

Dated the 23rd day of September 2020

WHARF PEAK PROPERTIES LIMITED
(First Owner)

and

AFFLUENT PEAK LIMITED
(Second Owner)

and

HARRIMAN PROPERTY MANAGEMENT LIMITED
(Manager)

**DEED OF MUTUAL COVENANT
AND MANAGEMENT AGREEMENT**

in respect of

**THE REMAINING PORTION OF
RURAL BUILDING LOT NO.836**

WOO KWAN LEE & LO
SOLICITORS & NOTARIES
ROOM 2801, SUN HUNG KAI CENTRE
30 HARBOUR ROAD
WANCHAI
HONG KONG

Ref.: A47/SHK/HFM/LYF
(v.18) 2019 05 03

THIS DEED made this 23rd day of September 2020

BETWEEN

(1) **WHARF PEAK PROPERTIES LIMITED** whose registered office is situate at 16th Floor, Ocean Centre, Harbour City, Canton Road, Kowloon, Hong Kong (hereinafter called "the First Owner" which expression shall where the context so admits include its or their successors and assigns) of the first part;

(2) **AFFLUENT PEAK LIMITED** whose registered office is situate at 16th Floor, Ocean Centre, Harbour City, Canton Road, Kowloon, Hong Kong (hereinafter called "the Second Owner" which expression shall where the context so admits includes its or their successors in title and persons deriving title under or through it or them) of the second part; and

(3) **HARRIMAN PROPERTY MANAGEMENT LIMITED (夏利文物業管理有限公司)** whose registered office is situate at 23rd Floor, Wheelock House, 20 Pedder Street, Hong Kong (hereinafter called "the Manager" which expression shall where the context so admits include any person for the time being holding office as Manager under this Deed or the Building Management Ordinance, including, where appropriate, the Owners' Corporation) of the third part.

WHEREAS :-

A. Immediately prior to the assignment to the Second Owner, the First Owner was the registered owner of the Land which is held from the Government for the residue of a term of 75 years commencing from the 17th day of March 1954 subject to payment of the rent and to the observance and performance of the terms.

B. The First Owner has developed or is in the course of developing the Land in accordance with the Approved Plans and has constructed or is in the course of constructing thereon the Estate.

C. For the purposes of sale and defining individual ownership, the Land and the Estate have been notionally divided into 4,979 equal undivided parts or shares, the allocation of which is set out in the First Schedule hereto.

D. By an assignment bearing even date herewith and made between the First Owner of the first part and the Second Owner of the second part the First Owner assigns

unto the Second Owner All Those 754 equal undivided 4,979th parts or shares of and in the Land and the Estate together with the exclusive right to hold use occupy and enjoy ALL THAT premises known as 79 Peak Road of the Estate ("the said Property") subject to the Government Lease and this Deed.

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

F. This Deed has been approved by the Director of Lands in accordance with the terms of the Government Lease.

NOW THIS DEED WITNESSETH as follows :-

SECTION I

1. DEFINITION AND INTERPRETATION

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

"Approved Plans"	The general building plans prepared by the Authorised Person for the development of the Land and approved by the Building Authority under BD Ref. No.BD/2033/07/2 as the same may be amended from time to time with the approval of the Director of Buildings.
"Authorised Person"	Mr. Ng Chi Ho of Handi Architects Limited or any other authorised person or persons as defined in Section 2(1) of the Buildings Ordinance appointed by the First Owner in his place.
"Bank Account"	Any interest-bearing account with a licensed bank of the Hong Kong Special Administrative Region within the meaning of Section 2 of the Banking Ordinance (Cap.155) opened and maintained in the name of the Manager as trustee for the Owners and if an Owner's Corporation is formed, in the name of the Manager as trustee for the Owner's Corporation.
"Building Management Ordinance"	The Building Management Ordinance Cap.344 of the Laws of the Hong Kong Special Administrative Region and any statutory amendments, modifications or re-amendments thereof for the time being in force.
"Capital Reserve Fund"	The fund established and maintained by the Manager pursuant to Clause 6.2.7 hereof.
"Common Parts Undivided Shares"	Those Undivided Shares allocated to the Estate Common Areas and Estate Common Facilities as a

whole.

"Conveyancing and Property Ordinance"

The Conveyancing and Property Ordinance Cap.219 of the Laws of the Hong Kong Special Administrative Region and any statutory amendments, modifications or re-enactments thereof for the time being in force.

"This Deed"

This Deed of Mutual Covenant And Management Agreement.

"The Diverted Public Sewer"

The length of the sewer situate within the Land diverted with the prior written consent of the Director of Lands in accordance with the 2nd Modification Letter.

"Estate"

The whole of the development comprising the Houses, Estate Common Areas and the Estate Common Facilities known or intended to be known as "77/79 Peak Road" constructed or in the course of construction on the Land, all structures, facilities and services whatsoever installed or provided in, under, on or over the Land for the use of the Estate or any part or parts thereof including without limiting the generality of the foregoing, all machinery and equipment in or upon the Estate and all roads, footpaths, stairways, lifts, cables, pipes, drainage and sewage for use of the Estate.

"Estate Common Areas"

Such of the entrance lobby, accessory areas, circulation passages, driveways, ramps, entrances, exits, switch rooms, meter rooms, passageways, staircases, planters, Recreational Areas and Facilities, Visitors' Carparking Spaces, telecommunication and broadcasting equipment room, transformer room, High-voltage switch gear compartment, Low-voltage switch room, passageways, emergency vehicular access, staircases and external walls and fences of the whole Estate (other than those of the Houses), refuse storage and material recovery chamber, street fire hydrants pump

room and water tanks, plant rooms serving the communal area and recreational facilities, maintenance path serving the road-widening structure, areas for the installation or use of aerial broadcast distribution or telecommunications network facilities and other areas and spaces containing the Estate Common Facilities and other areas and spaces in any part or parts of the Estate which are for the common use and benefit of the Owners of the Estate, PROVIDED THAT, where appropriate, if (a) any parts of the Estate covered by paragraph (a) of the definition of “common parts” set out in section 2 of the Building Management Ordinance and/or (b) any parts specified in the Schedule 1 to the Building Management Ordinance and included under paragraph (b) of the definition of “common parts” set out in section 2 of the Building Management Ordinance, shall also be covered by the provisions hereinbefore provided, such parts shall be deemed to have been included as, and shall form part of, the Estate Common Areas are shown for the purpose of identification on the plan(s) annexed hereto, the accuracy of such plan(s) has been certified by or on behalf of the Authorised Person, and thereon coloured Green, EXCLUDING those areas designated as being part of the Houses.

"Estate Common Facilities"

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

- (a) Such of the sewers, drains, water courses, pipes, gutters, wires and cables and other service facilities whether ducted or otherwise which are or at any time may be in, under or over or passing through the Estate through which water, sewage, gas, electricity and any other services are supplied to the Estate or any part or parts thereof;

- (b) Fire fighting installation and equipment;
- (c) Lamp posts, traffic lights and lighting within the Estate;
- (d) Lightning conductor of the Estate;
- (e) Lift installation and equipment; and
- (f) Other facilities and systems for the use and benefit of the Estate and not for the use and benefit of any particular Owner.

"Estate Rules"	The rules governing the Estate as a whole and the Estate Common Areas and the Estate Common Facilities from time to time in force and made by the Manager pursuant to Clause 6.2.2 hereof.
"Fire Safety Management Plan"	The fire safety management plan and measures relating to the Estate required to be implemented by the Buildings Department and Fire Services Department and any addition or variation thereto from time to time in accordance with the then relevant requirements of the Buildings Department, the Fire Services Department or any other relevant government authority.
"Fire Services Installations for Open Kitchen Unit"	The sounder base type smoke detector(s), sprinkler head(s) for the Open Kitchen, full height fire rated reinforced concrete fin wall and flat exit door provided adjacent within and forming part of the Open Kitchen Unit.
"General Fund"	The fund established and maintained by the Manager under Clause 6.2.6 hereof to pay the Management Expenses.
"Government"	The Government of the Hong Kong Special Administrative Region.
"Government Lease"	The Government Lease under which the Land is held

from the Government which shall include:-

- (a) the Government Lease dated 14th April 1965 in respect of Rural Building Lot No.836 made between Queen Elizabeth II and Hongkong Realty And Trust Company Limited;
- (b) the 1st Modification Letter;
- (c) the 2nd Modification Letter; and
- (d) any other documents having the effect of a variation or modification of any document referred to in sub-clauses (a), (b) and (c) of this definition affecting the Land.

