant investigation works and professional services.

6.7.9 The payments made by the Owners towards the Special Fund are neither refundable to any Owner by the Manager nor transferable to any new Owner.

6.7.10 Each Owner covenants with the other Owners to make further periodic contributions to the Special Fund. The amount to be contributed in each financial year and the time when those contributions will be payable will be determined by a resolution of Owners at an Owners' meeting convened under this Deed.

H. Contracts entered into by Manager

6.8.1 Subject to Clauses 6.8.2 and 6.8.3, the Manager shall not enter into any contract for the procurement of any supplies, goods or services the value of which exceeds or is likely to exceed the sum of \$200,000.00 or such other sum in substitution therefor as the Secretary for Home Affairs may specify by notice in the Gazette unless :-

- (a) the supplies, goods or services are procured by invitation to tender; and
- (b) the procurement complies with the Code of Practice referred to in Section 20A(1) of the Building Management Ordinance.

6.8.2 Subject to Clause 6.8.3, the Manager shall not enter into any contract for the procurement of any supplies, goods or services the value of which exceeds or is likely to exceed a sum which is equivalent to 20% of the annual budget or such other percentage in substitution therefor as the Secretary for Home Affairs may specify by notice in the Gazette unless :-

- (a) if there is an Owners' Corporation :-
 - (i) the supplies, goods or services are procured by invitation to tender;
 - (ii) the procurement complies with the Code of Practice referred to in Section 20A(1) of the Building Management Ordinance; and

- (iii) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the Owners passed at a general meeting of the Owners' Corporation, and the contract is entered into with the successful tenderer; or
- (b) if there is no Owners' Corporation :-
 - (i) the supplies, goods or services are procured by invitation to tender;
 - (ii) the procurement complies with the Code of Practice referred to in Section 20A(1) of the Building Management Ordinance; and
 - (iii) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the Owners passed at a meeting of Owners convened and conducted in accordance with this Deed, and the contract is entered into with the successful tenderer.

6.8.3 Clauses 6.8.1 and 6.8.2 do not apply to any supplies, goods or services which but for this Clause would be required to be procured by invitation to tender (referred to in this Clause as "relevant supplies, goods or services") :-

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

- (ii) the Owners decide by a resolution of the Owners passed at a meeting of Owners convened and conducted in accordance with this Deed that the relevant supplies, goods or services shall be procured from that supplier on such terms and conditions as specified in the resolution, instead of by invitation to tender.

I. Resignation of Manager

6.9.1 No resignation of the Manager shall take effect unless he has previously given not less than 3 months' notice in writing of his intention to resign :-

- (a) by sending such a notice to the Owners' Committee; or
- (b) where there is no Owners' Committee, by giving such a notice to each of the Owners and by displaying such a notice in a prominent place in the Estate.

6.9.2 The notice referred to in Clause 6.9.1(b) may be given :-

- (a) by delivering it personally to the Owner; or
- (b) by sending it by post to the Owner at his last known address; or
- (c) by leaving it at the Owner's House or depositing it in the letter box for that House.

J. Termination of Manager's Appointment by Owners' Corporation

6.10.1 Subject to Clause 6.10.4, at a general meeting convened for the purpose, the Owners' Corporation may, by a resolution :-

- (a) passed by a majority of the votes of the Owners voting either personally or by proxy; and
- (b) supported by the Owners of not less than 50% of the Undivided Shares in aggregate,

terminate by notice the Manager's appointment without compensation.

6.10.2 A resolution under Clause 6.10.1 shall have effect only if :-

- (a) the notice of termination of appointment is in writing;

- (b) provision is made in the resolution for a period of not less than 3 months' notice or, in lieu of notice, provision is made for an agreement to be made with the Manager for the payment to him of a sum equal to the amount of remuneration which would have accrued to him during that period;
- (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 given to the Manager within 14 days after the date of the meeting.

6.10.3 The notice and the copy of the resolution referred to in Clause 6.10.2(d) may be given :-

- (a) by delivering them personally to the Manager; or
- (b) by sending them by post to the Manager at his last known address.

6.10.4 For the purposes of Clause 6.10.1 :-

- (a) only the Owners of Undivided Shares who pay or who are liable to pay the Management Expenses relating to those Undivided Shares shall be entitled to vote;
- (b) the reference in Clause 6.10.1(b) to "the Owners of not less than 50% of the Undivided Shares in aggregate" shall be construed as a reference to the Owners of not less than 50% of the Undivided Shares in aggregate who are entitled to vote.

6.10.5 If a contract for the appointment of a Manager contains no provision for the termination of the Manager's appointment Clauses 6.10.1, 6.10.2, 6.10.3 and 6.10.4 shall apply to the termination of the Manager's appointment.

