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DATED the 19th day of June 1998.

DEED OF MUTUAL COVENANT

incorporating


MANAGEMENT AGREEMENT

of

Kowloon Inland Lot No.11082 together with the messuages
erections and buildings thereon to be known as

"Charming Garden (富榮花園)".

REGISTERED in the Land Registry
by Memorial No. 7513840
on 2 July 1998


for Land Registrar

**FAN & FAN, SOLICITORS & NOTARIES,
19/F., WING LUNG BANK BUILDING,
45 DES VOEUX ROAD CENTRAL,
HONG KONG SAR.**

Ref. : WF/21119/96(SL)
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THIS DEED

made the 19th day of June,
One thousand nine hundred and ninety-eight

BETWEEN ORIENTAL SHARP LIMITED (銳中有限公司) whose registered office is situate at 22nd Floor, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong (hereinafter called "the Registered Owner" which expression shall where the context so admits include its successors and assigns) of the first part and

KO SHU WING (高樹嶸) and LI PO CHUN (李宝珍) both of f Flat B on the 19th floor of Block 6 of Charming Garden, Hong Kong SAR (hereinafter called "the First Purchaser" which expression shall where the context so admits include his executors administrators and assigns or such survivor of his her or their assigns) of the second part and

Rich Fortress Limited whose registered office is situate at 22nd floor, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon, Hong Kong SAR (hereinafter called "the Manager" which expression shall where the context so admits include its successors or assigns) of the third part and

HSBC Investment Bank Asia Limited (as agent and trustee for and on behalf of the Lenders) whose registered office is situate at

(hereinafter called "the Agent") of the fourth part

**W H E R E A S:-
DEFINITIONS**

(1) (a) In this Deed the following expressions shall have the following meanings ascribed to them whenever the context permits :-

"Assignment" means the Assignment of the Premises in favour of the First Purchaser.

"Block(s)" means the eighteen (18) residential blocks of buildings erected or in the course of being erected on the Land designated as Blocks 1 to 18 in accordance with the Building Plans and in singular means any one Block erected on the Land.

"Block Common Areas" means such common areas of a Block which the right to use or enjoy does not belong to any one or more Owner of such Block to the exclusion of the others; and such areas as shall from time to time be designated and intended for the use and benefit of the Owner(s) or occupier(s) of the Residential Unit(s) for such Block only and shall include landings, passages, watchmen's counter and the exterior walls of each Block, the space on the Roof where the water pipes, drains, wires, cables, lift machine rooms and other mechanical rooms are installed, attached or erected and any other open spaces on the Roof and the areas where the Block Common Facilities are housed.

"Block Common Facilities" means and includes :-

- (a) Water pipes, drains, wires, cables, lift machine rooms and other mechanical rooms inside each Block and for the use and benefit of that particular Block.
- (b) Lifts inside each Block.
- (c) Communal television antennae for the use and benefit of each Block.
- (d) Door phone sets linking each Residential Unit with its Block entrance.
- (e) Close circuit television cameras in the lifts in each Block connecting directly to the watchmen's counter.

(f) Refuse chute system and collection room.

"Building Plans"	means the general building plans and specifications prepared by the Authorised Person and approved by the Director under the Government Grant and the Building Authority under Reference No.BD2/4086/95H (Site 1) (P) and BD2/4086/95H (Site 2) (P) and include any approved amendments thereto.
"Car Park Rules"	means the rules and regulations governing the use of the Residential Car Parking Spaces, Non-Residential Parking Spaces, the Goods Vehicle Spaces and the Service Vehicle Spaces from time to time in force made pursuant to this Deed.
"Carport Area"	means those the Carport Block and one 2-storey podium carport below Blocks 4 and 5 of the Development including Residential Car Parking Spaces, Non-Residential Parking Spaces, the vehicle entrance on the ground floor, vehicle passageway, vehicle waiting area and the area which are used solely in connection with parking of motor vehicles inside.
"Carport Block"	means the building within the Land where the shop spaces are provided on the ground floor and car parking spaces on the upper floors.
"Carport Common Areas"	means such areas of the Carport Area which the right to use or enjoy does not belong to any one or more carpark Owner (save and except the Manager or the Owners Corporation) to the exclusion of the others including all accessory areas, circulation passages, void spaces and spaces other than designated parking spaces shown on the car park layout plan approved by the Building Authority.
"Carport Common Facilities"	means all those facilities equipment machines apparatus and installations which are for the benefit of the carpark Owners only including lighting system and fire fighting equipment, wires and cables, ducts, ramps and security system which serve the owner(s) of the Carport Area only for the parking of motor vehicles.
"Code of Practice"	means any code of practice prepared, revised or issued by the Secretary for Home Affairs under Section 44 of the Building Management Ordinance and any amendments thereto as may be in force from time to time.
"Common Areas"	means the Block Common Areas, the Estate Common Areas, the Carport Common Areas, the Non-Residential Common Areas, the Goods Vehicle Spaces and the Recreational Spaces of the Development.
"Debenture"	means the Debenture dated 6 th May, 1996 and registered in the Land Registry by Memorial No. 6605166.
"Deed"	means this Deed of Mutual Covenant incorporating Management Agreement.

"Defects Liability Period"	means the period of 365 days from the issue of Certificate of Compliance of the Government Grant.
"Development"	means the whole of commercial and residential development including the Blocks and Carport Area, Non-Residential Premises, all structures, facilities or services whatsoever installed or provided in, under, on or over the Land for the use of the said development or any part or parts thereof including but not limited to the Common Areas, the Estate Common Facilities, the Garden, Carport Common Facilities, the Non-Residential Common Facilities, all machinery and equipment in or upon the said development and all foundations, roads, footpaths (if any), stairways, cables, pipes, drainage and sewage now being constructed or to be constructed on the Land in accordance with the Building Plans and known as "Charming Garden (富榮花園)".
"Director"	means Director of Lands.
"Emergency Repairs Fund"	means a fund established by the Registered Owner pursuant to Special Condition No.(31) (g) of the Government Grant and to be used in accordance with Clause 5.3.1 of this Deed.
"Estate Common Areas"	means all areas for the benefit of the Owners of the Development which areas include but are not limited to all those areas and spaces in the Development whether covered, open or enclosed of which the right to the use or enjoyment thereof does not belong to any one or more Owners to the exclusion of the other Owners and shall include (but not be limited to) refuse collection chamber, pedestrian link, segregated pedestrian ways, footbridges, footbridge supports and connections, 24 hours pedestrian way as specified in the Government Grant, internal driveway, green belt(s), flower beds, taxi lay-by, Carport Common Areas, podium, Roof, service lane, switch room, main entrance, yard(s), lift lobbies, lift machine room, lift shafts, generator room, lifts, stairs/staircase landings, tank and/or pump rooms, water tanks including underground sprinkler water tank, fire service tank(s), Owners' Committee office, Estate Management Office, watchmen's and caretaker's offices, pipe ducts/service ducts and other spaces or areas containing Estate Common Facilities.
"Estate Common Facilities"	means all those facilities equipment machines apparatus and installations which no Owner has the exclusive right to use or enjoy and shall include (but not limited to) the Recreational Facilities, the facilities equipment machines apparatus and installations provided or installed at or in the Estate Management Office, Owners' Committee office, watchman/caretakers' office accommodation, pedestrian link, segregated pedestrian ways, Footbridge System as specified in the Government Grant, sewers, drains, water courses, pipes, gutters, wires and cables, public lighting system, lifts, ducts, water tanks and water supply mains and fittings in Common Areas, refuse collection chamber, transformer rooms, generator rooms, main distribution frame

	rooms (for telephone), pump rooms, switch rooms, mechanical rooms, mechanical ventilation rooms and store rooms, refuse chute system, internal driveway green belt(s), flower beds, taxi lay-by, Carport Common Area, sprinkler system, fire fighting system and associated equipment, satellite T.V. system, closed circuit T.V. system intercom for security (if any), communal television antennae, and other electrical equipment, lamp posts along the driveways and foot paths, for the use and benefit of the Development and recreational mechanical and sanitary installations which are for the general service of the Development.
"Flat" or "Residential Unit"	means a Unit of residential accommodation in the Development intended for private residential/ domestic use only.
"Flat Roof"	means the open yard appurtenant to any Unit of the Development.
"Footbridge System"	means the system of footbridge, the covered staircases, pedestrian link, segregated pedestrian ways or paths, footbridge supports and connections, 24 hour pedestrian way constructed by the Registered Owner pursuant to Special Conditions Nos.(16) & (17) of the Government Grant.
"Garden"	means the central landscaped gardens, pocket garden, patio garden, podium garden on the portion of the Development not built upon for the recreational use and benefit of the Owner(s) or occupier(s) of the Residential Units only.
"Goods Vehicle Spaces"	means the 18 spaces within the Land and the Development for the parking, loading and unloading of goods vehicles serving the Residential Units in accordance with Special Condition No.(35) (b) of the Government Grant.
"Government"	means The Government of the Hong Kong Special Administrative Region.
"Government Grant"	means the Government Grant document or documents of title, including any subsequent variations or modifications thereof, setting forth the rights and entitlements granted by the Government to the Registered Owner or its successors in title in respect of the Land and in particular the lease term entitlements, namely, Agreement and Conditions of Sale registered in the Land Registry as Conditions of Sale No.12390.
"Guidelines"	means the Guidelines for drafting Deeds of Mutual Covenant in Private Sector Participation Scheme developments contained in the Legal Advisory and Conveyancing Office Circular Memorandum No.12 dated 14th February 1995 and the Guidelines as set out in Land Office Circular Memorandum 91 as amended by Legal Advisory and Conveyancing Office Circular Memorandum Nos. 4 and 9 and include any amendments and supplements thereto.
"House Rules"	means the house rules and regulations governing the Land and

	the Development from time to time in force made pursuant to this Deed.
"Land"	means all that piece or parcel of ground registered in the Land Registry as Kowloon Inland Lot No.11082.
"Lenders"	means the Lenders as defined in the Debenture.
"maintain"	includes inspect, test, repair, uphold, support, overhaul, pave, purge, scour, cleanse, employ, amend, keep, replace, decorate and paint or such of the foregoing as may be necessary or applicable in the circumstances and in the interest of good management and maintenance shall be construed accordingly.
"management"	means all duties and obligations to be performed and observed by the Manager pursuant to this Deed.
"Management Committee"	means a committee appointed pursuant to clause 7.3 of this Deed for the purpose as stated therein.
"Management Expenses"	means the costs charges and expenses for the management and maintenance of the Land and the Development as provided by this Deed.
"Management Fee"	means amount equal to 1/12th of its due proportion of the budgeted Management Expenses for that year payable by the Owner(s) in accordance with the Undivided Shares as set out in the Schedule hereto.
"Management Fund(s)"	means all monies received, recovered or held by the Manager for the use and benefit of the Land and the Development pursuant to this Deed.
"Manager"	means Manager herein or any other manager for the time being appointed as Manager of the Land and the Development pursuant to this Deed.
"Manager's Remuneration"	means the remuneration of the Manager as provided by the Deed.
"Monitoring Surveyor"	means the building surveyor or quantity surveyor appointed by the Director of Housing under Special Condition No.(32) (a) of the Government Grant who shall on behalf of the Director of Housing monitor and generally oversee the development of the Land and in particular exercise control over the construction of the buildings on the Land and the fixtures and fittings incorporated therein.
"Non-Residential Common Areas"	means such areas of the Non-Residential Premises which the right to use or enjoy does not belong to any one or more Owner to the exclusion of the others; and such areas as shall from time to time be designated as common areas by the Registered Owner for the use and benefit of the Owners of Non-Residential Unit(s) and shall include the Service Vehicle Spaces.
"Non-Residential"	means all those facilities equipment machines

Common Facilities"	apparatus and installations which are for the benefit of the Owners of the Non-Residential Premises only.
"Non-Residential Premises"	means such area of the Development which are solely used for non-domestic and non-industrial (excluding godown, hotel and petrol-filling station) purposes.
"Non-Residential Unit"	means a Unit or shop space in the Development intended for commercial and non-residential use only and shall include a shop space, Kindergarten, Supermarket and any Residential Car Parking Spaces or Non-Residential Parking Spaces, the portion of the yard, external wall or canopy of the Development the exclusive use of which is assigned and reserved thereunto (if any and where applicable).
"Non-Residential Parking Spaces"	means all parking spaces within the Land and the Development for the parking of vehicles in accordance with Special Condition No.(35) (a) (ii) of the Government Grant.
"Occupation Permit"	means the written permission to be issued by the Building Authority under the provisions of the Buildings Ordinance for the Development to be occupied and includes a Temporary Occupation Permit.
"Ordinance"	means the Building Management Ordinance, Chapter 344 of Laws of the Hong Kong Special Administrative Region and include its subsequent amendments where applicable.
"Owner(s)"	means the Registered Owner, the First Purchaser and any person who may hereafter become the registered owner under the Land Registration Ordinance of any Undivided Share(s), including joint-tenants or tenants-in-common and its or his or their executors, successors and assigns or his mortgagee/chargee in possession or one who has foreclosed and references to the Owner or Owners of any part of the Development shall mean the Owner or Owners for the time being whose Undivided Share(s) entitle him or them to the exclusive right to hold use occupy and enjoy that part of the Development Provided however, that where any Undivided Share(s) have been charged or assigned by way of mortgage, the voting rights conferred on the Owner of such Undivided Share(s) by the provisions of this Deed shall, subject to the provisions of such legal charge or mortgage, be exercisable by the mortgagor unless the mortgagee is in possession or in receipt of the rents and profits of such Undivided Share(s) in which event the same shall be exercisable by the mortgagee.
"Owners' Committee"	means a committee of all the Owners of the Land and the Development established under the provisions of this Deed.
"Owners Corporation"	means the owners' incorporation of the Development formed under clause 7.3 hereof.
"Premises"	means All Those 55 equal undivided 219,699 th parts or shares of and in the Land and the Development together with the sole and exclusive right and privilege to hold use occupy and enjoy

of Flat B on 19th Floor of Block 6 of the Development.