“Green Area”

The area shown coloured Green on the plan marked “PLAN A” annexed to the 1st Modification Letter which areas which is required to be upheld, maintained and repaired in accordance with Clause (6) of the Second Schedule to the 1st Modification Letter.

“Green Stippled Black Area”

The portions of the future public roads shown coloured Green Stippled Black on the plan marked “PLAN A” annexed to the 1st Modification Letter which is required to be laid and formed in accordance with Clause (21)(a)(i)(I) of the Fourth Schedule to the 1st Modification Letter.

“House”

Any of the 8 houses erected on the Land, including their respective walls and partitions (whether load bearing or structural or not), columns, floor slabs, ceiling slabs, beams, external walls and fence walls (but where such wall (whether load bearing or structural or not) is separating the house and any part of another house, the inner half of such wall) and other structural supports thereof, gardens, swimming pool, garage, internal driveway, terraces, roofs and flat roofs appurtenant thereto.

"Land"	All That piece or parcel of land registered in the Land Registry as THE REMAINING PORTION OF RURAL BUILDING LOT NO.836.
"Maintain or maintain"	Includes but is not limited to inspecting, testing, repairing, upholding, supporting, rebuilding, overhauling, paving, purging, scouring, cleansing, emptying, amending, keeping, replacing, redesigning, refurbishing, renovating, improving, decorating and painting or such of the foregoing as may be applicable in the circumstances and in the interest of good estate management and "maintenance" shall be construed accordingly.
"Maintenance Manual"	The slope maintenance manual (if any) in respect of the Slopes and Retaining Walls.
"Maintenance Manual for the Works and Installation"	means the maintenance manual for the Works and Installations as mentioned in Clause 9.1.10 of Section IX as may from time to time be amended or revised in accordance with the provisions of this Deed.
"Management" or "management"	All duties and obligations to be performed and observed by the Manager pursuant to this Deed.
"Management Expenses"	The costs, charges and expenses necessarily and reasonably incurred in the management and maintenance of the Land and the Estate as more particularly provided in Clause 6.4.1 hereof.
"Management Fee"	The monthly sum payable by an Owner under Clause 6.4.3 (a) hereof for his share of the budgeted Management Expenses.
"Management Shares"	The respective shares set out in the Second Schedule hereto based on which the contribution of each Owner towards the management of the Land and the Estate under this Deed including the budgeted Management Expenses and the Manager's Remuneration is calculated.

"Manager"	Harriman Property Management Limited (夏利文物業管理有限公司) until it resigns or its appointment is terminated and thereafter the manager for the time being appointed at the meeting of the Owners or by the Owners' Corporation or the Owners' Committee in accordance with the provisions hereof.
"Manager's Remuneration"	The remuneration of the Manager as provided in Clause 6.3.1 hereof or in any Supplemental Deed of Mutual Covenant made pursuant to the provisions hereunder.
"1 st Modification Letter"	The Modification Letter with Plan dated 27 th August 2010 and registered in the Land Registry by Memorial No.10083102330017.
"2 nd Modification Letter"	The Modification Letter dated 28 th November 2014 and registered in the Land Registry by Memorial No.14120201900011.
"Month"	A calendar month.
"Non-enclosed Areas"	The balcony or balconies (if any) forming part of a House which are shown on the plan(s) annexed hereto, the accuracy of such plan(s) has been certified by or on behalf of the Authorised Person and thereon marked "BALCONY".
"Occupation Permit"	An occupation permit or temporary occupation permit of the Estate or any part thereof issued by the Building Authority.
"Occupier"	An occupant or occupier of a House for the time being.
"Open Kitchen"	The open kitchen provided within Open Kitchen Unit and such open kitchen is for the purpose of identification only shown on the plan(s) annexed hereto, the accuracy of such plans has been certified

by or on behalf of the Authorised Person.

“Open Kitchen Unit”	79 Peak Road of the Estate in which Open Kitchen is provided on its Upper Ground Floor.
"Owner" or "Owners"	The person or persons in whom for the time being any Undivided Share is vested and appears from the records at the Land Registry to be the owner of such Undivided Share and every joint tenant or tenants in common of any Undivided Share, and where any Undivided Share has been assigned or charged by way of mortgage or charge, the word "Owner" shall include both mortgagor and registered mortgagee or, as the case may be, chargor and registered chargee but in respect of the mortgagee or chargee only if such mortgagee or chargee is in possession of or has foreclosed such Undivided Share PROVIDED however that subject to the provisions of such mortgage or charge the voting rights attached to such Undivided Share by the provisions of this Deed shall be exercisable only by the mortgagor or chargor unless the mortgagee or chargee is in possession of or has foreclosed such Undivided Share.
"Owners' Committee"	A committee of the Owners of the Estate established under the provisions of this Deed.
"Owners' Corporation"	The corporation of the Owners incorporated under the Building Management Ordinance.
"Public Common Areas and Facilities”	The Green Area and the Green Stippled Black Area (of which until possession of the same is redelivered to the Government) pursuant to the terms and conditions of the Government Lease.
"Recreational Areas and Facilities"	Those recreational areas and facilities in the Estate Common Areas including (but not limited to) swimming pool, gymnasium and other areas and facilities for the common use of the residents of the

Houses as well as their bona fide visitors for recreational purposes and all ancillary equipment, facilities and structures serving such areas.

"Recreational Rules"	The rules governing the use, operation and maintenance of the Recreational Areas and Facilities from time to time in force as provided by this Deed.
"Rules"	The Estate Rules and the Recreational Rules.
"Sewer"	The length of the existing public sewer situate within the Land and indicated by the line marked "C D" on the plan annexed to the Government Lease dated 14th April 1965 in respect of Rural Building Lot No.836.
"Slopes and Retaining Walls"	Such slopes, slopes treatment works, retaining walls and other structures and drainage within or outside the Land and the Estate and the Public Common Areas and Facilities the maintenance of which is the liability of the Owners under the provisions of the Government Lease or this Deed and which Slopes and Retaining Walls existing at the date of this Deed for identification purposes are shown on the Slope Plan (on a scale of not less than 1:500) annexed hereto certified by the Authorised Person as to the inclusion of all such Slopes and Retaining Walls on the Slope Plan and thereon coloured Yellow.
"Undivided Shares"	All or any of the 4,979 equal undivided parts or shares into which the Land and the Estate are notionally divided.
"Visitors' Carparking Space"	A carparking space designated as being for the parking of visitors' motor vehicles provided pursuant to Clause (29)(a)(iv) of the Fourth Schedule to the 1st Modification Letter.
"Works and Installation"	The major works and installations in the Estate (whether forming part of the Estate Common Areas

and Estate Common Facilities or not) requiring regular maintenance on a recurrent basis which include but not limited to the following (if any) :

- (a) structural elements;
- (b) external wall finishes and roofing materials;
- (c) fire safety elements;
- (d) Slope Structures;
- (e) plumbing system;
- (f) drainage system;
- (g) fire services installations and equipment;
- (h) electrical wiring system;
- (i) lift installations;
- (j) gas supply system;
- (k) security surveillance system;
- (l) guard tour system;
- (m) communal aerial broadcast distribution system;
- (n) window installations;
- (o) other major items as from time to time be added or revised.

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

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

SECTION II

RIGHTS AND OBLIGATIONS OF THE OWNERS

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

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

2.3 Each Undivided Share and the full and exclusive right and privilege to hold, use, occupy and enjoy any part of the Estate shall be held by the person or persons from time to time entitled thereto subject to and with the benefit of the easements, rights, rights of way, privileges and obligations herein contained.

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

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

2.6 No right or entitlement to the exclusive use occupation and enjoyment of any part of the Land or the Estate may be sold, assigned, mortgaged, charged, leased or otherwise dealt with separately from the Undivided Share with which the same is held

Provided Always that the provisions of this clause shall not extend to any lease or tenancy.