6.10.6 Clause 6.10.5 operates without prejudice to any other power there may be in a contract for the appointment of the Manager.

6.10.7 If a notice to terminate the Manager's appointment is given under this Sub-Section J :-

- (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 Clause 6.10.7(a) by the time the notice expires, the Owners' Corporation may appoint another Manager and, if it does so, the Owners' Corporation shall have exclusive power to appoint any subsequent Manager.

6.10.8 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 Estate, and the Owners' Corporation has appointed a Manager under Clause 6.10.7(b), the Owners' Corporation shall be deemed to have given to that person an instrument of indemnity under which the Owners' Corporation shall be liable to indemnify that person in respect of any act or omission by the Manager appointed under that Clause that may otherwise render that person liable for a breach of that undertaking or agreement.

6.10.9 This Sub-section J is subject to any notice relating to the Estate that may be published by the Secretary for Home Affairs under Section 34E(4) of the Building Management Ordinance but does not apply to any single Manager referred to in that Section.

K. Obligations after Manager's Appointment Ends

6.11.1 Subject to Clause 6.11.2, if the Manager's appointment ends for any reason, he shall, as soon as practicable after his appointment ends, and in any event within 14 days of the date his appointment ends, deliver to the Owners' Committee (if any) or the Manager appointed in his place any movable property in respect of the control, management and administration of the Estate that is under his control or in his custody or possession, and that belongs to the Owners' Corporation (if any) or the Owners.

6.11.2 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 accounts, papers, documents and other records which are required for the purposes of Clause 6.11.2(a) and have not been delivered under Clause 6.11.1.

L. Communication among Owners

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

M. Manager's Remuneration

6.13.1 The Manager (other than the Owners' Committee when acting as Manager) for the performance of its duties herein shall be paid by way of remuneration an amount not exceeding 20% of the total annual Management Expenses necessarily and reasonably incurred in the course of its management of the Estate. No variation of the said percentage may be made except with the approval by a resolution of Owners at a meeting of Owners convened under this Deed.

6.13.2 For the purpose of calculating the Manager's Remuneration, the total annual Management Expenses referred to in Clause 6.4.1 above or any portion of it shall exclude (i) the Manager's Remuneration, (ii) any capital expenditure or expenditure drawn out of the provision of Special Fund, Provided That by a resolution of Owners at a meeting of Owners convened under this Deed, any capital expenditure or expenditure drawn out of the Special Fund may be included for calculating the Manager's Remuneration at the rate of 20% or at such lower rate as the Owners may consider appropriate. Capital expenditure shall mean expenditure of a kind not incurred annually.

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

6.13.4 Each Owner shall pay his due proportion of the Manager's Remuneration to the Manager in advance on the first day of each month. Payment of the Manager's Remuneration shall be monthly in advance in the sum of one twelfth of the annual remuneration of the Manager not exceeding 20% of the total annual budgeted Management Expenses excluding the Manager's Remuneration, the Special Fund and any capital expenditure referred to in Clause 6.3.2 subject to adjustment at the end of each

financial year when the final annual management expenses are ascertained.

6.13.5 The Manager's Remuneration shall be paid to the Manager in advance on the first day of each calendar month by deductions made by the Manager from the monthly Management Fees collected from the Owners.

N. Management Expenses in respect of the Estate

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

- (a) The proper and necessary cost of carrying out all or any of the duties of the Manager set out herein.
- (b) The cost of purchasing or hiring all necessary plant, equipment and machinery in connection with the management and maintenance of the Land and the Estate other than the Houses.
- (c) The cost of employing staff to administer the management of the Estate including (but not limited to) salaries, year end double pay, fringe benefits, provident fund, long service payment and other statutory payments under the Employment Ordinance or other applicable ordinances, premium for employees' compensation and medical insurance of the security force, watchmen, gardeners, caretakers and other staff and other reasonable costs incidental thereto.
- (d) All reasonable professional fees and costs incurred by the Manager including :-
 - (i) fees and costs of surveyors, rating surveyors, valuers, architects, engineers and others employed in connection with the management, maintenance and improvement of the Estate;
 - (ii) solicitors and other legal fees and costs;
 - (iii) fees and costs of any accountants, auditors and/or any other consultants employed in connection with the management accounts or the Manager's statements as hereinafter referred to.
- (e) All water, gas, electricity, telephone and other services charges except

where the same is separately metered to individual Houses.