"Recreational Facilities"	means all those facilities equipment and installations in the Development for the general recreational purpose for the residents of the Development including but not limited to Garden, children's playground, tennis courts, basketball field, skating ground and Taichi Plaza.
"Recreational Spaces"	means open area of the Development upon which Recreational Facilities are erected or to be erected thereon.
"Relevant Authority"	means all government departments or others acting under or with the authority of the Government.
"Registered Owner"	means Oriental Sharp Limited and shall where the context so admits include its successors and assigns.
"Residential Car Parking Spaces"	means the spaces within the Carport Block which shall not be used for any purpose other than for the purpose of parking of private motor vehicles belonging to the residents of the Residential Units and their bona fide guests and visitors in accordance with Special Condition No.(35) (a)(i) of the Government Grant.
"Roof"	means an area on top of the uppermost floor of a Block.
"Schedule"	means the Schedule annexed to this Deed.
"Service Vehicle Spaces"	means the 5 spaces within the Land and the Development for the parking, loading, unloading and maneuvering of service vehicles serving the Non-Residential Units in accordance with Special Condition No.(35) (c) of the Government Grant.
"Sinking Fund"	means a fund to be established and maintained by the Manager to meet contingencies and major works of a capital or non-recurrent nature required for the management and maintenance of the Land and/or the Development.
"Temporary Occupation Permit"	means the temporary permit to be issued by the Building Authority under the provisions of the Buildings Ordinance for the Development or any part thereof comprising the Unit to be occupied.
"Undivided Share(s)"	means any, or where the context requires, all those equal undivided parts or shares of and in the Land and the Development allocated in manner described in the Schedule hereto.
"Unit(s)"	means the areas or spaces on or in the Land or the Development including any shop, Residential Car Parking Spaces or Non-Residential Parking Spaces or Flat and/or portion of the Roof, Flat Roof, yard, external wall or canopy thereof (if any) or any part thereof or any bay window area or room the exclusive right to the use occupation and enjoyment of which belongs or is capable of being assigned to an Owner.

(b) In this Deed references to the singular shall include the plural and vice versa, the masculine gender shall include the feminine and neuter gender, and persons shall include bodies corporate or unincorporate.

(c) The parties hereto covenant with each other that this Deed shall incorporate the provisions in the Guidelines applicable to buildings and/or development of the same nature as that of the Development.

(d) No provision in this Deed shall prejudice or in any way be construed to prejudice the operation of the Ordinance.

(e) The Headings and/or marginal notes herein are for reference only and shall not form part of the content of this Deed.

THE LAND

(2) Immediately prior to the assignment to the First Purchaser hereinafter referred to, the Registered Owner was the registered owner of the Land held under the Government Grant for the residue of the term of years more particularly described in the Government Grant and the Development erected thereon subject to the payment of the rent and to the observance and performance of the terms and conditions therein reserved and contained.

THE DEVELOPMENT

(3) The Registered Owner has developed or is in the course of developing the Land in accordance with the Building Plans and has constructed or is in the course of constructing on the Land the Development and an Occupation Permit in respect of the same has been issued.

DIVISION AND ALLOCATION OF SHARES

(4) For the purposes of sale the Land and the Development have been notionally divided into 219,699 equal undivided parts or shares which have been allocated to the Development in manner as described and contained in the Schedule hereto.

DEBENTURE

(5) By the Debenture, all That (inter alia) the Land together with the appurtenances was assigned by the Registered Owner unto the Agent by way of mortgage for securing certain term loan facilities subject to the terms and conditions therein contained.

(6) By a Partial Release bearing even date herewith and made between the Agent of the one part and the Registered Owner of the other part All That the Premises were assigned and released unto the Registered Owner by the Agent freed and discharged of and from the Debenture.

ASSIGNMENT TO FIRST PURCHASER

(7) By the Assignment bearing even date herewith and made between the Registered Owner of the one part and the First Purchaser of the other part, the Registered Owner assigned unto the First Purchaser the Premises.

PURPOSE OF THIS DEED

(8) The parties hereto have agreed to enter into this Deed for the purpose of making provision for the management, maintenance, insurance and servicing of the Land and the Development, and their equipment, services and apparatus and for the purpose of defining and regulating the rights, interests and obligations of the Owners in respect of the Land and the Development and to provide for a due proportion of the common expenses of the Land and the Development to be borne by the Owners.

NOW THIS DEED WITNESSETH as follows :-

SECTION I

1. FIRST ASSIGNMENT AND REGISTERED OWNER'S RIGHTS AND OTHERS

The Parts Of The Development To Which The Registered Owner Shall Have Exclusive Use. Etc.

1.1 The Registered Owner shall at all times hereafter subject to and with the benefit of the Government Grant insofar as it relates hereto have the full and exclusive right and privilege to hold use occupy and enjoy to the exclusion of the First Purchaser the entire Development save and except only the Premises assigned to the First Purchaser as aforesaid and Subject to the easements, rights and privileges granted to the First Purchaser by the Assignment and this Deed Together with the appurtenances thereto and the entire rents and profits thereof.

The Part Of The Development To Which The First Purchaser Shall Have Exclusive Use, Etc.

1.2 The First Purchaser shall at all times with the benefit of the Government Grant insofar as it relates hereto have the full and exclusive right and privilege to hold use occupy and enjoy to the exclusion of the Registered Owner the Premises Together with the appurtenances thereto and the entire rents and profits thereof.

Easements Rights And Privileges Of Owners

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

Owners Bound By Covenants, Etc.

1.4 Every Owner 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 Development and the Undivided Share(s) held therewith. 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 shall apply to these presents.

Right Of Owners To Assign, Etc.

1.5.1 Subject to the provisions of the Government Grant and/or the applicable Housing Ordinance or other relevant legislation, and/or the covenants contained in a deed of assignment of Residential Unit in favour of the Owners from the Registered Owner or by the Housing Authority or by the Government, every Owner shall have the full right and liberty without reference to other Owners or other persons who may be interested in any other equal Undivided Share(s) 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 share or interest in the Land together with the exclusive right and privilege to hold, use, occupy and enjoy such part or parts of the Development which may be held therewith but any such sale, assignment, legal charge, lease or licence shall be expressly made subject to and with the benefit of this Deed.

1.5.2 Provided that the Residential Car Parking Spaces shall not be assigned to a person other than the Owners of the Residential Unit of the Development and Provided that not more than one vehicle parking space may be assigned to the Owner(s) of each Residential Unit.

1.5.3 For the avoidance of doubt, the Registered Owner shall not assign the Undivided Shares allocated to the Common Areas save and except in accordance with the provisions in this Deed.

Right To Enjoyment Of The Land And The Development Shall Not Be Dealt With Separately From Undivided Share(s)

1.6 The right to the exclusive use occupation and enjoyment of any part of the Land or the Development shall not be sold, assigned, mortgaged, charged, leased or otherwise dealt with separately from the Undivided Share(s) with which the same are held Provided Always that the provisions of this Clause shall not extend to leases or tenancies the terms of which shall not exceed 10 years.

1.7 The Registered Owner its successors and/or assigns shall have the exclusive and unrestricted right and privilege, without the necessity of making every Owner a party thereto to enter into a Sub-Deed or Sub-Deeds in respect of the Non-Residential Premises for the purpose of (a) making further provisions for the management, maintenance and servicing of that part of the Development for which it is made and its equipment, service and apparatus; and (b) further defining and regulating the rights, interests and obligations of the Owners thereof Provided Always that the rights and interests of the Owners shall not be adversely affected and that the provisions shall not conflict with the provisions of the Deed or the Government Grant and Provided further that such Sub-Deed or Sub-Deeds shall (if required) be previously approved in writing by the Director.

Disposal Of Undivided Shares Allotted To Common Areas And Common Facilities

1.8.1 The Undivided Shares allocated to the Common Areas shall be vested in the Manager upon the execution hereof who shall hold such Undivided Shares upon trust for the benefit of the Owners.

1.8.2 The Manager shall assign free of costs the Undivided Shares allocated to the Common Areas (including the Goods Vehicle Spaces, the Service Vehicle Spaces and the taxi layby) to the Owners Corporation (duly incorporated under the Ordinance) of the Development at its request provided all the relevant out-of-pocket expenses shall be treated as part of the Management Expenses and all such Undivided Shares shall be held by the Owners Corporation on trust for the benefit of the Owners.

1.9 There is reserved unto the Registered Owner its successors, assigns and persons authorised or permitted by the Registered Owner the exclusive right to use the Roof and the external walls of the Development for display of the name and the logo of the Development and for such purpose only to display, install, erect, affix or permit to be displayed, installed, erected or affixed thereon and thereto such signboards, placards, posters and other signs or structures whatsoever (whether illuminated or not) subject to the approval of the Relevant Authority and with the right to remove, repair, maintain, service or replace the same provided that the same shall not unduly interfere with the enjoyment by the Owners of the Units in the Development.

SECTION II

2. EASEMENTS, RIGHTS, AND PRIVILEGES THE BENEFIT OF WHICH IS HELD WITH EACH EQUAL UNDIVIDED SHARE OF AND IN THE LAND AND THE DEVELOPMENT

2.1 Each Owner of any Undivided Share(s) and who has the exclusive right and privilege to hold use occupy and enjoy a specified part or Unit of the Development subject to the House Rules and/or Car Park Rules (if any) shall have the benefit of the following easements rights and privileges:-

Right To Use Common Areas And Common Facilities Of The Land And The Development

2.1.1 Full right and liberty for the Owner for the time being his tenants, servants, agents, and licensees (in common with all persons having the like right) to go, pass and repass over and use Estate Common Areas and Estate Common Facilities as forming part of the Land and the Development for all purposes connected with the proper use and enjoyment of such Unit owned by him subject to the House Rules and/or Car Park Rules (if any) relating to such Estate Common Areas and Estate Common Facilities Provided that the Owners' Committee Office and Estate Management Office shall not be used respectively for any purpose other than the purposes of meetings and administrative works of the Owners' Committee and for the purposes of management of the Development and Provided further that the Recreational Spaces shall be used for such active or passive recreational purposes as approved by the Director.

2.1.2 Full right and liberty for the Owner of a Residential Unit for the time being 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 Block Common Areas and Block Common Facilities for all purpose connected with the proper use and enjoyment of his Residential Unit in that Block subject to the House Rules (if any) relating to that Block Common Areas.

2.1.3 Full right and liberty for the Owner (including the Manager and/or Owners Corporation as the case may be) of a Residential Car Parking Space for the time being 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 Carport Common Areas and Carport Common Facilities for all purpose connected with the proper use and enjoyment of his Residential Car Parking Space subject to the Car Park Rules (if any) relating thereto.

Right To Support, Etc.

2.1.4 The right to subjacent and lateral support and to shelter and protection from the foundation and the parts of the Land and the Development.

Passage Of Water, Etc.

2.1.5 The free and uninterrupted passage and running of water, sewage, gas, electricity telephone and any other services from and to the Unit owned by the Owner through the gutters sewers, drains, watercourses, flues, conduits, ducts and other conducting media cables, pipes and wires which now are or may at any time hereafter

be in under or passing through the Land and the Development for the proper use and enjoyment of the Unit owned by the Owner but subject always to the rights of the Manager and the Registered Owner hereunder, and in cases where water meters are installed on the Roof or Common Areas of the Development, the full right and privilege for respective owners and/or occupiers of the Units to which such water meters relate to enter with or without workmen and others at all reasonable times on notice upon the Roof or Common Areas for the purpose of replacing, repairing, renewing, maintaining, cleansing or painting for the benefit of the said owners and/or occupiers, causing as little disturbance as possible and making good any damage caused thereby.

Public Pedestrian Way

2.1.6 The Registered Owner having provided at such level of and with such alignment in the building or buildings erected or to be erected on the Land as may be approved by the Director, the Owner(s) shall keep open 24 hours a day a free public pedestrian way passage of such width as may be required and approved by the Director so as to link up the footbridge referred to in Special Condition Nos.(16)(a) and (17)(e)(i) of the Government Grant.

2.2 EXCLUSION OF CERTAIN RIGHTS No Rights Unless Expressly Granted

2.2.1. The Owners shall have no right to enter upon any part of the Land or the Development save as expressly provided herein, it being understood that all work necessary for the maintenance and repair of the Development shall be carried out by the Manager who shall have the right to enter into or upon any part of the Land and/or the Development for that purpose as herein provided.

2.2.2 The Owner shall have no right to use the external wall of the Residential Unit or to enter upon any part of the Land or the Development save as expressly provided herein and that all maintenance and repair works of the Development shall be carried out by the Manager or his agents or contractor who shall have the right to enter in or upon any part of the Land and/or the Development for that purpose as herein provided.

SECTION III

3. EASEMENTS, RIGHTS AND PRIVILEGES SUBJECT TO WHICH EACH EQUAL UNDIVIDED SHARE OF AND IN THE LAND AND THE DEVELOPMENT IS HELD

OWNER TO HOLD SUBJECT TO EASEMENTS, ETC.

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 Unit is held :-

Manager's Right Of Entry Into The Units

3.1 The Manager shall have full right and privilege on reasonable notice (except in the case of emergency) with or without agents, surveyors, workmen and others to enter into and upon each Unit to inspect and examine such Unit or any part or parts of the Development, or any other apparatus facilities and equipment therein used or installed for the benefit of the Block and/or Development or any part or parts thereof as part of the amenities thereof (and not by any individual Owner for his own use or enjoyment) for the purpose of effecting proper execution of the Manager's powers and duties in accordance with the provisions of this Deed Provided that the Manager shall be liable for remedying any damage due to negligent or wilful acts.

Right Of Manager To Deal With Government Regarding The Common Areas

3.2 The Manager shall have full right and authority to negotiate with the Government and to surrender or dedicate the Common Areas or any part thereof to the Government in the event that the Government agrees to take over the same or any part thereof or to the public and to accept from the Government such land in exchange as the Government shall grant or upon such terms and conditions as the Manager shall see fit.

Restricted Access To Any Part Of Common Areas For Specific Use

3.3 The Manager shall also have full right and authority to restrict access to certain area of the Estate Common Areas of the Land and the Development for specific use provided that such specific use is to facilitate better management of the Land and the Development.

Easements And Rights

3.4 Easements rights and privileges over along and through each Unit equivalent to those set forth in Clauses 2.1.4 and 2.1.5 hereof.

Easements And Rights, Etc. Reserved By The Government Grant

3.5 The rights, privileges and easements reserved to the Government by the Government Grant.

SECTION IV

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

A. Provisions Applicable to all Owners

Assignments To Contain Covenant To Notify Manager Of Change Of Ownership

4.1 Every assignment of any Undivided Share(s) in the Land and the Development shall contain an express covenant by the purchaser thereof to notify the Manager of any change of ownership within one month from the date of the assignment transfer or lease or letting (as the case may be).