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

2.8 (1) Preamble

The covenants, rights, liberties, privileges, entitlements, exceptions and reservations in favour of the First Owner under this Clause 2.8 are intended to facilitate and enable the First Owner to do, exercise, carry out, perform and complete all such acts matters deeds and things as may be necessary and/or are pertaining to :

- (a) the construction, development and completion of the Estate;
- (b) any change in design, layout, disposition, height and user of any part of the Estate of which the First Owner shall remain the Owner;
- (c) increasing the development potential of any part of the Land and/or the Estate of which the First Owner shall remain the Owner insofar as such increase shall be permissible and be approved by the Government Provided that such right shall not unreasonably interfere with the Owners' use and enjoyment of their Houses; and
- (d) management and control of those parts of the Estate of which the First Owner shall remain to be the Owner.

2.8 (2) Exceptions and Reservations

Each and every Owner covenants with the First Owner with the intent that the covenants, rights, liberty, privileges, entitlements, exceptions and reservations herein conferred upon the First Owner shall bind each and every Owner and their respective successors and assigns and are intended to run and shall run with the Land and the Estate and the interest therein that for so long as the First Owner remains the registered owner of any Undivided Share (provided that the rights and privileges set forth in sub-clauses (a) to (c) hereof shall only be exercisable by the First Owner for so long as it is the Owner of any Houses in the Estate), and in addition to any other right which it may have reserved under

the assignment to any Owner, the First Owner shall have the right from time to time as it shall deem fit to do all or any of the following acts or deeds and/or to exercise all or any of the following rights, liberty, privileges and entitlements without the necessity of joining in any other Owner, the Manager or any other person interested in the Land and the Estate :-

- (a) The right for the First Owner or any of the Owners (in this context, other than the First Owner) or Occupiers or other persons permitted or authorised by the First Owner to affix, remove, alter, maintain and renew at their own expense (a) chimneys, (b) signs, placards, posters and other advertising structures of whatsoever kind (whether illuminated or not) and (c) masts, conduits, plant, machinery, equipment, aerials, telecommunication transmitters and receivers, satellite dishes, satellite master antenna systems, tuners, broadcast reception, information distribution or communications systems and other fixtures (collectively "the aforesaid items") on the Estate Common Areas subject to the aforesaid items not unreasonably interfering with the other Owners' or Occupiers' use and enjoyment of their own Houses PROVIDED THAT (i) such Owners or Occupiers shall be responsible for repairing all damages made to any part of the Estate resulting from affixing, removing, altering, maintaining and renewing the aforesaid items; (ii) prior written consent of the Manager should have been obtained prior to the commencement of such work; (iii) any fee or monetary benefit arising from the aforesaid right to grant or permit the right as aforesaid shall go into the Capital Reserve Fund; (iv) the First Owner or other Owners or Occupiers or other persons permitted or authorized by the First Owner shall at his own expense make good any damage caused thereby arising from the exercise of this right; and (v) the affixing, removal, alteration, maintenance and renewal of the aforesaid items shall not affect the enjoyment by the Owners and Occupiers of their Houses or the Estate; and (vi) subject to the prior written approval by resolution of Owners at an Owners' meeting convened under this Deed.
- (b) Full power to enter into and upon all parts of the Land and the Estate (other than any part of the Estate that have already been assigned) with contractors, surveyors, workmen and all other necessary authorized persons and all necessary equipment, plant and materials for the purposes of constructing and completing the Estate on the Land or any part thereof in accordance with the Approved Plans and may for such purpose carry out all such works in, under or over the Land as it may from time to time see fit

Provided that nothing herein shall absolve the First Owner from obtaining any Government approval which may be required for the same. The right of the First Owner to enter the Land to carry out such works shall extend equally to all necessary contractors, agents, workers and other persons authorized by the First Owner. The First Owner in pursuance of such work may from time to time issue in writing to the Owners instructions as to the areas or parts of the Land that the Owners, their servants, agents or licensees may or may not use while such works are being carried out Provided that the exercise of such right shall not interfere with an Owner's right to hold, use, occupy and enjoy the part or parts of the Estate which he owns or impede or restrict the access to and from any such part or parts of the Estate and Provided that the First Owner shall at its own expense make good any damage or loss that may be caused by or arise from such construction, demolition or other works or right of entry and shall ensure that such construction works shall cause the least disturbance and be carried out without delay and negligence.

- (c) Subject to the approval of the Owners' Committee or where the Owners' Corporation has been formed, the prior written approval of the Owners' Corporation, the right to change the name of the Estate at any time up to 3 months after the issue of the certificate of compliance in respect of the whole of the Land upon giving not less than 6 months' prior written notice to the Owners and the First Owner shall not be liable to any Owner or other person having an interest in the Estate for any damages, claims, costs or expenses resulting therefrom or in connection therewith.
- (d) The right to change, amend, vary, add to or alter the Approved Plans, master layout plans, carparking layout plans and landscaping proposals (collectively "the Plans") for such part or part(s) of the Land and the Estate owned by the First Owner or any part or parts thereof existing at the date hereof without the concurrence or approval of the Owners or any of the parties hereto PROVIDED THAT (i) such change, amendment, variation, addition or alteration will not unreasonably interfere with the Owners' right to the exclusive use, occupation and enjoyment of their Houses; (ii) the exercise of the right by the First Owner shall not impede or restrict access to or from any Houses that have been assigned and (iii) the prior approval of the Owners' Committee or the Owners' Corporation (if formed) shall be obtained if such change, amendment, variation, addition or alteration affects the Estate Common Areas and the Estate Common Facilities or any part thereof, but nothing herein shall absolve the First

Owner from the requirements of obtaining the prior written consent of the Director of Buildings or other relevant Government authorities pursuant to the Government Lease or other applicable legislation. No such change, amendment, variation, addition or alteration shall give to the Owners or any person having an interest in the Land any right of action against the First Owner.

- (e) Subject to the prior written approval by a resolution of the Owners at an Owners' meeting convened under this Deed, the right to apply, negotiate and agree with the Government to amend, vary, modify or waive the Government Lease or any provisions thereof in such manner as the First Owner may deem fit including but not limited to variations, modifications or waiver of the permitted use of any part or parts of the Estate vested in him without interfering with the use, enjoyment and occupation by the Owners of those Houses which have been assigned by the First Owner And Provided Further That any premium and administrative fee as may be required for the said amendment, variation, modifications or waiver shall be borne by the First Owner absolutely and Provided Further That the exercise of the right shall not in any way whatsoever interfere with an Owner's right to hold, use, occupy and enjoy his House or the Estate Common Areas and the Estate Common Facilities and that the access to or from his House shall not be unreasonably restricted or impeded.
- (f) At all times hereafter but subject to and with the benefit of the Government Lease and this Deed insofar as they relate thereto, the full and unrestricted right without interference by the Owners to assign, mortgage, charge, lease, license, franchise, part with possession of or otherwise deal with the Undivided Shares retained by the First Owner (other than the Common Parts Undivided Shares) and subject to the prior written approval of the Director of Lands to allocate and from time to time to re-allocate the Undivided Shares so retained by the First Owner to any of the Houses retained by him and to assign, mortgage, charge, lease, license or franchise the full and exclusive right and privilege to hold, use, occupy and enjoy any such premises within the Estate PROVIDED THAT such dealings shall not contravene the terms and conditions of the Government Lease. PROVIDED FURTHER THAT the exercise of such right shall not interfere with an Owner's right to hold, use, occupy and enjoy the part of the Estate which he owns.
- (g) Subject to the prior written approval by a resolution of the Owners at an

Owners' meeting convened under this Deed, the right to obtain the grant of any rights, rights of way or easements or quasi-easements (including but not limited to the right to use any roads, passageways, walkways, footpaths, pedestrian bridges, gardens, open spaces, nullahs and culverts, recreational areas and facilities, sewage treatment plants and facilities, refuse collection and disposal areas and facilities, drainage system and gas, water and electricity storage, transformation and supply systems) over any adjoining or neighbouring land or to obtain any similar right by modification of the Government Lease or licence for the benefit of the Land and the Estate on such terms and conditions and from such persons as the First Owner shall deem fit PROVIDED THAT the exercise of such right shall not interfere with an Owner's right to hold, use, occupy and enjoy the part of the Estate which he owns.