- (f) The cost of all fuel and oil incurred in connection with the operation of the Common Areas and the Common Facilities.
- (g) The cost of effecting insurance mentioned in Clause 6.2.1(a)(28) hereof.
- (h) All charges, assessments, impositions and other outgoings payable by the Owners in respect of all parts of the Common Areas.
- (i) The cost of postage, stationery and other sundry items incurred by the Manager in connection with the management of the Estate.
- (j) The Manager's Remuneration for carrying out its management duties in accordance with the provisions herein contained.
- (k) The cost and expense of maintaining the building structures or such part or parts thereof that are required to be maintained under the Conditions.
- (l) The cost and expense of upholding, managing, maintaining and repairing (as the case may be) the Slopes and Retaining Walls, Green Area, Brown Area and landscaped works which are required to be upheld, managed, maintained and repaired (as the case may be) under the Conditions.
- (m) Charges for the telephone installed at management office (if any) of the Estate.
- (n) The costs of providing uniforms for the security force, watchmen, gardeners, caretakers and other staff employed for the management of the Land and the Estate and replacement of the same.
- (o) The cost of landscaping and maintaining, repairing, cleansing and operating the Common Areas and Common Facilities of the Estate.
- (p) Government rent and rates (if any) of the Common Areas.
- (q) Air-conditioning charges of the management office of the Estate (if any).
- (r) Water consumption and electricity charges of the Common Areas and

Common Facilities.

- (s) Furniture, fixtures, fittings and other appliances in the management office of the Estate (if any).
- (t) Any other items of expenditure which in the reasonable opinion of the Manager are considered to be necessary for the administration, management and maintenance of the Land and the Estate including but not limited to all staff, facilities, office, accountancy, professional, supervisory and clerical expenses incurred by the Manager in respect thereof or such due portion thereof which are provided by the headquarters office (if any) of the Manager for the Estate and for such purposes, the Manager shall be entitled to apportion any such items of expenditure or (as the case may be) a due portion thereof which directly relate to the administration and/or management and/or maintenance of the Land and the Estate in such manner as shall be reasonably determined by the Manager.

6.14.2 The Management Expenses shall be apportioned between the Owners according to the proportions borne by the number of Management Shares allocated to their respective Houses to the total number of Management Shares allocated to all the Houses and all Motor Cycle Parking Spaces.

6.14.3 Each Owner shall pay in full a due proportion of the cost and expenses mentioned in Clause 6.14.1 (being the Management Expenses) whether or not his House is occupied. No Owner shall be called upon to pay more than his fair share of the Management Expenses having regard to the number of Management Shares allocated to his House. The First Owner shall pay all Management Expenses for the Houses unsold. The Manager or the Owners' Corporation shall not be liable to pay the Management Expenses in respect of the Common Areas Undivided Shares held by them pursuant to this Deed. Subject as aforesaid :-

- (a) The Owner shall pay to the Manager monthly in advance the Management Fee calculated by reference to Clauses 6.14.1 and 6.14.2 hereof PROVIDED THAT if the total contributions receivable as aforesaid by the Manager shall be insufficient to meet the Management Expenses by reason of any further Management Expenses whether incurred or to be incurred over and above the budgeted Management Expenses, such deficiency shall be carried forward to and recouped by adjusting the annual budget and the Management Fee for the next financial year PROVIDED ALWAYS that the Manager may demand from each Owner on giving not less than one (1) month's prior notice in writing the additional monthly contribution payable by each Owner as determined by the Manager

pursuant to the provisions of this Deed PROVIDED THAT :- (i) such demand shall not be made more than once for every financial year for the purpose of management of the Land and the Estate; (ii) in exceptional circumstances it may be recovered by special contribution in one lump sum as the Manager shall deem fit to meet the said further Management Expenses including its remuneration due thereon; and (iii) all demands to be made by the Manager pursuant to this Clause 6.14.3(a) must be made by reference to a revised annual management budget which has followed the same procedures as apply to the draft budget and budget by virtue of Clause 6.4.2.

- (b) The Manager shall be entitled to charge the Owner concerned a reasonable administrative fee for granting and processing any consent required from the Manager pursuant to this Deed PROVIDED THAT such fee shall be held by the Manager for the benefit of all Owners and be paid into the Special Fund.