To Discharge Taxes, Etc.

4.2 Each Owner shall promptly pay and discharge all existing and future Government rent, taxes, rates, assessments, and outgoings of every kind and description for the time being assessed or payable in respect of that part of the Land and the Development owned by him.

To Pay Management Fee

4.3 Each Owner shall pay to the Manager on the first day of each calendar month the Management Fee as provided by this Deed.

No Structural Alteration Which Affects Other Parts Of The Development

4.4 No Owner shall without the consent in writing of the Manager make any structural alterations to any part of the Development owned by him (including but not limited to the walls, structure or facade of the Development or any installation or fixture thereon) which may damage or affect or interfere with the use and enjoyment of any other part or parts of the Development, whether in separate or common occupation, (in particular the supply of water, gas or electricity), or do anything whereby the structural strength to the Development or any part or parts thereof may be affected, nor shall any Owner misuse, cut, injure, damage, alter or interfere with any part or parts of the Common Areas or the Estate Common Facilities of the Land and the Development or any equipment or apparatus on in or upon the Land or the Development not being equipment or apparatus for the exclusive use and benefit of any such Owner. The Manager may not make any structural alterations which may interfere with or affect the rights of any Owner. Notwithstanding anything herein contained to the contrary, the Owner affected shall have the right to take legal proceedings in this respect against any Owner causing such alteration, damage or interference.

No Contravention Of The Government Grant Or Acts Affecting Insurance

4.5 Each Owner shall observe and perform all the covenants agreements and conditions in the Government Grant and on the part of the Owner to be observed and performed so far as the same relates to his Undivided Share(s) and no Owner shall permit or suffer to be done any act or thing in contravention of the terms and conditions in the Government Grant or whereby any insurance on the Land and the Development or any part thereof may become void or voidable or whereby the premiums for any such insurance may be increased and in the event of any breach of this Clause by any Owner, in addition to any other liability incurred thereby, such Owner shall pay the amount of any increase in premium caused by or on account of such breach.

Not To Carry On Certain Businesses Or To Use For Certain Purposes

4.6 No part of the Development shall be used for any industrial purposes or to carry on trade or business of a coffin shop or funeral parlour or be used as a buddhist hall or for the performance of the ceremony known as "Ta Chai (打齋)" or any other noisy noisome or offensive trade business or use whatever without the previous licence consent and/or waiver of the Manager and where necessary that of the Relevant Authority signified in writing by any person duly authorised in that behalf.

To Indemnify Other Owners

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

To Be Responsible For Occupants

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

No Interference With Management And Maintenance Of The Development

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

To Keep In Good Repair

4.10 Each Owner shall maintain in good repair and condition to the satisfaction of the Manager and in such a manner so as to avoid any loss, damage, nuisance or annoyance to the Owners or occupiers of any other part or parts of the Development that part of the Development in respect of which he is entitled to exclusive possession.

Not To Use For Illegal Or Immoral Purpose Or Cause Nuisance

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

Not To Use Except In Accordance With Building And Other Regulations

4.12 No Owner shall use or permit or suffer any part of the Development owned by him to be used for any purpose except in accordance with the Occupation Permit or any applicable Building Laws or other Regulations, permit, consent or requirement of any Relevant Authority from time to time applicable thereto.

Not To Obstruct

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

Use Of Garbage Disposal Areas

4.14 The garbage disposal areas and/or refuse chamber shall be used only in the manner prescribed by and subject to the House Rules.

No Right To Interfere With Estate Common Facilities

4.15 No Owner shall have the right to alter, repair, connect to or in any other way interfere or meddle with the working area of the Common Areas including but not limited to lifts, machine rooms, public lighting, transformer rooms, switch rooms, pump rooms, pumps apparatus, services and the Estate Common Facilities of the Development or enter into such working area without the previous written consent of the Manager.

Use Of Aerials

4.16 No Owner shall be entitled to connect to any aerial and/or satellite receiver equipment installed by the Manager except with the permission of the Manager and in accordance with any House Rules relating to the same. No Owner shall affix or install his own private aerial outside any part of the Development except with the written consent of the Manager.

External Signs, Etc.

4.17 Save and except the rights and privileges reserved herein, no external signs, signboards, notices, advertisements, flags, banners, poles, cages or other projections structures or fixtures whatsoever extending outside the exterior of the Unit and/or the Development shall be erected, installed or otherwise affixed or projected from the Unit and/or the Development or any part thereof.

Not To Alter External Appearance Of The Development

4.18 Save and except the rights and privileges reserved unto the Registered Owner and its licensees or permittees of the relevant rights reserved herein, no Owner shall paint the outside of the Unit, Block and/or the Development or any part of the Development or do or permit to be done any act or thing which may or will alter the external facade or appearance of the Development without the prior consent in writing of the Manager.

Not To Litter, Etc.

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

To Observe House Rules, Etc.

4.20 All Owners and occupiers shall at all times observe and perform all the covenants, conditions and provisions of this Deed and the House Rules and/or the Car Park Rules.

Not To Cause Damage By Installation And Removal Of Fixtures, Etc.

4.21 Each Owner may at his own expense install in the part of the Development owned by him such additions, improvements, fixtures, fittings and decoration and remove the same Provided however that no such installation or removal shall cause any structural damage or interfere with the enjoyment by the Owners of any other part or parts of the Development and Provided further that all permits or consents (if any) required from any Relevant Authority in respect of such additions, improvements, or other work have been first had and obtained. In the event any Owner shall install or erect any addition or improvements without having obtained all permits and consents therefor the Manager shall have the right to remove the same at the cost of such Owner and the Owner shall indemnify all other Owners and occupiers of the Development in respect of any costs, damages, claims or expenses arising out of or in connection with such work as aforesaid.

Hanging Of Laundry

4.22 No clothing or laundry shall be hung outside any Block or the Development or any part thereof or in the Common Areas other than in the spaces specifically provided therefor.

Not To Interfere With Flush Or Drainage Systems

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

Not To Install Furnace, Boiler, Etc.

4.24 No Owner shall install any furnace, boiler or other plant or equipment or use any fuel in any part of the Development that might in any circumstance produce smoke without the previous consent in writing of the Director of Environmental Protection and the Manager first had and obtained.

User Of Unit

4.25 Not to use or permit or suffer any Unit of the Development to be used other than for non-industrial (excluding godown, hotel and petrol-filling station) purposes.

Not To Obstruct Natural Light & Air

4.26 No partitioning shall be erected or installed which does not leave clear access for fire exits and no

windows shall be wholly or partially blocked or the light and air therefrom in any way obstructed.

Use Of Roof

4.27 Access to the Roof shall at all times remain open and unobstructed. No owner shall have the right to use the Roof of the Development or part thereof, except only for escape in the event of fire or emergency, or to erect or place or cause or permit to be erected or placed any advertising sign or other structure on any part or parts of the Roof. The Manager shall have the right to remove anything erected or placed thereon in contravention of this provision at the costs and expenses of the Owner in breach thereof.

Grilles Or Shutters

4.28 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 Unit any metal grille or shutter or gate which shall in any way contravene the regulations of the Fire Services Department or other Relevant Authority concerned from time to time in force and/or which may in any way impede the free and uninterrupted passage over through and along any of the common staircases, corridors, entrances, exits and other Common Areas. The design and specifications of any metal grille or shutter or gate shall be standardised throughout the Development and prior to the installation thereof, each Owner shall first obtain the approval in writing of the Manager. The installation of any metal grille or shutter or gate throughout the Development shall be in accordance with the existing rules and regulations specified by the Fire Services Department and/or other Government Departments and the Manager shall have the rights to demolish and re-install a proper one if the same is found in contravention of any aforesaid rules or regulations at the expense of the Owner in breach.

Not To Store Dangerous Goods

4.29 No Owner shall store or permit to be stored in any Unit any hazardous, dangerous or combustible goods or materials (except such as may be reasonably required for the purpose of domestic cooking and heating in the Residential Units) unless the written approval of the Manager is first obtained, which approval may be given subject to such conditions as the Manager may specify and shall be subject to revocation on reasonable notice. Such approval shall not absolve the Owner from the requirements of obtaining the prior written consent or permit of the Relevant Authority concerned where such is required under any existing laws or regulations.

Installation Of Air-conditioners

4.30 No air-conditioning or other equipment shall be installed through any window or external wall of the Development and/or any part of the Development by the Owner or occupier of any Unit other than at places designated by the Manager for such purpose and all possible measures shall be taken to prevent excessive noise condensation or dripping on to any part of the Development.

Not To Partition Land Or Development

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

Not To Cause Nuisance, Etc.

4.32 No Owner shall do anything in his Unit whereby excessive noise vibration or resonance or other form of disturbance or nuisance is created to the detriment of the Development or other persons in or outside the Development, provided that the determination of the Manager as to whether any such noise vibration or resonance or other form of disturbance or nuisance is excessive shall be conclusive and in making his determination the Manager may recommend measures to minimize such noise vibration or resonance and in this event the Owner concerned shall take steps to comply with any such recommendations; and provided further that in the event of a breach hereof by the Owner, the Owner shall make good any damage caused thereby to the Development or any part or parts thereof or to the occupants thereof; and provided further that the making good of such damage as aforesaid shall be without prejudice to any further right available to the Manager by virtue of such breach.

No Pet

4.33 No Owner shall keep any pet or animal within the Development.

Footbridge Maintenance

4.34 The Owners shall at their own expenses at all times during the term of the Government Grant keep maintained and repaired in good condition the Footbridge System after the same are completed in accordance with the Government Grant to the satisfaction of the Director.

No Hawker

4.35 The Owner(s) shall not permit or suffer any hawker to carry on business within the Development and shall remove therefrom any hawker found to be so doing. Notices to the effect that hawking is prohibited within the Land and the Development shall be displayed prominently by the Manager near all entrances to the Land and the Development. For the purpose of this clause, "hawker" shall be as defined in Section 2 of the Public Health and Municipal Services Ordinance (Chapter 132) provided that for this purpose the words "in any public place" shall be omitted and substituted by the words "within the Development and the Land other than any part thereof permitted to be used for commercial purposes and in the areas referred to in Special Condition No.(16) of Government Grant."

Recreational Spaces and Recreational Facilities

4.36 The Owner(s) shall not permit or suffer any portion of the Recreational Spaces or Recreational Facilities to be used for any purpose other than their respective intended purposes provided any change or alteration shall be subject to prior approval of the Director and the Owners in general meeting.

B. Provisions Applicable to Owners of Residential Units Only

[Clauses [4.37] to [4.39] both inclusive shall apply to Residential Units only.]

Home-Owner Under Housing Ordinance

4.37 Each Owner of Residential Unit sold under the Private Sector Participation Scheme shall not part with possession of his Residential Unit nor allow or suffer his Residential Unit to be used for any purpose other than private residential purposes for himself and any of those members of his family included in his application for unit submitted to the Director of Housing under the said Private Sector Participation Scheme for nomination as a home-owner under the Housing Ordinance (Cap.283) during such period as specified in the Schedule to the Housing Ordinance (Cap.283).

Domestic Use

4.38 All Residential Units shall be used for domestic purposes by the Owners and members of their families only (insofar as the Owners are being bound or subject to the provisions of the Housing Ordinance) and in particular shall not be used as an apartment house or for any form of commercial letting or occupancy in bed spaces or cubicles. No partitioning shall be erected or installed which does not leave clear access for fire exits and no window shall be wholly or partially blocked or the light and air therefrom in any way obstructed.

No Advertising Sign

4.39 No Owner shall erect, affix, install or attach or permit or suffer to be erected, affixed, installed or attached in or on or to be displayed from any Residential Unit advertising or other sign of any description.

C. Provisions Applicable to Owners of Non-Residential Units Only

[Clauses [4.40] to [4.45] shall apply to Non-Residential Units Only.]

Advertising Sign

4.40 No advertising or other signs shall be exhibited from the exterior of any commercial shop without the prior approval in writing of the Manager. All advertising signs will conform to the advertising plan approved by the Manager. Any such approval may be given subject to such conditions as the Manager may specify and shall be subject to revocation on reasonable notice. The Owner shall be solely responsible for and shall indemnify all other Owners and the Manager from all loss, damages, actions, proceedings, claims, demands, costs and expenses arising directly or indirectly from the installation, use or removal of any sign exhibited by him on or from any commercial shop or any defect therein or the non-repair thereof.

No Hazardous Material

4.41 No hazardous, dangerous or combustible materials shall be stored or permitted to be stored in any part of the Non-Residential Unit without the written consent of the Manager and then only subject to compliance with all requirements which may be imposed by the Government Grant or the Manager or any legislation or the Fire Services Department or any other interested Government authorities.

No Residence

4.42 No persons shall be permitted to reside in the Non-Residential Unit.

Car Parking Use

4.43 Each Owner of Residential Car Parking Spaces or Non-Residential Parking Spaces shall not use or allow the same to be used for storage, sale or exhibiting of motor vehicles(s).

Air-conditioning In Shops And Offices

4.44 Any installation, replacement, repair and relocation of any air-conditioning system, fan coils and ducts in the shops and offices shall be subject to the prior written approval of the Manager and shall be undertaken by a contractor approved in writing by the Manager prior to commencement of any works.

External Appearance

4.45 The design of all facades or exteriors of commercial shops and all changes or additions thereto shall first be approved in writing by the Manager.

SECTION V

5. MANAGEMENT OF THE DEVELOPMENT

5.1 GENERAL

Management Of The Land

5.1.1 The Owners agree to employ the Manager and the Manager agrees to serve the Owners as manager of the Land and Development for the term of TEN YEARS from the date of this Deed for any part of the Development and renewed thereafter on a five yearly basis until it is removed by the Owners' Committee upon a resolution of the Owners of not less than 50% of the total Undivided Shares giving the Manager 3 months' prior notice to terminate its service or until the Manager shall resign by giving the Owners' Committee 3 months' prior notice to terminate its service provided no notice of resignation by the Manager or notice of termination of appointment by the Owners shall be given during the initial term. Provided that the Director of Housing in exercising his power under Special Condition No.(31)(f) of the Government Grant can terminate the appointment of the Manager immediately by delivery to the registered office of the Manager or the principal places of business of the Manager or to the address of the Manager last known to the Director of Housing notice of determination if the Director of Housing determines that the performance of the Manager in the management of the Land and the Development is substandard and/or unsatisfactory. Any decision of the Director of Housing as to the performance of the Manager shall be final.