- (h) Subject to the prior written approval by a resolution of the Owners at an Owners' meeting convened under this Deed, the right to grant any rights, rights of way or easements or quasi-easements to use any roads, driveways, passageways, walkways, footpaths or pedestrian bridges over any part or parts of the Estate Common Areas and the Estate Common Facilities or to grant any similar rights by licence for the benefit of any adjoining or neighbouring land or any land adjoining or connected to any adjoining or neighbouring land whether by any private or public road or passageway or otherwise whatsoever on such terms and conditions and to such persons as the First Owner shall deem appropriate PROVIDED THAT any receipt from the exercise of such right shall form part of the Capital Reserve Fund AND PROVIDED FURTHER THAT the exercise of such right shall not interfere with an Owner's right to hold, use, occupy and enjoy the part of the Estate which he owns.

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

2.10 Every assignment of any Undivided Shares shall contain an express covenant

by the Purchaser thereof in the following terms : “The Purchaser hereby covenants with the Vendor that the Purchaser acknowledges the rights conferred on Wharf Peak Properties Limited (and its successors and assigns) under Clause 2.8 of Section II of a Deed of Mutual Covenant and Management Agreement dated the 19th day of December 2019 and the Purchaser shall not do or permit anything to be done which will affect the exercise of the said rights by Wharf Peak Properties Limited (and its successors and assigns). The Purchaser hereby appoints Wharf Peak Properties Limited (and its successors and assigns) to be its agent and grants unto Wharf Peak Properties Limited (and its successors and assigns) the full right power and authority to do all acts matters and things and to execute and sign seal and as the act of the Purchaser deliver such deeds and to sign such documents or instruments as may be necessary for the exercise of or incidental to the exercise of the rights conferred on Wharf Peak Properties Limited (and its successors and assigns) as aforesaid with full power of delegation and further agrees to provide that every assignment of the Property by the Purchaser or his nominee or his sub-purchaser shall contain the like authority. This authority is deemed to have been granted jointly and severally by the Purchaser, if the Purchaser consists of more than one person.”

2.11 Upon execution of this Deed, the whole of the Common Parts Undivided Shares comprised therein together with the Estate Common Areas and the Estate Common Facilities which they represent shall be assigned to and vested in the Manager free of costs or consideration. The Manager shall hold the Common Parts Undivided Shares together with the Estate Common Areas and Estate Common Facilities assigned as aforesaid on trust for the benefit of all the Owners for the time being subject to the Government Lease and in particular, Clauses (35)(a)(vi) to (viii) of the Fourth Schedule to the 1st Modification Letter and subject to this Deed. In the event the appointment of the Manager is terminated, or the Manager shall be dismissed, wound up or have a receiving order made against it or is removed, and another manager be appointed in its stead as the new Manager in accordance with this Deed, then the liquidator or the receiver or the outgoing Manager shall assign the Common Parts Undivided Shares together with the Estate Common Areas and the Estate Common Facilities which they represent to the new Manager free of costs or consideration or that if an Owners' Corporation is formed under the Building Management Ordinance, it may require the Manager to assign the same and transfer the management responsibilities to it free of costs or consideration, in which event, the Owners' Corporation must hold them on trust for the benefit of all the Owners for the time being PROVIDED ALWAYS THAT nothing herein contained shall in any way fetter or diminish the rights and powers of the Manager contained in this Deed.

2.12 No Owner including the First Owner shall have the right to convert the Estate

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

SECTION III

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

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

- (a) full right and liberty for each Owner of a House, his tenants, servants, agents and licensees (in common with all persons having the like right and subject to the rights of the general public in respect of the Public Common Areas and Facilities) to go pass and repass over and along and use the Estate Common Areas and the Estate Common Facilities for all purposes connected with the proper use and enjoyment of his House;
- (b) the right to subjacent and lateral support from other parts of the Estate and the right to subjacent and lateral support from the foundations and all other parts of the Estate; and
- (c) the free and uninterrupted passage and running of water, sewage, gas, electricity, telephone and all other services from and to the House owned by the Owner through the sewers, drains, watercourses, cables, pipes and wires which now are or may at any time hereafter be in, under or passing through the Land and the Estate for the proper use and enjoyment of the House owned by the Owner.

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

SECTION IV

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

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

- (a) The Manager shall have full right and privilege at all reasonable times on reasonable notice (except in the case of emergency) with or without agents, surveyors, workmen and others to gain access to and enter into and upon the House or any part or parts thereof for the purposes of inspecting, examining, maintaining, repairing and improving any of the Estate Common Areas or to which access is gained via such House within the Estate or any part or parts thereof or any of the common facilities therein or any other apparatus and equipment used or installed for the benefit of the Estate or any part or parts thereof as part of the amenities thereof which are not for the sole use and enjoyment of any individual Owner or to abate any hazard or nuisance which does or may affect the Estate Common Areas and the Estate Common Facilities provided that the Manager shall ensure that the least disturbance as is reasonably practicable is caused and shall be liable for and shall at his own expense make good any damage caused by the negligent, wilful or criminal acts of the Manager or the Manager's staff, employees, agents or contractors to the relevant House(s) and reinstate the same causing the least disturbance as is reasonably practicable.
- (b) Easements, rights and privileges over, along and through each House equivalent to those set forth in paragraphs (b) and (c) of Clause 3.1.1.
- (c) The full rights and privileges of the Director of Lands and his officers, contractors and any other persons authorised by him, of ingress, egress and regress to, from and through the Land for the purpose of carrying out of any works under the Government Lease and for the inspecting, checking and supervising such works.

4.1.2 Subject always to the provisions of this Deed, the Manager shall have full right and authority to manage all of the Estate Common Areas and the Estate Common

Facilities in accordance with the provisions of this Deed, subject to the provisions of the Building Management Ordinance. Should there be any damage to any of the Estate Common Areas or the Estate Common Facilities or structures caused by the negligent or wilful acts or omission of any Owner or his licensees, agents or servants, the Manager shall be entitled to require such Owner to remedy the damage or to procure such remedy at the expense of such Owner.

SECTION V

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

5.1.1 Each Owner shall notify the Manager in writing of any change of ownership within one month from the date of the assignment in respect thereof. The previous Owner shall remain liable for all Management Expenses (including Manager's Remuneration) and all payments made up to the date of completion of sale and purchase.

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

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

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

5.1.5 No Owner shall permit or suffer to be done any act or thing in contravention of the terms and conditions in the Government Lease.

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

5.1.7 Each Owner shall be responsible for and shall indemnify all other Owners and

Occupiers and the Manager against all actions, proceedings, claims and demands whatsoever arising out of or in respect of any loss or damage to any person or property caused by or as the result of the act or default or negligence or omission of such Owner or any Occupier of any part of the Estate owned by him or any person using such part of the Estate with his consent expressed or implied or by or through or in any way owing to the overflow of water or spread of fire therefrom.

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

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

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

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

5.1.12 Each Owner shall maintain in good repair and condition that part of the Estate owned by him in such manner so as to avoid any loss, damage, nuisance or annoyance to the Owners or Occupiers of any other part or parts of the Estate.

5.1.13 No Owner shall use or permit or suffer the part of the Estate owned by him to be used for any illegal or immoral purpose nor shall he do cause or permit or suffer to be

done any act or thing which may be or become a nuisance or annoyance to or cause damage or inconvenience to the Government or to other Owners and Occupiers for the time being of Houses in the Estate the neighbouring lot or lots or premises.

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

5.1.15 Each Owner shall keep and maintain the tree planter or planter box within his House fully planted at all times to the satisfaction of the Manager and in accordance with Government Lease.

5.1.16 The refuse storage and material recovery chamber of the Estate shall be used only by such Owners and in such manner as prescribed by the Manager and subject to the Rules governing the same.

5.1.17 No Owner shall alter, repair, connect to or in any other way interfere with or affect the Estate Common Areas or the Estate Common Facilities without the previous written consent of the Manager.