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

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

O. Security for the Recovery of Moneys Due to the Manager

6.15.1 (a) Except where the First Owner has made payments in accordance with Clause 6.15.1(b) the first person who becomes the Owner of each House shall upon the assignment of his House from the First Owner :-

- (1) pay to the Manager a deposit referred to in Clause 6.15.2 hereof (“the Management Deposit”) as security against his liabilities under this Deed and the Management Deposit shall be placed in a specially designated bank account the title of which shall refer to the Management Deposit of the Estate Provided Always that no Owner may refuse to pay any money payable by him under this Deed or any part thereof by claiming any set off against the Management Deposit Provided Further that in the case of change of ownership of any House, the Management Deposit in respect of such House shall be transferred to the account of the new Owner and the previous Owner

shall have no claim for any refund;

- (2) pay to the Manager such sum not exceeding 2 months' Management Fee in respect of his House as payment in advance of the Management Fee;
- (3) pay to the Manager 2 months' Management Fee in respect of his House as his initial contribution to the Special Fund; and
- (4) pay to the Manager such sum not exceeding one month's Management Fee in respect of his House as debris removal fee

Provided that :-

- (i) the funds and fees referred to in sub-clauses (3) and (4) above shall be non-refundable and non-transferable in the case of change of ownership of any House;
- (ii) any debris removal fee not used for debris removal shall be paid into the Special Fund and shall be applied for the sole benefit of the Owners of the Houses; and
- (iii) the debris removal fees shall be applied towards payment of charges for debris removal incurred in respect of the Houses.

(b) The First Owner shall pay the Management Deposits, the initial contribution to the Special Fund and the debris removal fee if it remains the Owner of those Undivided Shares allocated to the Houses which remain unsold 3 months after (i) execution of this Deed or (ii) the date when it is in a position validly to assign those Undivided Shares (i.e. when the relevant consent to assign or certificate of compliance has been issued), whichever is the later. In the event the First Owner shall assign such Houses to new Owners, the Management Deposits paid hereunder shall be transferred to the account of the new Owners of such Houses in the manner as provided in Clause 6.15.1(a)(1) provided that the new Owners shall upon such assignment pay to the First Owner the amount of such Management Deposits. All outgoings including Management Expenses, Rates and Government rent in respect of all Houses held by the First Owner up to and inclusive of the date of the relevant assignment(s) of the relevant House(s) by the First Owner shall be paid by the First Owner. No Owner shall upon the assignment of any House by the First Owner to him be required to reimburse the First Owner for all such outgoings (other than the Management Deposits) paid by the First Owner in respect of that House before the assignment. The First Owner shall make payments and contributions for those expenses which are of a recurrent nature for those Houses unsold.

6.15.2 The Manager shall be entitled from time to time at its reasonable discretion

to demand and each Owner shall pay to the Manager such amount on demand for the purpose of maintaining the Management Deposit in respect of his House at a level equal to 3 months' Management Fee for the time being payable in respect of the House held by such Owner Provided That the amount of the Management Deposit of a House shall be no more than 25% of any subsequent current year's budgeted Management Expenses for such House.

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

- (a) to forbid such defaulting Owner, his tenants, lessees, employees, licensees and visitors the use of the management services provided by the Manager provided that notwithstanding anything contained in this Deed to the contrary, no provision of this Deed shall operate to empower, or shall be construed to have the effect of empowering, any person (including the Manager) to interrupt the supply of electricity, water, gas or other utilities which are provided by public utility companies to any House or to prevent access to the House by reason of the Owner of that House failing to pay any fees or to comply with any other provisions under this Deed;
- (b) to recover from the defaulting Owner interest on the defaulted amount at the rate of 2% per annum above the prime rate from time to time quoted by The Hongkong and Shanghai Banking Corporation Limited from the date on which the same become due and payable until the date of payment (such interest when collected shall be credited to the Special Fund);
- (c) to recover from the defaulting Owner a collection charge not exceeding 10% of the defaulted amount to cover the costs (other than legal costs of proceedings as hereinafter mentioned) of the extra work occasioned by the default which said collection charge when collected shall be credited to the Special Fund;
- (d) to recover the defaulted sum and all sums payable under this Clause by civil action;
- (e) to recover from the defaulting Owner all legal costs relating to the recovery of the defaulted sum and all sums payable under this Clause on a solicitor and own client basis;
- (f) to register a charge against the Undivided Shares of the defaulting Owner and the House held therewith, such charge shall remain valid

and enforceable notwithstanding that judgment has been obtained for the amount thereof unless and until such judgment has been satisfied; and

- (g) to enforce the said charge by legal action for obtaining an order for the sale of the Undivided Shares of the defaulting Owner and the House held therewith.

P. Management by Owners' Corporation

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

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

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

Q. Application of the Building Management Ordinance

6.17.1 Nothing herein shall in any way prejudice or contravene or contradict or overrule or fail to comply with any provisions in or the application of the Building Management Ordinance and the Schedules thereto.