5.1.2. The management of the Land and the Development shall be given free of costs to the Owners Corporation at its request upon giving three months' prior notice pursuant to the provisions under the Ordinance.

5.1.3 The prior written approval of the Director of Housing has been obtained for the appointment of the Manager as manager of the Land and the Development pursuant to the Special Condition No.31(d) of the Government Grant.

Manager To Act As Agent Of Owners

5.1.4 The Manager shall be appointed to act as agent for and on behalf of all Owners duly authorised in accordance with the provisions of this Deed in respect of any matter concerning the management of the common parts and to enforce the provisions (inclusive of but not limited to those relating to the Common Areas and Estate Common Facilities) of this Deed and any Sub-Deed.

Manager's Observance, Performance And Obligations

5.1.5 The Manager shall be bound by and shall observe and perform all of the conditions, duties and obligations herein provided and shall have all of the rights and privileges herein granted to the Manager. The obligations of the Manager to provide management in respect of any part of the Development shall commence from the date of this Deed.

5.2 POWERS AND DUTIES OF MANAGER

5.2.1 The Manager shall manage the Land and the Development in a proper manner and in accordance with the Government Grant, the Ordinance and this Deed and, except as otherwise expressly provided herein, the Manager shall be responsible for and shall have full and unrestricted authority to do all such acts and things as

may be necessary or requisite for the proper management and maintenance of the Land and the Development. The Manager is hereby appointed to act as agent for and on behalf of all Owners in respect of any matter concerning the management of the Common Areas and the Estate Common Facilities duly authorised in accordance with the provisions of this Deed and the Ordinance. Without in any way limiting the generality of the foregoing the Manager shall have the following powers and duties :-

Maintenance Of Land And Development

(a) To put in hand and ensure the satisfactory completion of work necessary to maintain any and every part of the Land and the Development (subject to Clause 5.2.6 hereof) including any slope where applicable, Common Areas and Estate Common Facilities of the Development so as to ensure 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.

Maintenance Of Units

(b) To ensure that all Owners or occupiers of the Units maintain the Units owned or occupied by them respectively in a satisfactory manner and if there be any default on the part of any such Owners or occupiers, to put in hand any necessary maintenance and to take all possible steps to recover the cost therefor from the defaulting Owner or occupier.

Painting, Etc.

(c) To paint white-wash tile or otherwise treat as may be appropriate the exterior of the Development and the Common Areas at such intervals as the same may reasonably require to be done.

Replacing Glass Or Doors

(d) To replace any glass or doors in the Common Areas that may be broken or damaged.

Lighting

(e) To keep all Common Areas well lighted.

Ventilation

(f) To keep in good order and repair the ventilation of the enclosed Common Areas.

Cleaning

(g) To keep the Common Areas and the Estate Common Facilities in a clean sanitary and tidy condition.

Refuse, Etc.

(h) To prevent any decaying, noisome, noxious, excrementitious or other refuse matter from being deposited in the Land and the Development or any part thereof and to remove all refuse (other than trade refuse which shall remain the liability of the Owner(s) thereof) from all parts of the Land and the Development and arrange for its disposal at such regular intervals and to maintain either on or off the Development refuse collection facilities to the satisfaction of the Urban Services Department or other Relevant Authority concerned and to charge the person in breach of this provision the cost of removing the refuse.

To Prevent Obstruction Of Common Areas

(i) To prevent any obstruction of the Common Areas and to remove any article or thing causing such obstruction and to demand and recover from the person by whom such article or thing was placed the cost of such removal and the making good of any damage thereby caused Provided that the Manager shall incur no liability in the course of removing such article or thing.

To Clean Sewers, Etc.

(j) To keep all the common sewers, drains, watercourses and pipes free and clear from obstructions.

To Keep Common Facilities In Good Condition

(k) To keep all Estate Common Facilities in good condition, repair and working order and to ensure the same are not used for purpose(s) other than their respective intended use and if necessary to replace any part or parts thereof which require replacement.

To Keep Plants And Machinery In Working Order

(l) To keep all plants, machinery and equipment including but without limiting the generality of the foregoing, all lighting equipment, heating or cooling systems (if any), water systems, public address systems (if any), fire fighting equipment, sprinkler systems, lifts and lift shafts in the Development in good condition, repair and working order and, in the case of lifts, in accordance with any laws and regulations applicable thereto and whenever it shall be necessary or convenient so to do at the Manager's discretion to enter into contracts with third parties for the maintenance of any of the aforesaid plant, machinery and equipment.

To Prevent Obstruction Or Damage To Government And Other Property

(m) To prevent so far as is possible any refuse or other matter being deposited, washed, eroded or falling from the Development onto any part of any public roads or any road-culverts, sewers, drains, nullahs or other Government or neighbouring property and to remove any such matter therefrom and to ensure that no damage is done to any Government or neighbouring property or other 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 thereof by reason of any maintenance or other works carried out on the Land and/or the Development and to make good any such damage to the satisfaction of the Relevant Authority or other bodies concerned as the circumstances require.

To Remove Unauthorised Structures, Etc.

(n) To remove any structure, installation, signboard, sunshade, bracket, fitting or other things in or on the Development or other parts of the Land which have been erected in contravention of the terms of this Deed or of the regulations of the Buildings Ordinance 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 costs and expenses of such removal and the making good of any damage thereby caused.

Fire Fighting

(o) To maintain fire fighting equipment and fire alarms and other fire services installations (if required by any Relevant Authority) and to comply with all requirements of the Fire Services Department, and so far as may be possible, to maintain the Development safe from fire hazards at all times.

Security

(p) To provide a security force, watchmen or caretakers and to provide and maintain such security installations including burglar alarms closed circuit T.V. system intercom as may be deemed necessary to maintain security in the Development at all times.

Vehicles

(q) Where applicable, to manage and control within the Land and the Development the parking of cars and other vehicles, the loading and unloading of goods and the flow of vehicular traffic over internal driveway, taxi layby, the Goods Vehicle Spaces and Service Vehicle Spaces and all other areas (if any) intended for such purpose.

Aerials

(r) To maintain and repair or contract for the maintenance and repair of the wireless and/or television aerials or satellite receiver equipments which serve the Development.

To Maintain and Replace Services

(s) To do all things which the Manager shall in its discretion deem necessary or desirable for the purpose of maintaining and replacing all facilities and services in or to the Land and the

Development for the better enjoyment or use of the Development by its Owners occupiers and their licensees, and for this purpose, to set up and maintain a Sinking Fund as hereinafter mentioned.

To Appoint Solicitors, Etc.

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

To Prevent Unauthorised Use Of Common Areas

(u) To prevent any person from occupying or using otherwise than in accordance with the written permission of the Manager (if such permission is required hereunder) or the provisions of this Deed, any part of the Common Areas.

To Comply With Statutory Requirements

(v) To take all steps necessary or expedient for complying with the covenants and conditions contained in the Government Grant and any statutory or governmental requirements concerning or relating to the Land and the Development for which no Owner, tenant or occupier of the Land and the Development is solely and directly responsible.

To Prevent Breach Of The Government Grant

(w) To prevent and to take action to remedy any breach and to enforce the performance by any Owner or other person of any provisions of the Government Grant.

To Prevent Alteration, Etc. Of Development

(x) To prevent any person detrimentally altering, defacing or injuring any part of the Land and the Development or any of the equipment, apparatus, services or facilities thereof.

To Collect And Receive Monies

(y) To demand, collect, receive and give valid discharges for all monies payable by any Owner under the provisions of this Deed.

To Pay All Outgoings

(z) To pay and discharge out of all monies so collected all outgoings relating to the management of the Land and the Development reasonably and necessarily incurred by the Manager hereunder.

Insurance

(aa) To insure and keep insured with a reputable insurance company the whole Development including the Common Areas of the Land and the Development and all Estate Common Facilities and all parts thereof against loss or damage by fire and other risks or perils to the full new reinstatement value thereof which value shall be assessed by the Manager in light of the circumstances and to effect public and/or occupiers' liability insurance and workmen's compensation liability for such coverages and amounts as the Manager may think fit, such insurance to be in the name of the Manager for and on behalf of itself as Manager and the Owners according to their respective interests and to pay all premia required to keep such insurance policies in force. The Owners shall be entitled during normal office hours to inspect such insurance policies and last receipts for premia in respect thereof.

Accounts

(bb) To keep proper accounts of all expenditure incurred by and of all payments made to the Manager in respect of carrying out its duties hereunder as hereinafter provided and to prepare summaries of income and expenditure at least every 3 months and publish the same in the Estate Management Office and public notice boards of the Development for a reasonable time and to prepare budgets and costs of future Management Expenses and Owners' contribution.

To Represent Owners

(cc) To represent the Owners in all matters and dealings with the Government or any utility or other competent authority or any other person whomsoever in any way touching or concerning the due management and maintenance of the Land and the Development and the apparatus and services therein.

Legal Proceedings

(dd) To commence, conduct, carry on and defend legal and other proceedings touching or concerning the Land and the Development or the management thereof in the name of the Manager.

To Enforce Performance Of This Deed

(ee) To enforce the due observance and performance by the Owners and occupiers through under or with the consent of any such Owner of the terms and conditions of this Deed and the House Rules and/or Car Park Rules made hereunder and to take action including the commencement and conduct 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.

To Post Name Of Defaulting Owner Or Occupier

(ff) To post the name of any Owner in default or in breach of the terms and conditions contained in this Deed together with particulars of the default or breach on the notice boards within the Development provided that 7 days prior written notice of the intention to posting has been given to such Owner.

To Employ Staff, Etc.

(gg) To enter into contracts and employ, to remunerate or to dismiss solicitors, auditors, architects, or other professional advisers or consultants, contractors, staff, workmen, servants, agents, watchmen, caretakers and such other staff as may from time to time be required to enable the Manager to perform its power and duties in this Deed and on such terms as the Manager shall in its absolute discretion decide and to provide accommodation within the Development, uniforms, working clothes, tools, cleaning and other materials and all equipment if necessary.

To Answer Enquiries, Complaints, Etc.

(hh) To deal with all enquiries, complaints, reports and correspondence relating to the Land and the Development.

Promotions, Etc.

(ii) To provide and maintain in respect of the Development such promotions, advertising, public relations and general publicity as may be deemed necessary by the Manager on consultation with the Owners' Committee.

To Permit Technicians, Etc. To Enter Land

(jj) To permit or allow technicians, workers and all persons sent from the public utilities companies or authorities to enter into the Land for the purpose of carrying out any excavation works for the installation or repairing of cable, wire, pipes or otherwise for the supply of electricity, water or gas to the Land and the Development and if necessary, to reinstate, repair and make good all affected parts of the Land after the completion of such works.

Inspection of Development

(kk) At least once in every 7 years after consultation with the Owners' Committee to employ a competent and qualified person or persons to inspect the entire Development (save only the interior of the Residential or Non-Residential Units) and the Estate Common Facilities and to prepare a report of such inspection which report will be kept at the Estate Management Office and will be open to inspection by all Owners and tenants of any part of the Development and the Manager will furnish to any such Owner or tenant on request a copy of such report at a reasonable copying charge.

Garden

(ll) To maintain and upkeep the Garden in clean, neat and tidy condition all to the satisfaction of the Director.

Major Contracts

(mm) All major contracts involving sums in excess of HK\$100,000 (or such other amount as the Secretary for Home Affairs may specify by notice in Gazette) or 20% of annual budget (whichever is the less) to be let in accordance with fair tendering practice at intervals of not more than three years in accordance with the standard and guidelines as may be specified in the Code of Practice from time to time gazetted under Section 20A of the Ordinance. All relevant documents shall be kept for not less than 6 years.

Improvement to Development

(nn) To carry out all works of improvement and additional facilities to the Estate Common Areas and/or Estate Common Facilities which works shall have been prior approved by the Owners' Committee Provided that for works involving more than 10% of the last budgeted Management Expenses, such improvement works shall have been approved by the Owners in a general meeting.

Management of Non-Residential Parking Spaces

(oo) To manage the Non-Residential Parking Spaces for the benefit of the occupants of the Non-Residential Premises their bona fide visitors or invitees.

Defects Liability

(pp) On delivery of possession of the Residential Units by the Registered Owner, the Manager shall provide all Owners of the Residential Units with defects lists forms and such to be completed and returned to the Manager within 72 hours from taking over of the relevant Residential Units. Copies of such forms shall be made available to all the Owners concerned, the Monitoring Surveyor, Authorised Person of the Development, Director of Housing and Registered Owner.

(qq) To notify the Owners' Committee and Owner of each Residential Unit in writing the respective dates of expiry of the Defects Liability Period and the defects liability period specified in the assignment of the relevant Residential Unit not less than 3 months before each such expiry date and to remind him to report the defects to the Manager in time.

(rr) Upon the expiry of each of the Defects Liability Period and the defects liability period specified in the assignment, the Manager, through the Monitoring Surveyor shall furnish the Director of Housing and the Owners' Committee with a consolidated list of outstanding defects of the Development for their information and/or comments.

Hawker Prohibition Notice

(ss) To put and maintain notices that hawking is prohibited within the Development; such notice to be displayed in prominent places near all entrances to the Development, the Blocks and the Non-Residential Premises.

Recreational Spaces and Recreational Facilities

(tt) To manage and operate the Recreational Spaces and Recreational Facilities for the proper and orderly enjoyment and benefit of the Owners of Residential Units of the Development.

Estate Management Office

(uu) To secure the Estate Management Office as the management office of the Manager for carrying out its duties as provided in this Deed.

Matters Incidental

(vv) To do all such other things as are reasonably incidental to the management and maintenance of the Land and the Development in accordance with this Deed, the Ordinance and the Government Grant.

House Rules And Car Park Rules

5.2.2 The Manager shall have power subject to the provisions of the Ordinance from time to time to make,

revoke and amend and add to (in consultation with and subject to the approval of the Owners' Committee) the House Rules and Car Park Rules (which must not be inconsistent with the provisions of this Deed) regulating in the case of the House Rules the use occupation and maintenance of the Land, the Development and any of the structures, facilities, services or amenities thereof and the conduct of persons occupying using or visiting the same and in the case of Car Park Rules regulating the use operation and maintenance of the car parking spaces and any services, facilities or amenities thereof and the conduct of persons using the same. Such House Rules shall be binding on all Owners of Flats in the Development to which such House Rules apply, their tenants, licensees, servants or agents. Copies of the House Rules and Car Park Rules (if any) from time to time in force shall be posted on the public notice boards of the Development and a copy thereof shall be supplied to each Owner on request upon payment of a reasonable photocopying charge.