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

5.1.19 Each Owner (including the First Owner) and the Manager covenant with each other that they shall at all times observe and perform the Estate Rules and all the covenants, conditions and provisions of this Deed and comply with the terms of the Government Lease.

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

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

impaired.

5.1.22 No Owner shall:-

- (i) make any structural or other alterations to any part of the Estate which may damage or interfere with the use and enjoyment of any other part thereof;
- (ii) do or permit to be done any act or thing which may or will alter the external appearance of the Estate without the prior consent in writing of the Manager and any Government authorities if required save and except the First Owner as provided in Clause 2.8(2)(a) hereof;
- (iii) do or permit or suffer to be done by his tenants, Occupiers or licensees any act or thing which may interfere with or affect the construction of any part of the Estate at any time in the course of construction or the maintenance of the Estate;
- (iv) make any alteration to any installation or fixtures so as to affect or be likely to affect the supply of water, electricity or gas or other services to or in the Land and the Estate; or
- (v) cut or damage any of the structural walls, beams, columns, ceilings, roofs, floors or any structural part of the Estate or do anything whereby the structural strength of any part of the Estate may be affected.

5.1.23 Subject to the provisions of Clauses 5.1.43, no Owner shall use the Estate or any part thereof for any purpose which is in contravention of the terms and conditions contained in the Government Lease or the Occupation Permit or any applicable Regulations or any Ordinances, or store any hazardous, dangerous or unlawful goods or combustible or explosive substances or any "dangerous" or "prohibited" goods within the meaning of the Dangerous Goods Ordinance (Cap.295) of the Laws of the Hong Kong Special Administrative Region.

5.1.24 Subject to Clause 5.1.29, no air-conditioning units or plants or any other fixture shall be installed through the windows or external walls of the Estate without the prior written consent of the Manager to any such installations and all conditions of such consent (if any) have been complied with and all possible measures shall be taken to prevent excessive noise, condensation or dripping onto any part of the Estate. Every Owner shall at his own costs and expenses keep and maintain the air-conditioning or other units or plants (if any) serving exclusively his part of the Estate in good repair and

condition.

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

5.1.26 No part of the Estate Common Areas shall be obstructed or incumbered nor shall any refuse or other matter or things be placed or left thereon nor shall any part thereof be used for any business or private purpose and no Owner shall do or suffer or permit to be done anything therein as may be or become a nuisance or cause annoyance to any other Owners or Occupiers of the Estate.

5.1.27 No Owner (subject to the rights of the First Owner and such other authorised Owners or persons as provided in Clause 2.8(2)(a) of this Deed) shall erect any private aerial on the exterior of any part of the Estate but may connect to any communal aerial and radio system installed in the Estate with the permission of the Manager and in accordance with the Rules relating to the same.

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

5.1.29 No Owner (subject to the rights of the First Owner and such other authorised Owners or persons as provided in Clause 2.8(2)(a) of this Deed) shall, without the prior written consent of the Manager and the conditions of such consent having been complied with, install, or affix any air-conditioning units or plants or other articles to any part of the Estate (with the exception of window-type or split-type air-conditioning units in the space (if any) specifically provided for such purpose) or affix any frames, iron cage, flower rack or any other structures whether made of wood, metal, cement or any other materials to, upon or along the exterior walls of or outside his House or in the Estate Common Areas or any part thereof.

5.1.30 No Owner shall enclose or permit or suffer to be enclosed any window or the Non-enclosed Areas of his House and, subject to the rights of the First Owner as provided in Clause 2.8(2)(a) of this Deed, no Owner shall do or suffer to be done anything that may change, alter or damage the outlook of any part of the Estate including erecting any structure thereto.

5.1.31 Subject to the rights of the First Owner as provided in Clause 2.8(2)(a) of this Deed, no Owner shall do or cause or permit to be done without the prior consent in writing of the Manager any of the following :-

- (i) repaint, re-decorate or alter the appearance or material of the facade or exterior of any House or any part thereof; or
- (ii) erect or display any flags and flagpoles racks for flower pots canopies of any kind along the exterior wall areas of any part of the Estate.

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

5.1.33 No Owner or Occupier shall use or permit to be used any House for industrial or godown purposes or the purpose of a funeral parlour, coffin shop, temple or Buddhist hall for the performance of the ceremony known as "Ta Chai" (打齋) or for any similar ceremony, or as an inn, hotel, guest house, boarding house, lodging house or for any illegal or immoral purpose or metal beater's shop or for any offensive trade or business or for any use that will be in contravention of the Government Lease.

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

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

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

5.1.37 The Recreational Areas and Facilities shall only be used and enjoyed for recreational purposes by the residents of the Estate as well as their bona fide guests or visitors or invitees and subject to the Estate Rules and the Recreational Rules.

5.1.38 Subject to Clause 6.2.1(41) of this Deed, the Owners shall at their own expense maintain and carry out all works in respect of the Slopes and Retaining Walls within or outside the Land or the Estate as required by the Government Lease in accordance with the "Geoguide 5-Guide to Slope Maintenance" issued by the Geotechnical Engineering Office (as amended from time to time) and the Maintenance Manual.

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

5.1.40 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 part of the Estate, any metal grille or shutter or gate which shall in any way contravene the regulations of the Fire Services Department or other competent authority concerned from time to time in force and/or which may in any way impede the free and uninterrupted passage over, through and along any of the Estate Common Areas or the Estate Common Facilities.

5.1.41 The Owners shall not permit or suffer any hawker to carry on business within the Estate and shall remove therefrom any hawker found to be so doing.

5.1.42 All Houses shall be used for private residential purposes only and in particular shall not be used as an apartment house, service apartments or for any form of commercial letting or occupancy in bed spaces or cubicles or as an office, store, factory, shop or for any other commercial use or for the conduct of any trade, profession or business whatsoever.

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

5.1.44 The Owner of the Non-enclosed Areas shall keep the Non-enclosed Areas in good and substantial repair and condition and shall use the same in all respects in compliance with the Occupation Permit, the Buildings Ordinance and other Ordinances, bye-laws and regulations.

5.1.45 The Owner of the Non-enclosed Areas shall not cause, permit, suffer or allow

the Non-enclosed Areas and the covered areas beneath the Non-enclosed Areas to be enclosed above safe parapet height other than as under the Approved Plans by any material of whatsoever kind or nature, it being the obligation of such Owner to keep and maintain the Non-enclosed Areas in the design and layout as drawn under the Approved Plans.

5.1.46 The Non-enclosed Areas shall only be used as balconies in relation to or in connection with the use and enjoyment of the House for which they are provided.

5.1.47 In the event of the covenants contained in this Clause being in breach, the Manager without prejudice to the right of the other Owners, shall have the right to demand the defaulting Owner to rectify the breach forthwith and if necessary to reinstate the Non-enclosed Areas to their original state under the Approved Plans and if the defaulting Owner shall fail to comply with the Manager's demand, the Manager shall have the rights to take such steps as it may in its absolute discretion consider necessary to secure compliance with the aforesaid covenants including but not limited to the right to enter upon the House concerned (including the Non-enclosed Areas provided therein) and remove any fences, awning, grilles or any structures or things which are installed, exhibited, affixed, erected or attached to the Non-enclosed Areas or the House which are in breach of the aforesaid covenants. The defaulting Owner shall pay to the Manager all costs incurred by the Manager for and in relation to the steps taken by the Manager for the aforesaid purpose.

5.1.48 Owners who have a common wall adjoining their respective Houses or a wall dividing the land upon which the Houses are constructed, shall each have the right to the use of the interior surface of the wall on his side. No Owner shall use any portion of the wall so as to interfere with the use and enjoyment of the other Owner. No Owner shall erect any fence or any structure or protrusion (such as spikes or wire) on top of the wall without the written consent of the other and the written consent of the Manager. No Owner shall put structures of any kind so near to the wall as to cause any damage or disturbance or nuisance to the wall. If the wall or any portion thereof, except the interior surface of one side, is damaged or injured from any cause, other than the act of negligence of either party, it shall be repaired or rebuilt at their joint cost and expense. No Owner shall make any alteration or addition to the exterior of the wall without the prior consent in writing of the Manager.