SECTION VII

7. EXTINGUISHMENT OF RIGHTS UNDER THIS DEED

7.1.1 In the event of the Estate or any part or parts thereof being so damaged by fire, typhoon, earthquake, subsidence or other cause so as to render the same substantially unfit for use, habitation or occupation, the Owners of not less than 75% of the Undivided

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

7.1.2 The following provisions shall apply to a meeting of Owners convened by the Manager as provided in Clause 7.1.1 hereof in addition to any other relevant provisions provided in this Deed :-

- (a) Every such meeting shall be convened by notice given in writing by the person or persons convening the meeting upon each Owner at least fourteen (14) days before the date of the meeting, and that notice shall specify the place, date and time of the meeting and the resolutions (if any) that are to be proposed. Such notice may be given (i) by delivering personally to the Owner (ii) by sending by post to the Owner at his last known address or (iii) by leaving the notice at the Owner's House or depositing the notice in the letter box for that House;

- (b) No business shall be transacted at any meeting of Owners convened under Clause 7.1.1 unless a quorum is present. A quorum shall consist of the Owners (excluding the Owner of the Common Areas Undivided Shares) present in person or by proxy in whom not less than seventy five per cent (75%) of the total number of Undivided Shares of the part or parts of the Estate in question (but excluding the Common Areas Undivided Share(s)) are vested;
- (c) If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to the same time and day in the next week at the same place;
- (d) The chairman of the Owners' Committee shall preside over at every such meeting or, in his absence, the Owners then present shall choose one of their members to be the chairman of the meeting;
- (e) The chairman shall cause a record to be kept of the persons present at the meeting and notes of the proceedings thereof;
- (f) Every Owner shall have one vote for each Undivided Share allocated to the part of the Estate vested in him and in the case of Owners who together are entitled to one such Undivided Share, the vote in respect of that Undivided Share may be cast (i) by a proxy jointly appointed by such co-Owners (ii) by a person appointed by the other co-Owner or (iii) if no appointment has been made under Clause 7.1.2(f)(i) or 7.1.2(f)(ii), then either by one of the co-Owner personally or by proxy by one of the co-Owners; and, in the case of any meeting where 2 or more persons are the co-Owners of an Undivided Share and more than one of the co-Owners seek to cast a vote in respect of such Undivided Share, only the vote that is cast, in person or by proxy, by the co-Owner whose name, in order of priority, stands highest in relation to the Undivided Share in the register kept at the Land Registry shall be treated as valid;
- (g) Votes may be given either personally or by proxy;
- (h) An instrument appointing a proxy shall be in writing signed by the Owner or, if the Owner is a body corporate, shall, notwithstanding anything to the contrary in its constitution, be impressed with the seal or chop of the body corporate and signed by a director or a person authorized by the body corporate in that behalf. The instrument appointment of proxy shall be lodged with the Chairman of the meeting or the person, as the case may be, who convened the meeting not less than 48 hours before the time for the holding of the meeting.

A proxy appointed by an Owner to attend and vote on behalf of the Owner shall, for the purposes of the meeting, be treated as being the Owner present at the meeting;

- (i) A resolution passed at a duly convened meeting of Owners convened under Clause 7.1.1 by a seventy-five per cent (75%) majority of the Owners (excluding the Owner of the Common Areas Undivided Shares) present in person or by proxy and voting shall be binding on all the Owners of the relevant part or parts of the Estate PROVIDED as follows :-
 - (i) the notice convening the meeting shall specify the intention to propose a resolution concerning such matter;
 - (ii) any resolution purported to be passed at any such meeting concerning any other matter shall not be valid; and
 - (iii) no resolution shall be valid if it is contrary to the provisions of this Deed;
- (j) The accidental omission to give notice as aforesaid to any Owner shall not invalidate the meeting or any resolution passed thereat.

PROVIDED ALWAYS THAT no right to vote shall attach to the Common Areas Undivided Shares and such Common Areas Undivided Shares shall not be counted for the purposes of sub-clauses (b) or (i) above.

SECTION VIII

8. MEETINGS OF THE OWNERS' COMMITTEE AND THE OWNERS

A. Meetings of Owners' Committee

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

8.1.2 The person or persons convening the meeting of the Owners' Committee shall, at least 7 days before the date of the meeting, give notice of the meeting to each member of the Owners' Committee.

8.1.3 The notice of meeting referred to in Clause 8.1.2 shall specify :-

- (a) the date, time and place of the meeting; and

(b) the resolutions (if any) that are to be proposed at the meeting.

8.1.4 The notice of meeting referred to in Clause 8.1.2 may be given :-

- (a) by delivering it personally to the member of the Owners' Committee;
or
- (b) by sending it by post to the member of the Owners' Committee at his last known address; or
- (c) by leaving it at the member's House or depositing it in the letter box for that House.

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

8.1.6 A meeting of the Owners' Committee shall be presided over by :-

- (a) the chairman; or
- (b) in the absence of the chairman, a member of the Owners' Committee appointed as chairman for that meeting.