Acts Of Manager Binding

5.2.3 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 every Owner for the time being.

Manager To Use Best Endeavours Only

5.2.4 The Manager shall only be required to use its best endeavours in performing its duties as stated in this Section V.

Accountability Of Manager

5.2.5 The Manager shall be responsible and accountable to the Owners acting collectively through the Owners' Committee but not to any Owner individually.

Extent Of Manager's Liability

5.2.6 Neither the Manager nor any servant agent or other person employed by the Manager shall be liable to the Owners or any of them or to any person or persons whomsoever whether claiming through, under or in trust for any Owner or otherwise, for or in respect of any act, deed, matter or thing done or omitted in pursuance or purported pursuance of the provisions of this Deed save for wilful acts or omissions involving criminal liability or dishonesty or gross 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 or maintenance of the Land and the Development or any act, deed, matter or thing done or omitted (not involving criminal liability, dishonestly or gross negligence on the part of the Manager or any such person or persons aforesaid) and all costs and expenses in connection therewith.

Power Of Entry

5.2.7 The Manager shall on giving reasonable notice (except in case of emergency) to an Owner have the right and authority with or without agents, surveyors workmen and others to enter into his Unit to effect any necessary repairs and maintenance to the structure of the Development, Estate Common Facilities or Block Common Facilities and any Common Areas, and the Manager shall cause the least disturbance thereto and shall remedy any damage to such Unit(s) and without in any way limiting the generality of the foregoing, to enforce the powers and duties of the Manager in accordance with the terms and provisions of this Deed. The Manager shall be liable for any loss or damage to person or property caused by or as a result of the negligent or wilful act of the Manager or its agent or contractors in the actual or purported exercise of this right.

Further Contributions

5.2.8 If the total contributions to the Management Fee payable to the Manager by the Owners on account shall be insufficient to cover all or any of the actual costs charges and expenses incurred and the Manager's Remuneration, then, subject to the Manager's rights to determine and/or vary the amount or amounts payable pursuant to Clause 5.2.10 hereof, the Owners shall make further contributions to the Manager towards such expenses in the same proportion as the monthly contribution, payable by each of such Owners on account as mentioned in the Schedule hereto.

Surplus

5.2.9 If there should be any surplus after payment of all the costs charges and expenses then the surplus shall be held by the Manager in a Management Fund deposited in an interest bearing bank account and shall only be applied by it in or towards payment of such costs charges and expenses in connection with the management and maintenance of the Land and the Development or any part thereof thereafter to become due.

Power To Vary Contribution

5.2.10 Subject to the provisions of the Ordinance, the Manager shall have power to vary the amount of contribution to the Management Expenses to be made by each of the Owners for the time being as hereinbefore provided in accordance with the estimate of all expenditure in an annual budget to be prepared by the Manager on which each Owner's contribution to the Management Expenses is to be based. The calculation thereof on the amount to be paid by each Owner for the ensuing year shall be binding and final against such Owner subject however to the provisions hereinbefore provided in respect of subsequent deficiency or surplus after the actual expenditure for that year is known. Each annual budget, save the first, shall be prepared by the Manager in consultation with the Owners' Committee.

Power To Revise Estimate Of Expenditure

5.2.11 In the event of the Manager finding at any time that the annual budget is insufficient to cover all expenditure it shall prepare a revised budget or budgets in consultation with the Owners' Committee, and the provisions of Clauses 5.2.8 - 5.2.11 shall apply mutatis mutandis to the revised budget or budgets which may be rendered necessary by the adoption thereof.

5.3 MANAGEMENT OF SPECIAL FUND

Emergency Repair Fund

5.3.1 The Manager shall deposit the Emergency Repairs Fund established by the Registered Owner (being a non-refundable sum of HK\$500.00 for each Residential Unit) into a separate interest-bearing account only for the payment of the costs of the works or repairs, amendments, reconstructions and rectifications as may be required in writing by the Monitoring Surveyor during the Defects Liability Period. Upon the expiry of the Defects Liability Period or upon completion of all the said works or repairs, amendments, reconstructions and rectifications (if any) outstanding at the expiry of the Defects Liability Period (whichever is the later) the balance (if any) standing to the credit of the Emergency Repairs Fund shall be paid into the Management Fund and forms part thereof.

Sinking Fund

5.3.2 The Manager shall have the right to add to the amount to be contributed by an Owner an amount to be credited to a Sinking Fund to meet contingencies and major works of a capital or non-recurrent nature including but not limited to purchase of large dustbins for the disposal of rubbish for the entire Development, broom, rake, wireless communication sets, etc. for better management and improvement of the Development including replacement of the services and common facilities of the Development as the Manager deems fit. Such Sinking Fund shall be a trust fund managed by the Manager but all sums in such Sinking Fund shall be the property of the Owners. Such Sinking Fund shall be interest bearing and special reference shall be made to this fund in the annual accounts and an estimate shall be given as to the time of any likely need to draw on the fund. Special reference should be made to this fund in the annual accounts referred to Clause 5.9. The Manager shall at the time of preparing the annual budget give an estimate as to the time of any likely need to draw on the fund. The total amount of contribution in each financial year shall be agreed by the Owners in the Annual General Meeting. The amount of contribution payable by an Owner to this Sinking Fund under the provisions hereof shall form part of the contributions of such Owner to the Management Expenses to the intent that the same shall be recoverable accordingly. Except in case of emergency, no part of such fund shall be used unless prior approval of Owners' Committee shall have been obtained.

5.4 THE MANAGER'S REMUNERATION

Amount And Increase Of Remuneration

5.4.1 The Manager shall be entitled to charge and be paid all disbursements and all out of pocket expenses necessarily and reasonably incurred in the course of carrying out its duties hereunder (including any extra costs of employees and agents incurred in recovering or attempting to recover arrears of Management Expenses from defaulting owners) and, in addition, the Manager may charge the Owners of the Development each month a total sum equivalent to 10% (subject to increase hereinafter mentioned) of the average monthly total expenditure for the total Management Expenses as set out hereinafter (but excluding those for major repair, overhauls or replacement of facilities of a capital nature, Manager's Remuneration and provisions for reserve or contingencies) to be contributed or payable by each Owner or occupier in proportion to his share or contribution of the Management Expenses herein provided, by monthly payments payable in advance as the remuneration of the Manager for the performance of its duties herein, provided always the remuneration of the Manager may be increased by resolution at meetings of the Owners or Management Committee.

Remuneration To Be Exclusive Of Disbursements, Etc.

5.4.2 The Manager's Remuneration as aforesaid shall be exclusive of disbursements for any staff, facilities, accountancy and secretarial services, or other professional charges or costs.

Payment Of Remuneration In Arrears

5.4.3 The Manager's Remuneration shall be payable as from the date of this Deed and shall be paid by each Owner or occupier in arrears on the last day of each month, whether or not his Unit is vacant or occupied.

5.5 MANAGEMENT FEE/EXPENSES

Each Owner To Fee/Pay Due Proportion Of Management Fee

5.5.1 Each Owner shall pay to the Manager a due proportion of the Management Fee on basis according to the Undivided Shares allocated to him in manner set out in the Schedule notwithstanding the Unit(s) is/are vacant or unsold. Each Owner shall in respect of his Unit pay the first month's Management Fee to the Manager which will cover the period from the date of the execution of the assignment by such Owner to the end of the calendar month following the date of such assignment and thereafter the subsequent Management Fee shall be made and payable monthly in advance on the first day of each month, whether or not his Unit is vacant or occupied. The amounts are calculated based on the number of Undivided Shares allocated to the Units taking into account factors such as area and user. PROVIDED THAT no Owner shall be called upon to pay more than his fair share or due proportion of the Management Fee PROVIDED ALWAYS THAT the Management Fee shall be reasonably revised and adjusted from time to time by the Manager in accordance with the provisions of Clauses 5.2.8 to 5.2.11 and 5.10 hereof in direct proportion to the Undivided Shares. PROVIDED ALWAYS THAT the Owner and/or holders of the Undivided Shares allotted to the Common Areas shall be excluded from the payment of Management Fee and Manager's Remuneration.

Items Included In The Management Expenses

5.5.2 The Management Expenses shall cover all costs expenses and outgoings incurred in relation to the management and maintenance of the Land and the Development and include, without limiting the generality of the foregoing, the following items :-

- (a) The cost of carrying out all or any of the duties of the Manager set out in this Deed. For the avoidance of doubt, this is exclusive of Manager's Remuneration.
- (b) The cost of purchasing or hiring all necessary plant, equipment and machinery (to be paid out of the Sinking Fund).
- (c) All reasonable professional fees and costs incurred by the Manager including:-
 - (i) Fees and costs of auditors, surveyors, rating surveyors, valuers, architects, engineers, consultants and others employed in connection with the management, maintenance and improvement of the Land and the Development.
 - (ii) Solicitors and other legal fees and costs.
- (d) All water, gas, electricity, telephone and other service charges except where the same is separately metered to individual Units.
- (e) The cost of all fuel and oil incurred in connection with the operation of the plants, equipment and machinery provided by the Manager for the benefit of the Land and the Development or any part thereof.
- (f) The cost of effecting insurance in respect of or in connection with the management of the Land and the Development in accordance with clause 5.2.1 (aa) hereof.
- (g) All charges, assessments, impositions and other outgoings payable by the Owners in respect of the Common Areas and Estate Common Facilities or any part or parts thereof.
- (h) Remuneration and fringe benefit (if any) including salaries, bonuses, gratuity provident fund and/or long service payment, for management executives and clerical staff, security force/watchmen, caretakers, cleaners, attendants, technical staff and the like.
- (i) The costs of fitting out uniforms for the security force/watchmen and caretakers and replacement of the same.
- (j) Employees' compensation and medical insurance premium of the security force/watchmen gardeners and caretakers.
- (k) Rent and Rates of the Manager's Office (if any).
- (l) Air-conditioning charges of the Manager's Office (if any).
- (m) Water consumption and electricity charges of the Manager's Office (if any).

- (n) Furniture, fixtures, fittings and other appliances in the Manager's Office (if any) and depreciation thereof (to be paid out of the Sinking Fund).
- (o) Postage, stationery, printing and other sundry items incurred by the Manager in connection with the management of the Development.
- (p) The cost of refuse disposal and the costs and expenses for decorating the Development during holidays and festivals.
- (q) Secretarial and accounting charges in connection with the management of the Development.
- (r) Any other items of expenditure which the Manager considered to be necessary for the administration of the Development.
- (s) Monies paid out of a Sinking Fund to meet contingencies and major works of a capital or non-recurrent nature pursuant to Clause 5.3.2 hereof.

ITEMS NOT INCLUDED IN MANAGEMENT EXPENSES

5.5.3 The Management Expenses shall not include any sum attributable or relating to the cost of completing the construction of the Development or any part thereof including but without limiting the generality of the foregoing the cost of constructing any additional buildings and installing any equipment, apparatus or service and the costs of works required under Special Condition No.(31)(g)(i) of the Government Grant all of which sums shall be borne solely by the Registered Owner.

ADJUSTMENT OF MANAGEMENT FEE

- 5.5.4
- (a) When at any time any budgets which include amount estimated to be payable by that Owner are revised there shall be added to or deducted from the amount of the Management Fee payable after such budget revision an amount equal to the differences between the total Management Expenses payable by that Owner shown in the budget in effect prior to such budget revision and the total Management Expenses payable by that Owner shown in such revised budget divided by the number of complete months from the date of such revised budget to the end of the then current financial year.
 - (b) There shall be added to or deducted from the Management Fee payable on the first day of the month immediately following the completion of the annual accounts of any financial year the difference, if any, between (1) the total actual Management Expenses payable in respect of the preceding financial year and (2) the total Management Fee made by that Owner in respect of the preceding financial year.
 - (c) If after making the adjustments as aforesaid there is a balance due by the Owner to the Manager, or by the Manager to the Owner, the same shall be carried forward and paid as credited, as the case may be, with the next Management Fee payable by that Owner PROVIDED ALWAYS that where the Manager acquires the Undivided Shares allocated to the Common Areas pursuant to the terms of this Deed, references to "Owner" in this Clause shall be deemed to exclude the Manager, AND PROVIDED FURTHER THAT the Manager, as the holder of the Undivided Shares in respect of the Common Areas on behalf of the Owners shall not be liable to pay any Management Fee or Expenses.

5.6 **SECURITY FOR AND RECOVERY OF MONEYS DUE TO THE MANAGER**

5.6.1 Each Owner shall at the time of completion of the assignment in respect of the purchase of any Unit :-

Deposit

- (a) deposit and maintain with the Manager as security for the due payment of all amounts which may be or become payable by him under this Deed a sum equivalent to THREE (3) MONTHS' prevailing monthly contribution towards the Management Fee for such Unit; and

Advance Contribution

- (b) pay a further sum equivalent to ONE (1) MONTH'S Management Fee aforesaid as payment in advance of the first month's monthly contributions; and

Debris Clearance Fee

- (c) a debris clearance fee (non-refundable) prior to taking possession of the Unit(s). The amount of such fee relating to Residential Units has been approved by the Director of Housing.

Building Decoration Deposit

- (d) a building decoration deposit which is refundable.

Deposit For Water Meters, Electricity, Etc. For Common Use

5.6.2 Each Owner shall (before possession of Unit is given) pay to and maintain with the Manager a due proportion of the deposits (non-refundable but transferable) in respect of water meters, electricity deposit, etc. for common use which may have been paid and advanced by the Registered Owner in respect of the Land and the Development and/or may have been assigned and transferred to the Manager by the Registered Owner at the time when management of the Land and the Development is taken over by the Manager.

Default In Payment

5.6.3 If any Owner shall fail to pay any amount payable hereunder within 30 days from the date of demand, he shall further pay to the Manager :-

- (a) interest calculated at the rate of \$1.00 for each \$100.00 or part thereof remaining unpaid for each period of 30 days or part thereof for which it remains unpaid;
- (b) a collection charge of \$1,000.00 (other than legal costs of proceedings mentioned below) to cover the cost (other than legal costs of proceedings as hereinafter mentioned) of the extra work occasioned by the default.