5.1.49 Each Owner shall maintain his House (both interior and exterior condition), garden areas, including swimming pool and/or Jacuzzi (if any) and all other areas the exclusive possession of which he is entitled in good repair and condition and in such manner so as to avoid any loss, damage, nuisance or annoyance to any other Owners or

their occupiers.

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

5.1.51 Without prejudice to the generality of the preceding Clause 5.1.50, each Owner covenants without having obtained the Manager's approval:-

- (a) not to make any alterations or additions to façade of their Houses;
- (b) not to put any canvas or awnings onto any roof decks of their Houses other than those the colour and design of which have been approved by the Manager;
- (c) not to alter any structures or the positions of any external walls;
- (d) not to :-
 - (i) install any metal grille;
 - (ii) build up or alter any parapet masonry walls and glass balustrade;
 - (iii) add trellises on the roof decks;
 - (iv) install exterior lighting of any kind;
 - (v) alter the fence wall; or
 - (vi) alter the swimming pool/Jacuzzi

other than those the designs and types of which have been approved by the Manager;

- (e) not to enlarge or alter the colour and type and material of the external walls and/or windows and/or the doors and/or gates of their Houses without prior consent in writing of the Manager;
- (f) not to position any antennas on the roof tops of their Houses other than in the position approved by the Manager;

- (g) not to install any canvas or other type of umbrellas other than those the colours or types of which have been approved by the Manager.

5.1.52 Each Owner shall keep and maintain the trees within the boundaries of his House in good condition in accordance with Clause (5) of the Second Schedule to the Modification Letter and shall maintain and landscape the garden within his House in accordance with the Government Lease and to the satisfaction of the Manager and shall not remove or alter any tree planter or planter box in the garden.

5.1.53 The Owner of 79 Peak Road shall keep the void area above the entrance foyer within his House (which void area is coloured violet on the plan annexed hereto) as void area and shall be responsible for the control management and maintenance of such void area.

5.1.54 The Owners shall at their own expense manage repair and maintain the Sewer, and in the event such Sewer is diverted with the prior written consent of the Director of Lands in accordance with the 2nd Modification Letter, the Diverted Public Sewer instead, to the satisfaction of the Director of Lands and shall at the Owners' expense register in the Land Registry against the Land a record plan accepted by the Director of Lands indicating the alignment and dimensions of the Diverted Public Sewer.

5.1.55 The following provisions are applicable to the Open Kitchen Unit :

- (a) The Owner of the Open Kitchen Unit shall observe and comply with the following provisions :
 - (i) The Owner of the Open Kitchen Unit shall at his own expense maintain in good order and working condition the Fire Services Installations for Open Kitchen Unit of his own Open Kitchen Unit and shall observe and comply with the Fire Safety Management Plan and any guideline or direction to be issued or given by the Manager from time to time relating to the implementation of the Fire Safety Management Plan and shall cause his tenants and Occupiers of his Open Kitchen Unit to observe and comply with the same.
 - (ii) No Owner of the Open Kitchen Unit shall demolish, remove or obstruct the Fire Services Installations for Open Kitchen Unit of his own Open Kitchen Unit.

- (iii) No Owner of the Open Kitchen Unit shall carry out any renovation works to the Fire Services Installations for Open Kitchen Unit or any part thereof of his own Open Kitchen Unit except with prior approval of the relevant authorities and the Manager and such renovation works shall comply with the Fire Safety Management Plan in all respects and shall only be carried out by registered fire services installation contractors engaged or nominated by the Manager.
 - (iv) The Owner of the Open Kitchen Unit shall co-operate, co-ordinate with, facilitate and allow access for the Manager and the registered fire services installation contractors engaged or nominated by the Manager for the purpose of examining, inspecting and (if necessary) making good and rectifying the Fire Services Installations for Open Kitchen Unit of his own Open Kitchen Unit.
 - (v) No Owner of the Open Kitchen Unit shall remove or obstruct the sounder base type addressable smoke detector(s), sprinkler head(s) provided for the entire open kitchen area of his own Open Kitchen Unit, full height wall having an FRR of not less than - / 30 / 30 adjacent to the open kitchen and the flat exit door of his own Open Kitchen Unit.
 - (vi) No Owner of the Open Kitchen Unit shall relocate the flame cooking stove in his own Open Kitchen Unit.
- (b) Notwithstanding anything herein contained to the contrary, the Manager and the registered fire services installation contractors engaged by the Manager shall have the full authority and power (but without having any obligation) to enter with or without workmen equipment or materials at all reasonable times on reasonable notice (except in an emergency when no notice is required) the Open Kitchen Unit to carry out annual checking and regular testing, maintenance, reinstatement or rectification of the Fire Services Installations for Open Kitchen Unit (all at the cost of the Owner of that Open Kitchen Unit) or to verify observance and compliance of provisions referred to in this Clause 5.1.55. The costs and expenses so incurred by the Manager or the registered fire services installation contractor(s) shall be borne and paid by the relevant Owner on demand.

SECTION VI
MANAGEMENT OF THE ESTATE

A. Appointment of Manager

- 6.1.1 (1) Subject to the provisions of the Building Management Ordinance, Harriman Property Management Limited (夏利文物業管理有限公司) shall be appointed as the Manager for all the Owners to undertake the management, operation, servicing, renovation, improvement and security of the Land and the Estate initially for a term of two (2) years commencing from the date of this Deed and such appointment shall continue thereafter until and unless (i) termination by the Manager upon giving to the Owners' Committee not less than three (3) months' notice in writing to terminate the appointment and where there is no Owners' Committee, by giving such a notice to each of the Owners and by displaying such a notice in a prominent place in the Estate (such notice may be given by delivering it personally to the Owner or sent by post to the Owner at his last known address or left at his Unit or deposited in the letter box for his Unit), or (ii) prior to the Owners' Corporation being formed, the Owners' Committee may at any time (whether before or after the expiry of the said initial term) as referred to in subparagraph (6) hereof give three (3) months' notice in writing to the Manager to terminate its service without compensation by a resolution passed by a majority of votes of the Owners voting either personally or by proxy at a general meeting convened for that purpose and supported by the Owners of not less than 50% of the total number of the Undivided Shares in aggregate (excluding those allocated to the Estate Common Areas and the Estate Common Facilities).
- (2) Subject to Clause 6.1.1(4) hereof, where an Owners' Corporation has been formed, at a general meeting convened for the purpose, the Owners' Corporation may, by a resolution of the Owners passed by a majority of the votes of the Owners voting either personally or by proxy and supported by the Owners of not less than 50% of the Undivided Shares in aggregate (excluding those Undivided Shares allocated to the Estate Common Areas and the Estate Common Facilities) terminate by notice the appointment of the Manager appointed under in this Deed (hereinafter referred to in this Clause 6.1.1(2) as "DMC Manager") without compensation. Such resolution shall have effect only if (i) such notice of termination is in writing; (ii) provision is made in the resolution for a period of not less than three (3) months' notice, or in lieu of notice, provision is made for an agreement to be made with the DMC Manager for the payment to it of a sum equal to the amount of remuneration which

would have accrued to it during that period; (iii) such notice is accompanied by a copy of the resolution terminating the DMC Manager's appointment; and (iv) such notice and the copy of the resolution are given to the DMC Manager within fourteen (14) days after the date of the meeting. Such notice and the copy of the resolution may be given by delivering them personally to the DMC Manager; or by sending them by post to the DMC Manager at its last known address. If a contract for the appointment of a manager other than the DMC Manager contains no provision for the termination of the Manager's appointment, Clauses 6.1.1(2) and 6.1.1(4) hereof shall apply to the termination of the Manager's appointment as they apply to the termination of the DMC Manager's appointment. This Clause 6.1.1(2) operates without prejudice to any other power there may be in a contract for the appointment of the Manager other than the DMC Manager to terminate the appointment of the Manager.