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

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

B. Meetings of Owners

8.2.1 A meeting of Owners may be convened by :-

- (a) the Owners' Committee;
- (b) the manager; or
- (c) an Owner appointed to convene such a meeting by the Owners of not less than 5% of the Undivided Shares in aggregate.

8.2.2 The person convening the meeting of Owners shall, at least 14 days before the date of the meeting, give notice of the meeting to each Owner.

8.2.3 The notice of meeting referred to in Clause 8.2.2 shall specify :-

- (a) the date, time and place of the meeting; and
- (b) the resolutions (if any) that are to be proposed at the meeting.

8.2.4 The notice of meeting referred to in Clause 8.2.2 may be given :-

- (a) by delivering it personally to the Owner;
- (b) by sending it by post to the Owner at his last known address; or
- (c) by leaving it at the Owner's House or depositing it in the letter box for that House.

8.2.5 The quorum at a meeting of Owners shall be 10% of the Owners.

8.2.6 For the purposes of Clause 8.2.5, the reference in that Clause to "10% of the Owners" shall :-

- (a) be construed as a reference to 10% of the number of persons who are Owners without regard to their ownership of any particular percentage of the total number of Undivided Shares into which the Estate is divided; and
- (b) not be construed as the Owners of 10% of the Undivided Shares in aggregate.

8.2.7 A meeting of Owners shall be presided over by the chairman of the Owners' Committee or, if the meeting is convened under Clause 8.2.1(b) or (c), the person convening the meeting.

8.2.8 At a meeting of Owners :-

- (a) an Owner shall have one vote in respect of each Undivided Share he owns;
- (b) an Owner may cast a vote personally or by proxy;
- (c) where 2 or more persons are the co-Owners of an Undivided Share, the vote in respect of the Undivided Share may be cast :-
 - (i) by a proxy jointly appointed by the co-Owners;

- (ii) by a person appointed by the co-Owners from amongst themselves; or
- (iii) if no appointment is made under sub-clauses (i) or (ii), either by one of the co-Owners personally or by a proxy appointed by one of the co-Owners;
- (d) where 2 or more persons are the co-Owners of an Undivided Share and more than one of the co-Owners seeks to cast a vote in respect of the Undivided Share, only the vote that is cast, whether personally or by proxy, by the co-Owner whose name, in order of priority, stands highest in relation to that Undivided Share in the register kept at the Land Registry shall be treated as valid; and
- (e) if there is an equality of votes the person presiding over the meeting shall have, in addition to a deliberative vote, a casting vote.

8.2.9 (1) An instrument appointing a proxy shall be in the form set out in Form 1 in Schedule 1A of the Building Management Ordinance, and :-

- (a) shall be signed by the Owner; or
- (b) if the Owner is a body corporate, shall, notwithstanding anything to the contrary in its constitution, be impressed with the seal or chop of the body corporate and signed by a person authorized by the body corporate in that behalf.

(2) The instrument appointing a proxy shall be lodged with the chairman of the Owners' Committee or, if the meeting is convened under Clause 8.2.1(b) or (c), the person convening the meeting at least 48 hours before the time for the holding of the meeting.

(3) A proxy appointed by an Owner to attend and vote on behalf of the Owner shall, for the purposes of the meeting, be treated as being the Owner present at the meeting.

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

SECTION IX

9. MISCELLANEOUS

9.1.1 Subject to the provisions of the Building Management Ordinance, in any civil action initiated or defended by the Manager under the powers given in this Deed, the

Manager shall conclusively be deemed to be acting as the agent for and on behalf of all Owners other than the Owner (if any) against whom the action is being initiated or defended and no Owner shall raise or be entitled to raise any defence of want of authority or make any objection to the right of the Manager to initiate or defend such action.

9.1.2 The Manager shall keep at the management office of the plans showing the Common Areas certified as to their accuracy by or on behalf of the Authorized Person including any subsequent amendment thereto showing the Common Areas for inspection by the Owners free of charge during normal office hours.

9.1.3 The First Owner shall deposit at the management office of the Estate a copy of Schedules 7 and 8 to the Building Management Ordinance (English and Chinese version) and the Manager shall keep the same available for inspection by the Owners free of charge and taking copies upon payment of a reasonable charge during normal office hours. All charges received must be credited to the Special Fund.

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

9.1.5 Within one (1) month from the date hereof, the First Owner shall at its own costs and expenses provide and keep at the management office of the Estate a copy of this Deed and a direct translation in Chinese of this Deed, and shall ensure that it is available for inspection free of cost at the management office of the Estate by any Owner during office hours and for the taking of copies by any Owner at his request and on payment of such reasonable charges as the Manager may at his discretion fix. In case of any differences or dispute, the English version of this Deed approved by the Director of Lands shall prevail. The Manager shall credit all the copying charges to the Special Fund.