Provided that the collection charge may be increased with the approval of Owners' Committee in line with inflation.

Liability Of Occupier

5.6.4 Without prejudice to the liability of any Owner hereunder, all amounts which may be or become payable by the Owner for the time being of any Unit in accordance with the provisions of this Deed shall be receivable by the Manager from the occupier or occupiers for the time being of such Unit and the provisions of Sections 23 and 24 of the Ordinance or any statutory amendment, modification or replacement thereof shall apply hereto.

Amounts Recoverable By Civil Action

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

Amounts Unpaid To Be Charged On Undivided Shares

5.6.6 In the event any Owner or occupier fails to pay any sum due and payable by him in accordance with the provisions of this Deed within 30 days from the date of demand or fails to pay any damages awarded by any court for breach of any of the terms or conditions of this Deed within 7 days of the date on which the same becomes payable, the amount thereof together with interest as aforesaid and the said collection charge and all costs and expenses which may be incurred in recovering or attempting to recover the same, including the legal expenses referred to in immediately preceding Clause 5.6.5, shall stand charged on the Undivided Share(s) of the defaulting Owner and the Manager shall be entitled without prejudice to any other remedy hereunder to register a Memorial of such charge in the Land Registry, against the Undivided Share(s) of the defaulting Owner. Such charge shall remain valid and enforceable notwithstanding that judgment (whether final or interlocutory) has been obtained for the amount thereof unless and until the full amount due is completely paid or satisfied.

Enforcement And Priority Of Charge

5.6.7 Any charge registered in accordance with the last preceding Clause shall be enforceable as an equitable charge by action at the suit of the Manager or Owners Corporation for an order for sale of the Undivided Share(s) of the defaulting Owner together with the right to the exclusive use, occupation and enjoyment of the Unit(s) held therewith and the provisions of Clause 5.6.5 hereof shall apply equally to any such action.

5.7 APPLICATION OF MONEYS RECEIVED BY THE MANAGER

How Insurance Proceeds, Etc. To Be Expended

5.7.1 Subject to Section VI hereof, all insurance moneys, compensation received or damages recovered by the Manager in respect of any damage or loss suffered in relation to any part of the Land and/or the Development shall be expended by the Manager in the repair, rebuilding or reinstatement of that part of the Land and/or the Development.

Moneys Received To Be Credited To Owner's Accounts

5.7.2 Where any insurance moneys, compensation, damages, costs and expenses or refunds or interest are received or recovered (as the case may be) by the Manager in respect of any matter or thing for which any claim has been made against any Owner or Owners as provided in Clauses 5.6.1 to 5.6.7 (both inclusive) hereof the same shall, after deduction of any costs or expenses incurred by the Manager in recovering the same, be credited to the account(s) of the Owner or Owners against which a claim or claims has or have been made in the same proportion as such claim or claims, or to such person or persons entitled thereto.

Interest, Etc. To Be Applied Towards Management Expenses

5.7.3 All moneys paid to the Manager by way of interest and collection charges shall be used to discharge the Management Expenses of the Land and the Development in such manner as the Manager may from time to time decide.

5.8 OWNERS' INTEREST IN MANAGEMENT FUNDS

Only Owners To Have Interest In Management Funds

5.8.1 Any person ceasing to be the Owner of any Undivided Share(s) in the Land and the Development shall in respect of such Undivided Share(s) of which he ceases to be the Owner thereupon cease to have any interest in the Management Fund, including the deposits paid under Clause 5.6.1 and the Sinking Fund to the intent that all Management Funds shall be non-refundable and shall be held and applied as part of the Management Funds for the management and maintenance of the Land and the Development irrespective of changes in ownership of the Undivided Share(s) in the Land and the Development PROVIDED that any deposit paid under clause 5.6.1(a) may be transferred into the name of the new Owner of such Undivided Share(s) AND PROVIDED further that upon the Land reverting to the Government and no renewal of the Government Grant or further Government Lease or Leases being obtainable or upon the rights and obligations hereunder being extinguished as provided in SECTION VI hereof any balance of the Management Funds or in the case of extinguishment of rights and obligations as aforesaid an appropriate part of the Management Funds shall be divided proportionately between the Owners immediately prior to such reversion or in the case of extinguishment of rights and obligations as aforesaid between the Owners whose rights and obligations are extinguished in proportion to their Undivided Share(s) and the sum so divided shall be repaid to such Owners by the Manager.

5.9 MANAGEMENT RECORDS AND ACCOUNTS

Financial Year

5.9.1 The Manager shall prepare annual accounts for the management and maintenance of the Land and the Development from the date of the Occupation Permit for any part of the Development. The financial year for the purpose of the management and maintenance of the Land and the Development shall commence from the date of issue of the Occupation Permit for any part of the Development and shall terminate on the 30th day of June in the year next following issuance of the Occupation Permit and thereafter the financial year shall commence on the 1st day of July and shall terminate on the 30th day of June of the following year Provided Always that the Manager shall have the right to change the financial year upon giving notice in writing to the Owners' Committee once every five years, save where such change was made with the prior approval of the Owners' Committee. The Owners at the Annual General Meeting shall have power to require the annual accounts to be audited by an independent auditor of their choice.

Manager To Act As Trustee Of Monies And Deposit Received

5.9.2 Notwithstanding anything to the contrary hereinbefore provided, the Manager shall be deemed to be a trustee for and on behalf of the Owners in respect of all monies and deposits received on their behalf and, unless otherwise authorised by the Owners' Committee, must pay these monies into a specially designated interest bearing account in respect of the Land and the Development with a bank licensed under the Banking Ordinance. The Manager may retain or pay into a current account a reasonable amount to cover day-to-day expenditure; such amount shall not exceed such figure to be approved from time to time by the Owners' Committee. The retention of reasonable amount of money under this clause 5.9.2 or the payment of that amount into a bank

account in accordance with this Clause and any other arrangement for dealing with money received by the Manager shall be subject to the approval by a resolution of the Owners' Committee upon such conditions as the Owners' Committee may in its absolute discretion impose.

Application Of Consent Fee

5.9.3 Where any consent is required from a Manager by an Owner of a Unit of the Development, any sum imposed by the Manager as a consideration for the granting of such consent shall be held by the Manager for the benefit of the Owners and paid into a designated interest bearing management account and shall form part of the Management Funds. The Manager shall be entitled to charge and retain a reasonable fee for processing such consent.

5.9.4 The Manager shall keep true and proper accounts of all moneys received in the exercise of its powers and duties hereunder and all expenditure thereof in accordance with paragraph 2 of the Seventh Schedule to the Ordinance.

Summary Of Accounts

5.9.5 The Manager shall prepare a summary of all income and expenditure at least every three months and publish the same within one month from the expiry date of the reporting period in a prominent place in the Development for a reasonable time in accordance with paragraph 2 of the Seventh Schedule to the Ordinance.

5.9.6. Annual Accounts Of Financial Year

(a) Within 2 months after the close of each financial year the Manager shall prepare the annual accounts in respect of the preceding financial year, which accounts will contain a set of accounts for the entire management and maintenance of the Land and the Development and will be audited by an independent auditor.

(b) Within 60 days after the close of each financial year the Manager shall prepare an income and expenditure account and balance sheet to be posted on the Development notice boards for the general information of Owners.

Accounts

5.9.7 The Manager shall keep proper records of accounts and upon reasonable notice and payment of a reasonable photocopying charge therefor, provide each Owner with a copy of the accounts so requested after the same shall have been prepared as herein provided.

Inspection Of Accounts By The Owners

5.9.8 The Manager shall upon reasonable notice permit the Owner to inspect any of the accounts prepared pursuant hereto and to take copies of the same or extract therefrom on payment of reasonable copying charges.

Annual Accounts/Budgets

5.9.9 (a) The Manager shall prior to commencement of each financial year prepare an annual budget, upon which the Owners' contributions to the Management Expenses is to be based, of all estimated expenditure which shall include all sums which in the opinion of the Manager will be necessary to meet the Management Expenses for the then current financial year and shall include amounts for estimate contribution to the Sinking Fund. Such budgets except the first are to be prepared in consultation with the Owners' Committee and to be prepared in accordance with paragraph 1 of the Seventh Schedule to the Ordinance.

(b) Where the Manager is of the opinion that any of the budgeted sums for the then current financial year are insufficient to cover all expenditure which falls to be included in that budget it may prepare a revised budget or budgets in consultation with the Owners' Committee in the same manner as aforesaid.

(c) All the draft budget or revision shall reflect the principles as stated in clause 5.10 hereof and be posted or displayed for at least 7 days in accordance with the terms of the Ordinance and this Deed.

(d) The Manager shall send copies of the draft budgets to the Owners' Committee and display copies of the draft budgets in the prominent places of each Block and the Development with a notice inviting each Owner to send his comments on the draft budgets to the Manager within a period of 14 days from the date the draft budget was first displayed.

- (e) After the end of that period and in consultation with the Owners' Committee, the Manager shall prepare a budget specifying the total proposed expenditure relevant to that part or parts of the Development to which that budget relates during the financial year;
- (f) The Manager shall send copies of the approved budgets to the Owners' Committee and display them in a prominent place of the Development.

- 5.9.10 Where, in respect of a financial year, the Manager has not complied with Clause 5.9.9 above before the start of that financial year, the total amount of the Management Expenses for that year shall :-
- (1) until it has so complied, be deemed to be the same as the total amount of Management Expenses for the previous financial year;
 - (2) when it has so complied, be the total proposed expenditure specified in the budgets for that financial year, and the amount that the Owners shall contribute towards the Management Expenses shall be calculated and adjusted accordingly.

Revised Budget

5.9.11 Where a revised budget is sent in accordance with Clause 5.9.9(f) and provided that not less than one month's notice is given to the Owners of that part of the Development to which the budget is relevant, 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 those Owners shall contribute towards the Management Expenses shall be calculated and adjusted accordingly.

5.9.12 If any Owner requests the Manager in writing 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.

5.9.13 For the purposes of Clauses 5.9.9 to 5.9.11 (inclusive), "expenditure" includes the Management Expenses and the Manager's Remuneration.

Display Accounts

5.9.14 The Manager shall within 60 days after the close of each financial year cause to be posted or displayed on the notice boards of each Block and of the Development a copy of the annual accounts, and to send a copy thereof to the Owners' Committee. Each Owner may upon payment of reasonable copying charge request a copy of such accounts from the Manager.

5.10 CONTRIBUTION TO MANAGEMENT EXPENSES

The Management Expenses shall be apportioned between the Owners in the following manner :-

5.10.1 Where any expenditure relates solely to or is solely for the benefit of any Residential Unit or Non-Residential Unit and no Owner of any other units would receive any material benefit therefrom the full amount of such expenditure shall be paid by the Owner of that Residential or Non-Residential Unit PROVIDED HOWEVER that in the case of any single item of expenditure not exceeding \$5,000.00 the Manager may in its absolute discretion exclude the application of this sub-clause with regard to such expenditure and apportion such expenditure in accordance with sub-clause 5.10.3.

5.10.2 Where any expenditure relates solely to the Block Common Facilities of a particular Block or the Non-Residential Premises providing service to the Block or the Non-Residential Premises the amount will be treated as part of the direct costs and shall be contributed by the Owners of that Block or the Non-Residential Premises accordingly.

5.10.3 Where any expenditure does not fall within any of the preceding sub-clauses 5.10.1 or 5.10.2 the amount shall be treated as the direct costs and contributed by the Owners accordingly.

PROVIDED ALWAYS that where the Manager acquires Undivided Shares in the Land and the Development pursuant to Clause 1.8 of the Deed; reference to "Owners" in this clause shall be deemed to exclude the Manager.

5.11 TERMINATION OF MANAGER'S SERVICE

5.11.1 If the Manager's service is terminated by notice or upon expiry of terms of office, the Owners' Committee itself or at the option of the Owners' Committee, any other management or service company

or agent which the Owners' Committee would have appointed to undertake the management of the Land and Development shall have power [and notwithstanding that the Owners' Committee only holds office for one year at a time] to enter into an agreement with any person, firm or company under which such person, firm or company may undertake the management of the Land and the Development or such lesser management services as aforesaid for such period at such remuneration and on such terms and conditions (not being inconsistent with this Deed) as the Owners' Committee may in its discretion determine subject to the prior written notification to the Director of Housing.

5.11.2 If the Manager's service are terminated by way of notice of determination by the Director of Housing under Clause 5.1.1 aforesaid, the Registered Owner shall within 14 days of the date of the said notice appoint (subject to Special Condition No.(31) (d) of the Government Grant) a new manager failing which the Owners' Committee shall be empowered to immediately appoint (subject to Special Condition No.(31) (d) of the Government Grant) a new manager to undertake the management of the Land and the Development for such period at such remuneration and on such terms and conditions (not being inconsistent with this Deed) as the Owners' Committee shall determine.

5.11.3 The Registered Owner hereby agrees that during any period between the determination of the appointment of the Manager and the appointment of a new manager under the preceding Clause 5.11.1 and 5.11.2 respectively the Registered Owner shall be responsible for the management of the Land and the Development as if it were the manager appointed under this Deed.

Accounts and Hand-over On Termination Of Manager's Services

5.11.4 In the event of the termination of the Manager's appointment as provided in this Deed, the outgoing Manager shall prepare accounts up to the date of termination which shall be audited by an independent auditor to be chosen by the Owners' Committee in accordance with paragraph 8 of the Seventh Schedule to the Ordinance. Such accounts shall be final and conclusive evidence (save for manifest error) of the management accounts between the Manager and the Owners as to all matters stated therein. On the last day of its service the Manager shall hand over to the Owners' Committee or the successor manager all documents, records, plans and accounts relating to the Land and the Development except those necessary for preparation of the audited accounts, in which event such documents, records, plans and accounts shall be handed over to the Owners' Committee or the successor manager after finalisation of audit.

5.11.5 On the termination of the Manager's services herein, the Manager shall hand over to the Owners' Committee all documents, records, plans and accounts relating to the Development and shall within 2 month from the date of termination prepare:-

- (a) an income and expenditure account for the period beginning with the commencement of the financial year in which its appointment ends and ending on the date its appointment ended; and
- (b) a balance sheet as at the date of its appointment ended.