- (3) The appointment of the Manager shall be terminated forthwith whether before or after the expiry of the said initial term if the Manager shall go into liquidation (except for the purpose of a solvent amalgamation or reconstruction).
- (4) For the purposes of this Clause 6.1.1, only the Owners of Undivided Shares who pay or who are liable to pay the Management Expenses relating to those Undivided Shares shall be entitled to vote and the reference to "the Owners of not less than 50% of the total number of the Undivided Shares in aggregate" shall be construed as a reference to the Owners of not less than 50% of the Undivided Shares in aggregate who are entitled to vote.
- (5) If a notice to terminate a Manager's appointment is given under this Clause 6.1.1 :-
 - (i) no appointment of a new manager shall take effect unless the appointment is approved by a resolution of the Owners' Committee (if any); and
 - (ii) if no such appointment is approved under Clause 6.1.1(5)(i) hereof by the time the notice expires, the Owners' Corporation may appoint another Manager and, if it does so, the Owners' Corporation shall have exclusive power to appoint any subsequent Manager.
- (6) Without limiting the generality of Clause 6.9.1 hereof, no provision of this Deed shall limit the application of Schedule 7 to the Building Management

Ordinance by restricting or prohibiting the termination of the Manager's appointment during the initial period of two (2) years of his appointment. Upon termination of the appointment of the Manager, the Owners' Committee shall establish, employ or appoint such or such type of estate management company or agency to carry out the management and maintenance of the Estate in accordance with the provisions of this Deed.

- (7) If any person has given an undertaking in writing to, or has entered into an agreement with, the Government to manage or be responsible for the management of the Estate, and the Owners' Corporation has appointed a manager under Clause 6.1.1(5)(ii) hereof, the Owners' Corporation shall be deemed to have given to that person an instrument of indemnity under which the Owners' Corporation shall be liable to indemnify that person in respect of any act or omission by the Manager appointed under Clause 6.1.1(5)(ii) hereof that may otherwise render that person liable for a breach of that undertaking or agreement.
- (8) This Clause 6.1.1 is subject to any notice relating to the Estate that may be published by the Secretary for Home Affairs under Section 34E(4) of the Building Management Ordinance but does not apply to any single manager referred to in that Section.

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

(2) Subject to subparagraph (3)(c), if the Manager's appointment ends for any reason, he shall, as soon as practicable after his appointment ends, and in any event within 14 days of the date his appointment ends, deliver to the Owners' Committee (if any) or the manager appointed in his place any movable property in respect of the control, management and administration of the Estate that is under his control or in his custody or possession, and that belongs to the Owners' Corporation (if any) or the Owners.

(3) The outgoing Manager shall within two (2) months of the date of his

appointment ends : -

- (a) prepare (aa) an income and expenditure account for the period beginning with the commencement of the financial year in which the Manager's appointment ends and ending on the date the Manager's appointment ends; and (bb) a balance sheet as at the date the Manager's appointment ends, and shall arrange for that account and balance sheet to be audited by an accountant or by some other independent auditor specified in the resolution of the Owners' Committee (if any) or in the absence of any such specification, by such accountant or other independent auditor as may be chosen by the Manager;
- (b) deliver to the Owners' Committee (if any) or the Manager appointed in his place any books or records of account, papers, plans, documents and other records which are required for the purposes of sub-clause (3)(a) and have not been delivered under sub-clause (2); and
- (c) subject to Clause 6.8.1 hereof, assign the General Common Parts Undivided Shares together with the General Common Areas and the General Common Facilities free of costs or consideration to the new Manager in the manner and for the purpose mentioned in Clause 2.12.

(4) Notwithstanding anything hereinbefore contained, it is hereby declared and agreed that at no time shall the Land and the Estate be without a responsible duly appointed manager to manage the Estate or any part(s) thereof after the date of this Deed.

B. Powers and Duties of Manager

6.2.1 During the term of its appointment as the Manager, the Manager shall, subject to the provisions of the Building Management Ordinance and subject also to Clauses 6.1.1 and 6.1.2, manage the Land and the Estate in a proper manner and in accordance with the provisions of this Deed and each Owner hereby appoints the Manager as agent for all Owners in respect of any matters concerning the Estate Common Areas and the Estate Common Facilities duly authorized in accordance with the provisions of this Deed with full power to enforce the provisions of this Deed against the other Owners. Subject to the provisions of the Building Management Ordinance, the Manager shall be responsible for and shall have full authority to do all such acts and things as may be necessary or expedient for the proper management of the Estate in accordance with the provisions of this Deed Provided that the Manager shall not effect any improvements to facilities or services which involves expenditure in excess of 10% of the current annual management budget except with the prior approval by resolution of the Owners passed at an Owners' meeting

convened under this Deed. Without in any way limiting the generality of the foregoing the Manager shall have the following duties :-

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

article or thing causing the obstruction.

- (10) To keep away and prevent hawkers from carrying on business within the Land and the Estate and to remove the hawker found to be so doing and to post up notices prominently of any kind as the Manager deems fit at any part of the Estate Common Areas to the effect that hawker is prohibited on the Land.
- (11) To keep all the common sewers, drains, watercourses and pipes free and clear from obstruction.
- (12) To keep the Estate Common Facilities in good condition and working order.
- (13) To keep all plant, machinery and equipment including but without limiting the generality of the foregoing, all lighting equipment, air-conditioning system, ventilation system (if any), water systems, public address systems (if any), fire fighting equipment, sprinkler systems, lifts, lift shafts and maintenance unit in good condition 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.
- (14) To prevent so far as is possible any refuse or other matter being deposited, washed, eroded or falling from the Estate into any part of the public highway, sewers, drains, nullahs or other Government property and to remove any such matter therefrom and to ensure that no damage is done to any drains, waterways, watercourses, footpaths, sewers, nullahs, pipes, cables, wires, utility services or other works being in, under, over or adjacent to the Land or any part or parts thereof by reason of any maintenance or other works carried out by the Manager as herein provided and to make good any such damage.
- (15) To remove any structure, installation, bills, notices, placard, posters, advertisement, flag, banner, poles, cages, signboard, sunshade, bracket, fitting or other things in or on the Estate which have been erected in contravention of the terms of the Government Lease or this Deed or the Buildings Ordinance or regulations of Fire Services Department and/or without the written permission of the Manager (or if such permission has been given upon the expiration or withdrawal of the same) and to demand and recover from the person by whom such structure or other thing as aforesaid was erected or installed the cost of such removal and the making good of any damages thereby caused.
- (16) To maintain fire fighting equipment and fire alarms and fire shutters and other

fire services installations (if required by Government) to the satisfaction of the Director of Fire Services and so far as may be possible, to maintain the Estate safe from fire hazards at all times.

- (17) To provide security force, watchmen, porters and caretakers and such other staff as shall be determined by the Manager in its reasonable discretion and to provide and maintain security installations and to maintain security in the Estate at all times.
- (18) To maintain and operate or contract for the installation, maintenance and operation of the wireless and/or television aerials, antennae, transmitters, receivers, tuners, and satellite dishes and such other devices as the Manager shall see fit for serving the Estate or any part thereof, including but not limited to the provision of internet, telecommunication service or otherwise PROVIDED THAT:
- (i) the term of the Contract will not exceed three (3) years;
 - (ii) the right to be granted under the Contract must be non-exclusive and must provide for sharing the use of the facilities and network with other service providers; and
 - (iii) no Owner is required to make any payment in any form attributable to the installation or provision of the facilities and services, unless the Owner is a subscriber to the relevant service.
- (19) To manage, control and maintain within the Estate the parking of cars, motor-cycles and other vehicles, the flow of vehicular traffic, the use of roads, ramps and passage and the Parking Spaces.
- (20) To provide such Chinese New Year, Christmas and other festival decorations for the Estate as the Manager shall in his reasonable discretion consider desirable.
- (21) To do all things the Manager shall in consultation with the Owners' Committee deem necessary or desirable for the purposes of maintaining and improving all facilities and services in or on the Estate for the better enjoyment or use of the Estate by its Owners, Occupiers and their licensees Provided that the Manager shall obtain the approval by resolution of the Owners passed at an Owners' meeting convened under this Deed prior to carrying out any improvement

works to the Estate or any part thereof involving sum in excess of 10% of the current annual management budget.