9.1.6 Subject to Section VII hereof, the rights, privileges, obligations and covenants herein contained shall be binding on the Owners and their respective executors, administrator, successors in title, assigns and mortgagees or charges in possession or those who have foreclosed and the covenants herein contained herein contained and the interest herein both as to the benefit and burden of such covenants shall run with the Land. The Conveyancing and Property Ordinance, Cap.219 of the Laws of the Hong Kong Special Administrative Region shall apply to this Deed Provided That no Owner shall be bound after ceasing to own any part or Undivided Share of and in the Land and the Estate or any interest therein save and except in respect of any matter arising previously to his ceasing to own such part or Undivided Share or interest therein.

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

Administrative Region.

9.1.8 All notices required to be given to the Manager shall be sufficiently served if sent by prepaid post addressed to or by hand delivered to the management office of the Estate or such other address as may be notified by the Manager from time to time.

9.1.9 To the extent that any provisions contained herein shall be in conflict with the Building Management Ordinance, the Building Management Ordinance shall prevail.

9.1.10 Notwithstanding anything contained in this Deed to the contrary but for the avoidance of doubt, the Common Areas Undivided Shares shall not carry any voting rights or liability to pay fees under this Deed, nor shall the Common Areas Undivided Shares be taken into account for the purpose of calculating the quorum of any meeting.

9.1.11 (a) The First Owner shall at its own cost and expense prepare the first Maintenance Manual for the Works and Installations for the reference of the Owners and the Manager setting out the following details :-

- (1) as-built record plans of the building and services installations together with the necessary technical information (such as specifications of materials and design standard) for maintenance of all facilities and equipment;
- (2) all warranties and guarantees provided by contractors (together with the names of the companies providing the warranty and the contact telephone numbers) in respect of all facilities and equipment;
- (3) recommended maintenance strategy and procedures;
- (4) a lists of items of the Works and Installations requiring routine maintenance;
- (5) recommended frequency of routine maintenance inspection;
- (6) checklist and typical inspection record sheets for routine maintenance inspection;
- (7) recommended maintenance cycle of the Works and Installations.

(b) Within one (1) month of the date of this Deed, the First Owner shall deposit a full copy of the first Maintenance Manual for the Works and Installations referred to in Clause 9.1.11(a) in the management office for inspection by the Owners free of charge and any Owner or his duly authorized representative shall be entitled to a copy thereof upon payment of a reasonable charge to cover the cost of copying the same Provided That all

charges received therefrom shall be credited into the Special Fund.

- (c) (1) The Manager shall on behalf of and at the cost and expense of the Owners inspect, maintain and carry out all necessary works for the Common Areas and Common Facilities including those part or parts of the Works and Installations forming part of the Common Areas and Common Facilities.
- (2) The Owners shall at their own costs and expenses inspect, maintain and carry out all necessary works for the maintenance of the Estate and their Houses including those part or parts of the Works and Installations forming part of their Houses.

(d) The Owners may, by resolutions passed at a meeting of Owners convened under this Deed, amend, revise and revoke the schedule of Works and Installations and the Maintenance Manual for the Works and Installations or any part thereof as the Owners shall deem fit, in which event the Manager shall procure the revised schedule and the revised Maintenance Manual for the Works and Installations or any amendments thereto from a qualified professional or consultant within such time as may be prescribed by the said Owners' resolutions. All costs and expenses of and incidental to the preparation of the revised schedule and the revised Maintenance Manual for the Works and Installations or any subsequent amendments thereto shall be borne by the Owners and paid out of the Special Fund.

(e) The Manager shall deposit the revised schedule of Works and Installations and the revised Maintenance Manual for the Works and Installations and any subsequent amendments thereto in the management office within one month from the date of their preparation for inspection by the Owners free of charge and any Owner or his duly authorized representative shall be entitled to a copy thereof upon payment of a reasonable charge to cover the cost of copying the same Provided That all charges received therefrom shall be credited into the Special Fund.

9.1.12 No provisions in this Deed shall conflict with or be in breach of the Conditions and each Owner (including the First Owner) and the Manager covenants with each other to comply with the terms and conditions of the Conditions so long as they remain as Owners and the Manager of the Estate.

9.1.13 In consideration of the Mortgagee having entered into this Deed in its capacity as the Mortgagee under the Mortgage, the First Owner hereby covenants with the Mortgagee that it shall fully observe and perform all the covenants herein contained and to be observed and performed by the First Owner and the Mortgagee while any share or interest in any part of the Estate is subject to the Mortgage and shall keep the Mortgagee fully and effectually indemnified against the non-observance and non-performance of any of the said covenants and the non-payment of the sums hereunder.