Such accounts to be audited by such auditor appointed by the Owners' Committee. The costs and expenses for the preparation and audit of such documents shall be part of the Management Expenses.

Disposal of Undivided Shares of Common Area

5.11.6 Upon termination of office, the Manager shall assign free of cost the Undivided Shares allotted to the Common Areas to the Manager's successor in office or the Owners Corporation of the Development at its request provided all the relevant out-of-pocket expenses shall be treated as part of the Management Expenses and such Undivided Shares shall be held by the Owners Corporation on trust for the benefit of the Owners.

SECTION VI

6. EXTINGUISHMENT OF RIGHTS UNDER THIS DEED

Manager To Acquire And Dispose Of Undivided Share(s) Of Owners Upon Trust For Sale If Owners Resolve Not To Reinstate

6.1 In the event of the Land and/or Development being so damaged by fire, typhoon, earthquake, subsidence or other cause so as to render the same substantially unfit for habitation, occupation or use, the Manager shall convene a meeting of the Owners and such meeting may resolve by a 75% majority of the Owners present and voting that by reason of insufficiency of insurance moneys, changes in building law and/or

regulations or any other circumstances whatsoever, it is not practicable to reinstate and rebuild the Development then in such event all the Undivided Share(s) representing the Land and the Development shall be acquired by the Manager and the Owners of such Undivided Share(s) 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 former Owners of such Undivided Share(s) in proportion to the respective Undivided Share(s) previously held by them. All insurance moneys received in respect of any policy of insurances on the Land and the Development in such event shall likewise be distributed amongst such former Owners. Upon such sale and distributions as aforesaid, all the rights privileges obligations and covenants of the Owners under this Deed or any other deed shall be extinguished so far as the same relate to them, save in respect of any surplus in the Management Funds.

6.2 In event of damage to part or parts of the Development only (leaving the other parts intact), the provisions of the preceding clause 6.1 shall apply with the necessary modification and amendments to the effect that the Owners referred thereto shall be substituted by Owners of the Units of the damaged part or parts only.

6.3 The following provisions shall apply to a meeting convened by the Manager as provided in Clause 6.1 or 6.2 of this Section VI :-

- (a) every such meeting shall be convened by at least seven (7) days' notice in writing served on the relevant Owners specifying the time and place of the meeting;
- (b) no business shall be transacted at any meeting unless a quorum is present. A quorum shall consist of the Owners present in person or by proxy in whom not less than fifty per cent (50%) of the total number of Undivided Shares in the part of the Development in question are vested;
- (c) if within half an hour from the time appointed for the meeting a quorum be not present the meeting shall stand adjourned to the same time and day in the next week at the same place, and if at such adjourned meeting a quorum be not present the Owners present shall be deemed to constitute a quorum;
- (d) the Manager shall be the chairman of the meeting;
- (e) the chairman shall cause a record to be kept of the persons present at the meeting and notes of the proceedings thereof;
- (f) every relevant Owner shall have one vote for each Undivided Share allocated to the part of the Development vested in him and in the case of Owners who together are entitled to one such Undivided Share such Owners shall jointly have one vote for each such Undivided Share and in case of dispute the first named of such Owners shall have the right to vote;
- (g) votes may be given either personally or by proxy;
- (h) the instrument appointing a proxy shall be deposited with the chairman of the meeting either before or at the meeting;
- (i) a resolution passed at a duly convened meeting by a seventy-five per cent (75%) majority of the Owners present in person or by proxy and voting shall be binding on all the Owners of the relevant part of the Development PROVIDED as follows :-
 - i. the notice convening the meeting shall specify the intention to propose a resolution concerning such matter;
 - ii. any resolution purported to be passed at any such meeting concerning any other matter shall not be valid;
 - iii. no resolution shall be valid if it is contrary to the provisions of this Deed;
- (j) a resolution in writing signed by Owners who in the aggregate have vested in them for the time being more than seventy-five per cent (75%) of the Undivided Shares allocated to the part of the Development in question shall be as valid and effectual as if it had been passed at a duly convened meeting of such Owners;
- (k) the accidental omission to give notice as aforesaid to any Owner shall not invalidate the meeting or any resolution passed thereat.

SECTION VII

7. MEETINGS AND COMMITTEES

7.1 MEETINGS OF OWNERS, ELECTION OF OFFICE-BEARERS AND CONDUCT OF PROCEEDINGS

Meetings of Owners

7.1.1 The Owners may meet from time to time as occasion require to discuss and decide upon matters concerning the Land and Development and the administration maintenance and management thereof (including but not limited to the approval of the Annual Accounts, reports concerning the Development and the outstanding defects under the Defects Liability Period, budget(s) submitted by the Manager from time to time), and they shall meet whenever required by the Manager.

7.1.2 The Manager shall call and convene the first meeting of the Owners as soon as possible, but not later than 4 months from the date of consent to assign issued pursuant to Special Condition No.26(b)(i) of Government Grant or if consent to assign is not required, from the signing of this Deed, by giving not less than fourteen days notice in writing to the Owners specifying the date, time and place of such meeting for the purpose of forming and electing members, chairman and officers to the Owners' Committee.

7.1.3 The chairman, vice-chairman and secretary shall be elected from the members of the Owners' Committee.

7.1.4 The Owners of the Development shall meet at least once a year commencing with the year following that in which the Occupation Permit for the Development is issued for the purpose of electing twenty-one (21) representatives of the Development (1 from each residential Block, 1 from Carport Area, 1 from Kindergarten, 1 representative for Owners of Shop) to the Owners' Committee and transacting any other business of which due notice is given in the notice convening the meeting. Such representatives must be Owners of the Development.

7.1.5 The representatives from each Block and the Non-Residential Premises shall be elected in the following manner. The candidates for election shall be proposed and seconded by any Owner of such individual Block or the relevant part of the Non-Residential Premises. As soon as all candidates have been proposed and seconded and provided that such candidates consent to be elected their names shall be put before the meeting who will vote thereon. The election of representatives from each Block and the Non-Residential Premises shall be convened or conducted on separate occasions.

7.1.6 After formation of the Owners' Committee, meetings of Owners (save for the Annual General Meeting), may be convened by not less than fourteen days' notice in writing specifying the date, time and place of such meeting and the resolutions (if any) that are to be proposed, by :-

(a) the Owners' Committee, or

(b) the Manager, or

(c) Owners at any time of not less than 5% of the Undivided Share(s), who may request the Owners' Committee or the Manager to convene a meeting of the Owners and the Owners' Committee or the Manager shall upon such request convene the meeting in accordance with the provisions herein contained. Provided that the Owners in general meeting may change the quorum or percentage under this sub-clause.

7.1.7 Notice of a meeting of Owners shall be served by the person or persons convening the meeting upon each Owner at least 14 days before the date of the meeting, and that notice shall specify the place, date and time of the meeting and the resolutions (if any) that are to be proposed.

7.1.8 Service of a notice required to be served under Clause 7.1.7 may be effected :-

(a) personally upon the Owner;

(b) by post addressed to the Owner at his last known address; or

(c) by leaving the notice at the Owner's Unit.

7.1.9 At any such meeting, a record of the persons present and the proceedings thereof shall be kept by the secretary of the Owners' Committee or, if none, by the chairman of that meeting chosen in accordance with Clause 7.1.11, who shall send a copy of the record of the meeting to each Owner.

7.1.10 (a) Any person who is not entitled to any Undivided Share in the Land and the Development shall not be entitled to notice of any meeting of the Owners nor be entitled to attend or vote thereat.

(b) Where an Owner entitled to attend and vote is a corporate body, any representative appointed by such Owner shall be entitled to attend and vote on its behalf. Such appointment shall be in writing and addressed to the secretary of the Owners' Committee, or if none, to any convenor of that meeting, and may be revoked at any time upon notice in writing.

(c) The Manager shall be represented at such meetings by a duly appointed representative.

7.1.11 The chairman of the Owners' Committee shall also be the chairman of the meetings of the Owners. If he is absent at any such meeting, the Owners present shall choose one of their members to be the chairman of that meeting.

7.1.12 No business shall be transacted at any meeting of the Owners unless a quorum is present when the meeting proceeds to business. The quorum shall consist of Owners present at the meeting either in person or by proxy or through their duly authorised representatives who in the aggregate are vested with not less than 10% of the total Undivided Shares except that in the case of a meeting at which a resolution for the dissolution of the

Management Committee is proposed, the quorum shall be that number of Owners present personally or by proxy holding 20% of the total Undivided Shares.

7.1.13 All resolutions put to the vote of any meeting of the Owners shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the representative of the Manager or by at least one Owner having the right to attend and present in person at such meeting. -A poll, if so demanded, shall be taken at such time and in such manner as the chairman of that meeting shall direct.

7.1.14 At a meeting of Owners :-

- (a) each Owner shall have 1 vote in respect of each share that he owns;
- (b) the votes of Owners may be given either personally or by proxy;
- (c) if a share is jointly owned by 2 or more persons, the vote in respect of that share may be cast :-

- (i) by a proxy jointly appointed by the co-owners;
- (ii) by 1 co-owner appointed by the others; or
- (iii) if no appointment has been made under sub-paragraph (i) or (ii), by the co-owner whose name stands first in relation to that share in the register kept at the Land Registry.

7.1.15 A resolution shall be validly passed if passed with a simple majority of the votes by the Owners in proportion to the number of Undivided Shares held who are present in person or by proxy or through their duly authorised representatives at the meeting counted in accordance with Clause 7.1.14 above, except that a resolution to change the name of the Owners Corporation shall be passed by a majority of not less than 75% of those present or by proxy and voting in proportion to the number of Undivided Shares held at such meeting.

7.1.16 In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

7.1.17 Notwithstanding anything hereinbefore mentioned, an Owner who has failed to pay his due proportion of the Management Expenses as herein contained shall not be allowed to attend or vote at any meetings.

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

7.1.19 At the meeting where members and officers including the chairman, vice-chairman and secretary of the Owners' Committee are to be elected, the following procedure shall be adopted. Each candidate for election shall be proposed and seconded by any two Owners present either in person or by proxy or through a duly authorised representative at the meeting. As soon as all the candidates have been proposed and seconded, and provided that such candidates consent to be elected, their names will be put before the meeting who will be voted thereon.

7.1.20 (a) An instrument appointing a proxy shall be in writing signed by the owner or, if the owner is a body corporate, under the seal of that body.

(b) The appointment of a proxy shall have no effect unless the instrument appointing the proxy is lodged with the person, or one of the persons, as the case may be, who convened the meeting not less than 24 hours before the time for the holding of the meeting at which the proxy proposes to vote, or within such lesser time as the chairman shall allow.

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

7.1.22 The purpose of such meeting, in addition to the election of representatives and the dismissal of the Manager and the appointment of a new manager in its stead as aforesaid, shall be to discuss matters relating to the Development generally and to record the view of the Owners to enable the said representatives to represent them at meetings of the Owners' Committee.

7.1.23 If an Owners Corporation is formed under the Ordinance, the general meeting of the Owners Corporation shall take the place of the meeting of Owners herein.

7.2 MEETINGS OF THE OWNERS' COMMITTEE

7.2.1 The representatives elected as aforesaid shall be members of the Owners' Committee and they shall meet at least once a year commencing with the year following the Occupation Permit of the Development is issued. The Owners' Committee shall consist of not less than four and not more than 21 members Provided that a representative of the Manager appointed from time to time in writing by the Manager shall be entitled to attend and speak during the meeting of the Owners' Committee. The Owners' Committee shall include the tenant's representative (if any and where applicable) appointed under the Ordinance.

7.2.2 The chairman, vice-chairman, secretary, and the members of the Owners' Committee elected in accordance with the provisions of Clauses 7.1.1 to 7.1.23 (both inclusive) of this SECTION VII shall constitute the Owners' Committee.

7.2.3 Within one year of the formation of the first Owners' Committee, the chairman or secretary shall call a meeting of the Owners to elect and/or re-elect members and officers of the Owners' Committee whereupon at

such meeting the first Owners' Committee shall be dissolved. In default, such first Owners' Committee may continue to act.

7.2.4 The Owners' Committee may meet from time to time and shall do so whenever requested by its chairman or any 2 members thereof or the Manager.

7.2.5 Such meeting shall be convened by the secretary of the Owners' Committee, or if none, by the convenors thereof or by the Manager by giving at least 7 days' notice in writing specifying the date and time and place of the meeting and the resolutions (if any) that are to be proposed.

7.2.6 No business shall be transacted at any time unless a quorum is present when the meeting proceeds to business. The quorum 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.

7.2.7 All resolutions put to the vote of such meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least one representative entitled to be present and present at the meeting. A poll, if demanded, shall be taken at such time and in such manner as the chairman shall direct.

7.2.8 All resolutions passed at such meeting duly convened and held shall be binding on the members of the Owners' Committee as well as all other Owners of the Development.

7.2.9 If at any time there is any casual vacancy or vacancies in the Owners' Committee, the Owners' Committee shall meet for the purpose of appointing any eligible Owner(s) to fill such vacancy or vacancies Provided That any person or persons so appointed shall vacate such position at the next meeting of the Owners of the Development whereupon a formal re-election shall be conducted to fill the vacancy or vacancies.

7.2.10 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.

7.2.11 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.

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

7.2.13 Other than hereinbefore provided, the function of the Owners' Committee shall include giving advice and opinion to and being consulted by the Manager in the preparation of Management Expenses budgets (except the first budget), approving, revoking and amending the House Rules and Car Park Rules prepared by the Manager, representing the Owners of the Development in all dealings with the Manager, exercising all other powers and duties conferred on the Owners' Committee under this Deed and undertaking such other duties as the Manager may with the approval of the Owners' Committee delegate to the Committee.

7.2.14 Service of notice required to be served hereunder may be effected by :-

- (a) personally on the representative; or
- (b) by post addressed to the representative at his last known address; or
- (c) by leaving the notice at the representative's Unit.

7.2.15 If an Owners Corporation is formed under the Ordinance, the Management Committee under the Owners Corporation shall take the place of Owners' Committee herein.

7.3 MANAGEMENT COMMITTEE

Incorporation Of Owners

7.3.1 Subject to the provisions of Clause 5.1.1 hereof, the Owners may meet in order to form and appoint a Management Committee for the purpose of incorporating the Owners of the Development in accordance with the provisions of the Ordinance.

7.3.2 Meeting of the Owners for the abovementioned purpose shall be convened in accordance with the provisions of the Ordinance by not less than fourteen days' notice in writing to the Owners before the date of the meeting specifying the date, time and place of such meeting and the resolutions to be proposed and may be convened by :-

- (a) the chairman or secretary of the Owners' Committee appointed in accordance with the provisions of this Section VII; or
- (b) the Manager; or
- (c) the Owners of not less than 5% of the Undivided Shares in aggregate; or
- (d) any other person who may convene such a meeting by virtue of Section 3 of the Ordinance or any future amendments thereto.

7.3.3 All the provisions relating to the conduct of proceedings in any meeting of the Owners as laid down in Clauses 7.1.1 to 7.2.15 (both inclusive) of this SECTION VII shall apply to a meeting convened in accordance with this Subsection insofar as they are not inconsistent with the provisions of the Ordinance, and if there is any inconsistency, the provisions of the Ordinance shall prevail.

7.3.4 During the existence of an Owners Corporation under the Ordinance, the rights, duties, powers and obligations for the control, management and the administration of the Land and the Development conferred by this Deed on the Manager shall be vested in the Owners Corporation, and the general meetings of the Owners Corporation shall take the place of the meetings of Owners under this Deed, and the Management Committee of the Owners Corporation shall take the place of the Owners as Owners' Committee under this Deed.

7.4 NON-RESIDENTIAL MATTERS

7.4.1 The matters exclusively related to the Carport Area and the Non-Residential Premises ("the Non-Residential Matters") shall be decided by Owners of the Carport Area and the Non-Residential Premises only.

7.4.2 The other terms and provisions of this clause 7 governing and relating to the meeting and the decision making shall apply to the Non-Residential Matters with the necessary adjustments and amendments; in particular all reference to the Owners shall mean the Owner of the Carport Area and the Non-Residential Premises and reference to Owners' Committee shall mean the Non-Residential Owners' Committee and reference of Undivided Shares shall mean the Undivided Shares allotted to the Carport Area and the Non-Residential Premises.

7.4.3 The Non-Residential Owners' Committee shall consist of not less than 3 and not more than 5 members and a separate owners' incorporation may be formed by the Owners of the Carport Area and the Non-Residential Premises.

SECTION VIII

8. MISCELLANEOUS

Cessation Of Owner's Liability

8.1 No person shall after ceasing to be the Owner of any Undivided Share(s) in the Land and the Development be liable for any debts liabilities or obligations under the covenants terms and conditions of this Deed in respect of such Undivided Share(s) and/or the part of the Development held therewith save and except in respect of any breach non-observance or non-performance by such person of any such covenant or term or condition prior to his ceasing to be the Owner thereof.

Notification To Manager To Accept Service Of Process

8.2 Each Owner shall notify the Manager as to the name and address within Hong Kong of the person authorised by that Owner to accept service of process. All non-residential owners of shares and any Owner not occupying or using his Unit must provide the Manager with an address within the jurisdiction for service of notices under the terms of this Deed, failing which the address of his Unit shall be deemed to be his address for service.

Services Of Notices

8.3 All notices or demands required to be served hereunder shall be sufficiently served, if addressed to the Owner intended to receive the same and sent by pre-paid post to or left at the last address (if any) of such Owner as notified to the Manager, or if a copy is left at or sent to his Unit notwithstanding that such Owner is not personally occupying the same, Provided however that, where notices are to be given to an Owner who is a mortgagee, such notices shall be served on the mortgagee if a company at its registered office or last known place of business in Hong Kong, and if an individual, at his last known address. All notices required to be given to the Manager shall be properly served if sent to the registered office of the Manager or left at the Estate Management Office in the Development.

Plans Showing The Common Parts

8.4 The Registered Owner shall cause a set of plans showing the Common Areas to be prepared and deposited and kept at the Manager's office, available for inspection by the Owners free of charge.

Slope Maintenance

8.5.1 The Owner(s) shall at their own expense maintain and carry out all works in respect of any slopes, retaining walls or other structures within or outside the Land as required by the Government Grant and in accordance with the "Geoguide 5 - Guide to Slope Maintenance" issued by the Geotechnical Engineering Office (as amended from time to time).

8.5.2 The Manager is given full authority by the Owners to engage suitable qualified engineers, architect, consultants and other personnel to inspect keep and maintain in good substantial repair and condition such slopes, retaining walls or other structures in accordance with guidelines issued by appropriate Government department regarding the maintenance of slopes, retaining walls and related structures.

8.5.3 All costs and expenses incurred by or incidental to such maintenance and repair works shall be borne by the Owners in the proportion of the Undivided Shares owned by an Owner bear to the total Undivided Shares of all Units and the provisions for collection of Management Expenses shall apply to the collection of such costs and expenses Provided that the Manager, having used all its reasonable endeavours and has not been able to collect such costs and expenses from the Owners, shall not be personally liable for carrying out the requirement for maintenance and repair works under the Government Grant which shall remain the responsibility of the Owners.

Chinese Translation Of This Deed

8.6 The Registered Owner shall make a direct translation in Chinese of this Deed within 2 months of the signing hereof and ensure it is available for inspection and the taking of copies by Owners at their expense at the management office. In the event of a dispute as to the effect of the Chinese translation and the English document, the English version is to prevail.

Self-Occupation

8.7 Each Owner of Residential Unit sold under the Private Sector Participation Scheme shall ensure that his unit shall be occupied by himself and/or the members of his family included in his application for unit submitted to or approved by the Hong Kong Housing Authority under the Private Sector Participation Scheme during the relevant period under the Housing Ordinance where applicable.

Winding-Up of Registered Owner

8.8 In the event of the winding-up (whether voluntary or otherwise) or dissolution of the Registered Owner the benefit and rights of and in all warranties and guarantees under all contracts relating to the construction of the Development shall be assigned by the Registered Owner to the Owners Corporation incorporated under the Ordinance or if no such corporation exists to the manager of the Development for the time being to be held in trust for the Owner(s) of and in the Development.

8.9 IT IS HEREBY EXPRESSLY AGREED AND DECLARED by the parties hereto that notwithstanding anything hereinbefore contained until such time as the Agent enters into possession of the Unit(s) pursuant to the Debenture or exercises the power of sale conferred on the Agent under the Debenture the obligation for making any payment under this Deed and the other burden and restrictions herein imposed shall not be binding on the Agent and no liability for any payment under this Deed shall be binding on the Agent in respect of any sums accrued prior to the Agent entering into possession or exercising the power of sale.

IN WITNESS whereof the parties hereto have caused their respective Common Seals to be hereunto affixed and/or set their hands and seals the day and year first above written.

THE SCHEDULE ABOVE REFERRED TO

UNDIVIDED SHARES

RESIDENTIAL UNITS

Block 1

	Undivided Share for each floor	Subtotal Undivided share for 1 – 22/F
Unit A	55 shares	1,210 shares
Unit B	55 shares	1,210 shares
Unit C	55 shares	1,210 shares
Unit D	55 shares	1,210 shares
Unit E	40 shares	880 shares
Unit F	45 shares	990 shares
Unit G	55 shares	1,210 shares
Unit H	55 shares	1,210 shares
Unit J	45 shares	990 shares
Unit K	40 shares	880 shares

Total undivided shares in each block: 11,000 shares

Block 2 & 3

	Undivided Share for each floor	Subtotal Undivided share for 1 – 22/F
Unit A	55 shares	1,210 shares
Unit B	55 shares	1,210 shares
Unit C	55 shares	1,210 shares
Unit D	55 shares	1,210 shares
Unit E	40 shares	880 shares
Unit F	45 shares	990 shares
Unit G	55 shares	1,210 shares
Unit H	55 shares	1,210 shares
Unit J	45 shares	990 shares
Unit K	40 shares	880 shares

Total undivided shares in each block : 11,000 shares

Block 4 & 5

	Undivided Share for each floor	Subtotal Undivided share for 1 – 20/F
Unit A	55 shares	1,100 shares
Unit B	55 shares	1,100 shares
Unit C	55 shares	1,100 shares
Unit D	55 shares	1,100 shares
Unit E	40 shares	800 shares
Unit F	45 shares	900 shares
Unit G	55 shares	1,100 shares
Unit H	55 shares	1,100 shares
Unit J	45 shares	900 shares
Unit K	40 shares	800 shares

Total undivided shares in each block : 10,000 shares

Block 6

	Undivided Share for each floor	Subtotal Undivided share for 1 – 20/F
Unit A	55 shares	1,100 shares
Unit B	55 shares	1,100 shares
Unit C	55 shares	1,100 shares
Unit D	55 shares	1,100 shares
Unit E	40 shares	800 shares
Unit F	45 shares	900 shares
Unit G	55 shares	1,100 shares
Unit H	55 shares	1,100 shares
Unit J	45 shares	900 shares
Unit K	40 shares	800 shares

Total undivided shares in each block : 10,000 shares

Block 7, 14, 15 & 16

	Undivided Share for each floor	Subtotal Undivided share for 1 – 22/F
Unit A	55 shares	1,210 shares
Unit B	55 shares	1,210 shares
Unit C	55 shares	1,210 shares
Unit D	55 shares	1,210 shares
Unit E	40 shares	880 shares
Unit F	45 shares	990 shares
Unit G	55 shares	1,210 shares
Unit H	55 shares	1,210 shares
Unit J	45 shares	990 shares
Unit K	40 shares	880 shares

Total undivided shares in each block : 11,000 shares

Block 8, 9, 10, 17 & 18

	Undivided Share for each floor	Subtotal Undivided share for 1 – 22/F -
Unit A	55 shares	1,210 shares
Unit B	55 shares	1,210 shares
Unit C	55 shares	1,210 shares
Unit D	55 shares	1,210 shares
Unit E	40 shares	880 shares
Unit F	45 shares	990 shares
Unit G	55 shares	1,210 shares
Unit H	55 shares	1,210 shares
Unit J	45 shares	990 shares
Unit K	40 shares	880 shares

Total undivided shares in each block : 11,000 shares

Block 11

	Undivided Share for each floor	Subtotal Undivided share for 1 – 22/F
Unit A	55 shares	1,210 shares
Unit B	55 shares	1,210 shares
Unit C	55 shares	1,210 shares
Unit D	55 shares	1,210 shares
Unit E	40 shares	880 shares
Unit F	45 shares	990 shares
Unit G	55 shares	1,210 shares
Unit H	55 shares	1,210 shares
Unit J	45 shares	990 shares
Unit K	40 shares	880 shares

Total undivided shares in each block : 11,000 shares

Block 12

	Undivided Share for each floor	Subtotal Undivided share for 1 – 23/F
Unit A	55 shares	1,265 shares
Unit B	55 shares	1,265 shares
Unit C	55 shares	1,265 shares
Unit D	55 shares	1,265 shares
Unit E	40 shares	920 shares
Unit F	45 shares	1,035 shares
Unit G (2-23/F)	55 shares	1,210 shares
Unit H (2-23/F)	55 shares	1,210 shares
Unit J	45 shares	1,035 shares
Unit K	40 shares	920 shares

Total undivided shares in each block : 11,390 shares

Block 13

	Undivided Share for each floor	Subtotal Undivided share for 1 – 22/F
Unit A	55 shares	1,210 shares
Unit B	55 shares	1,210 shares
Unit C	55 shares	1,210 shares
Unit D	55 shares	1,210 shares
Unit E	40 shares	880 shares
Unit F	45 shares	990 shares
Unit G	55 shares	1,210 shares
Unit H	55 shares	1,210 shares
Unit J	45 shares	990 shares
Unit K	40 shares	880 shares

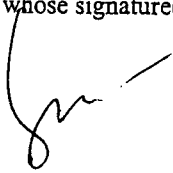
Total undivided shares in each block : 11,000 shares


Total undivided shares for residential units of Block 1 to Block 18 is 195,390 shares

	<u>Undivided shares</u>
Non-Residential Premises :	
- Shop & Supermarket	8,444
- Kindergarten	878
- 681 carparking spaces (of 652 Residential Car Parking Spaces and 29 Non-Residential Parking Spaces; [22 undivided shares for each])	14,982
Residential Units	195,390
Common Areas inclusive of Goods Vehicle Spaces, taxi lay-by, loading and unloading spaces (18 for residential and 5 for non-residential)	5
	<u>219,699</u> =====

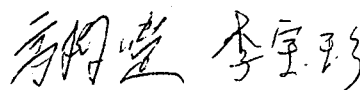
Total Undivided Shares allocated for the Development is 219,699 shares

*SEALED with the Common Seal of/)
SIGNED SEALED and DELIVERED by the)
lawful attorney for and on behalf of/)
the Registered Owner whose signature(s))
is/are verified by :-)



SUSAN LEE YUK LIN
Solicitor, Hong Kong SAR


Lo Siu Hon

SIGNED SEALED and DELIVERED by the)
First Purchaser in the presence of :-)




SELINA K.W. LAU
SOLICITOR, HONG KONG SAR
Fan & Fan, Solicitors & Notaries
INTERPRETED to the First Purchaser by :-


SELINA K.W. LAU
SOLICITOR, HONG KONG SAR
Clerk to Messrs. Fan & Fan
Solicitors & Notaries, Hong Kong.

SEALED with the Common Seal of the

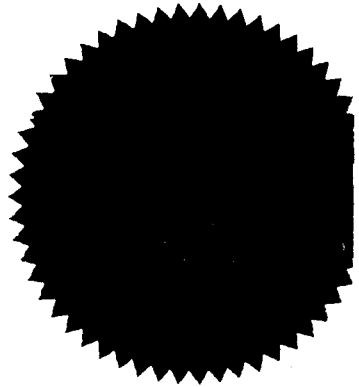
Manager and SIGNED by

Yiu Yiu Chung

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

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cf



Susan Lee Yuk Lin
SUSAN LEE YUK LIN
Solicitor, Hong Kong SAR

SEALED with the Common Seal of
~~SIGNED SEALED~~ and ~~DELIVERED~~ by the

and SIGNED by
Agent/~~by its lawful attorney(s)~~: *A.R.P. Affleck*
Affleck, its director, and Esther Fung
Fung, its secretary
whose signature(s) is/are verified by :-

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A.R.P. Affleck A.R.P. AFFLECK
Director
Esther Fung Esther FUNG,
Secretary

Ted K.B. Yau
Solicitor, Hong Kong SAR

Ted K.B. Yau
Allen & Overy
Solicitor of the High Court of the
Hong Kong Special Administrative Region