9.1.14 Notwithstanding anything hereinbefore contained until such time as the Mortgagee enters into possession of the premises subject to the Mortgage or exercises the power of sale conferred on the Mortgagee under the Mortgage, the obligation for making any payment under this Deed and the other burdens and restrictions herein imposed shall not be binding on the Mortgagee and no liability for any payment under this Deed shall be binding on the Mortgagee in respect of any sums accrued prior to the Mortgagee entering into possession or exercising the power of sale of the relevant premises.

9.1.15 Subject to the provisions in Schedule 7 to the Building Management Ordinance, the Owners' Committee shall not enter into any contract for the procurement of any supplies, goods or services the value of which exceeds or is likely to exceed the sum of \$200,000.00 or such other sum in substitution therefor as the Secretary for Home Affairs may specify by notice in the Gazette or an average annual expenditure of more than 20% of the annual budget for the then financial year or such other percentage as the Secretary for Home Affairs may specify by notice in the Gazette whichever is the lesser, unless :-

- (a) the supplies, goods or services are procured by invitation to tender; and
- (b) the procurement complies with the Code of Practice referred to in Section 20A(1) of the Building Management Ordinance.

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

THE FIRST SCHEDULE ABOVE REFERRED TO

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

<u>Parts of the Estate</u>	<u>Undivided Shares allocated</u>
1. Villa A together with Motor Cycle Parking Space M2	2,513 Undivided Shares
2. Villa B	2,689 Undivided Shares
3. Villa C	2,415 Undivided Shares
4. Villa D	2,435 Undivided Shares
5. Villa E	2,477 Undivided Shares
6. Villa F	2,551 Undivided Shares
7. Motor Cycle Parking Space M1	5 Undivided Shares
8. Common Areas and Common Facilities	15 Undivided Shares
Total :	<hr/> 15,100 Undivided Shares <hr/> <hr/>

THE SECOND SCHEDULE ABOVE REFERRED TO

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

<u>Parts of the Estate</u>	<u>Management Shares allocated</u>
1. Villa A together with Motor Cycle Parking Space M2	2,513 Management Shares
2. Villa B	2,689 Management Shares
3. Villa C	2,415 Management Shares
4. Villa D	2,435 Management Shares
5. Villa E	2,477 Management Shares
6. Villa F	2,551 Management Shares
7. Motor Cycle Parking Space M1	5 Management Shares
Total :	<hr style="border-top: 1px solid black;"/> 15,085 Management Shares <hr style="border-top: 3px double black;"/>

THE THIRD SCHEDULE ABOVE REFERRED TO

Works and Installations

- (a) structural elements;
- (b) external wall finishes and roofing materials;
- (c) the slope structures;
- (d) plumbing system;
- (e) drainage system;
- (f) electrical wiring system;
- (g) fire safety elements;
- (h) fire services installations and equipment in Plant Room;
- (i) window installations;
- (j) lightning protection installations on roofs of Villa B and Villa D including their respective connections to earth for common protection of the Estate as shown and coloured Yellow on the Lightning Protection Installation Location Plan hereto annexed; and
- (k) other major items as from time to time be added or revised.

SEALED with the Common Seal of the)
First Owner and SIGNED by)
)
)
)
)
whose signature(s) is/are verified by :-)

SIGNED SEALED AND DELIVERED)
by the Second Owner (holder of Hong)
Kong Identity Card No.[])
in the presence of :-)

INTERPRETED to the Second Owner by :-

Or

SEALED with the Common Seal of the)
Second Owner and SIGNED by)
)
)
)
in the presence of :-)

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

SEALED with the Common Seal of the)
Mortgagee and SIGNED by)
)
)
)
whose signature(s) is/are verified by :-)

Or

SIGNED SEALED AND DELIVERED)
by)
)
)
the lawful attorney(s) of the Mortgagee)
whose signature(s) is/are verified by :-)

Dated the _____ day of _____

STANHOPE HOLDINGS LIMITED
(First Owner)

and

[_____]
(Second Owner)

and

GUARDIAN PROPERTY MANAGEMENT LIMITED
(Manager)

and

NANYANG COMMERCIAL BANK LIMITED
(Mortgagee)

**DEED OF MUTUAL COVENANT
AND MANAGEMENT AGREEMENT**

in respect of

Lot No.1282 in Demarcation District No.253

BERNARD WONG & CO.
Solicitors & Notaries,
Room 401, 4th Floor,
China Insurance Group Building,
No.141 Des Voeux Road Central,
Hong Kong.

Ref: FT/67745/11/JW