- (22) To appoint solicitors with authority to accept service on behalf of all the Owners of all legal proceedings relating to the Land and the Estate (except proceedings relating to the rights or obligations of individual Owners) or any part thereof and, in particular but without limiting the foregoing, in all proceedings in which the Government shall be a party and at all times within seven (7) days of being requested so to do by the Director of Lands or other competent officer, to appoint a solicitor who shall undertake to accept service on behalf of all such Owners for the purpose of Order 10 Rule 1 of the Rules of the High Court (or any provision amending or in substitution for the same).
- (23) To prevent any person other than any Owners, tenants, Occupiers of any part of the Estate or their bona fide guests, visitors or invitees from occupying or using any part of the Estate otherwise than in accordance with the Government Lease or the provisions of this Deed.
- (24) To take all steps necessary or expedient for complying with the Government Lease and any statutory or Government requirements concerning or relating to the Estate for which no Owner, tenant or Occupier of any part of the Estate is solely and directly responsible.
- (25) To take all precautions to prevent and to take reasonable action to remedy including reporting to any Government Authority for any breach by any Owner or other person residing in or visiting the Estate of any provisions of the Government Lease or the Buildings Ordinance or regulations of Fire Services Department or this Deed.
- (26) To prevent any person from detrimentally altering or injuring any part of the Estate or any of the Estate Common Areas or the Estate Common Facilities.
- (27) To demand, collect and receive all amounts payable by the Owners under the provisions of this Deed.
- (28) To pay and discharge out of all moneys so collected all outgoings relating to the management of the Estate reasonably and necessarily incurred by the Manager hereunder.
- (29) Unless otherwise directed by the Owners' Corporation, to insure and keep

insured the Estate Common Areas and the Estate Common Facilities to the full new reinstatement value and in particular against loss or damage by fire and such other risks or perils as the Manager shall deem fit and in respect of public and occupiers' liability insurance and liability as employer of employees of the Manager employed within or exclusively in connection with the management of the Land and the Estate with some reputable insurance company or companies in the name of the Manager for and on behalf of itself as Manager and the Owners according to their respective interests and in such sum or sums as the Manager shall deem fit and to pay all premia required to keep such insurance policies in force.

- (30) Unless otherwise directed by the Owners' Corporation to procure block insurance for the Estate as a whole including those areas which are not the Estate Common Areas or the Estate Common Facilities against loss and damage by such risks and in such amount as the Manager in its absolute discretion shall deem fit.
- (31) To keep proper accounts of all income received and expenditure incurred by and of all payments made to the Manager in respect of carrying out its duties hereunder as herein provided and to prepare summaries of income and expenditure at least every three (3) months and publish the same in the management office within the Land and the Estate for a reasonable time.
- (32) To represent the Owners in all matters and dealings with Government or any statutory body, any utility or other competent authority or any other person whomsoever in any way touching or concerning the management of the Estate.
- (33) Subject to sub-clauses (22) and (32) above, to commence, conduct, carry on and defend legal and other proceedings touching or concerning the management of the Land and the Estate in the name of the Manager.
- (34) To enforce the due observance and performance by the Owners or any person occupying any part of the Estate of the terms and conditions of this Deed, and to take action including the commencement and conduct and defence of legal proceedings to enforce the due observance and performance thereof and/or to recover damages for any breach non-observance or non-performance thereof and the registration and enforcement of charges as hereinafter mentioned.
- (35) Subject to the provisions of Clause 6.2.2, to make, revoke or amend the Rules in respect of the Estate and the Recreational Rules as hereinafter provided

which shall not be inconsistent with this Deed.

- (36) To post (if deemed necessary by the Manager) the House of any Owner in default or in breach of the terms and conditions of this Deed as aforesaid together with particulars of the default or breach on the notice boards and/or other prominent spaces within the Estate.
- (37) To recruit, dismiss and employ such staff as may from time to time be necessary to enable the Manager to perform its powers and duties provided in this Deed on such terms as the Manager shall in its reasonable discretion decide and to provide accommodation within the Estate, uniforms, working clothes, tools, appliances, cleaning and other materials and all equipment necessary therefor.
- (38) To deal with all enquiries, complaints, reports and correspondence relating to the Estate.
- (39) To provide and maintain in respect of the Estate promotions, advertising, public relations and general publicity as deemed necessary by the Manager.
- (40) To act as agent for and on behalf of all Owners in respect of all matters concerning the Estate Common Areas or the Estate Common Facilities duly authorised in accordance with the provisions of this Deed and the Manager is hereby authorised to act as such agent.
- (41) To engage with full authority suitable qualified personnel to inspect keep and maintain in good substantial repair and condition and carry out any necessary works in respect of the Slopes and Retaining Walls in compliance with the Government Lease and in accordance with the "Geoguide 5-Guide to Slope Maintenance" issued by the Geotechnical Engineering Office (as amended from time to time) and the Maintenance Manual and all other guidelines issued from time to time by the appropriate Government department regarding the maintenance of slopes, retaining walls and related structures, and to collect from the Owners all costs lawfully incurred or to be incurred by the Manager in carrying out the necessary maintenance, repair and other works provided that the Manager shall not be made personally liable for carrying out any such requirements of the Government Lease which shall remain the responsibility of the Owners if, having used all reasonable endeavours, the Manager has not been able to collect the costs of the required works from all Owners. For the purpose of this sub-clause (41), the definition of the Manager shall include any management committee or the Owners' Corporation.

- (42) To manage, regulate, control and maintain within the Estate parking and loading and unloading of goods and the flow of vehicular traffic and to charge such fees as the Manager shall reasonably deem fit from the users of the Visitors' Carparking Space Provided that all such fees shall be credited to the General Fund.
- (43) To remove any vehicle parked on the Estate Common Areas not so designated for parking or which shall cause an obstruction and any damage caused to such vehicles during or as a consequence of such removal shall be the sole responsibility of the Owners thereof.
- (44) Subject to the prior approval of the Director of Lands thereto as may be required under the Government Lease, to repair and maintain any drains and channels and drainage system whether within or outside the Land serving the Estate which are required to be maintained pursuant to the Government Lease.
- (45) To enter into contracts and to engage, employ, remunerate and dismiss solicitors, architects, accountants and other professional advisers and consultants, contractors, workmen, servants, agents, watchmen, caretakers and other building staff and attendants Provided That where any major contract involves sums in excess of (i) HK\$200,000.00 or such other sum in substitution therefor as the Secretary for Home Affairs may specify by notice in the Gazette, or (ii) an average annual expenditure of more than 20% of the budget or revised budget, as the case may be, for that financial year or such other amount as the Secretary for Home Affairs may specify by notice in the Gazette, whichever is the lesser, such major contract shall be awarded in accordance with the provisions in Clause 6.2.5 hereof.
- (46) To prohibit the keeping of and to take such action as the Manager shall deem fit for the purpose of removing any live poultry, pets, birds or other animals from any part of the Estate if the same has been the cause of reasonable written complaint by at least two Owners or Occupiers of any part of the Estate.
- (47) To delegate or subcontract the management, maintenance, operation and control of the Estate Common Areas and Estate Common Facilities or any part or parts thereof to such agents or contractors on such terms and conditions as the Manager shall in its discretion think fit Provided that the Manager shall not transfer or assign its duties or obligations under this Deed to such agents or contractors, and such agents or contractors must remain answerable to the

Manager and the Manager shall at all times be responsible for the management and control of the whole of the Estate(including any part thereof) and, notwithstanding anything contained in this Deed to the contrary, no provision of this Deed shall operate to take away or reduce, or shall be construed to have the effect of taking away or reducing, such responsibility.

- (48) To operate shuttle bus services (if deemed necessary by the Manager) for the use and benefit of the Owners and residents for the time being of the Estate whether on its own or together with the manager and/or owners of other neighbouring premises and during such times and at such intervals and to such destinations as the Manager may think appropriate and to charge the users of the shuttle bus services such fares as the Manager may think reasonable provided that any fares received by the Manager as aforesaid shall be credited to the General Fund for the benefit of the Owners and to terminate and/or suspend such shuttle bus services at any time or times as the Manager may think fit.
- (49) To grant such easements, quasi-easements, rights, privileges, licences and informal arrangements in respect of the Estate Common Areas and the Estate Common Facilities as it shall in its discretion consider necessary to ensure the efficient management or for the benefit of the Estate subject to the approval of the Owners' Committee (if formed) or where the Owners' Corporation has been formed, the prior written approval of the Owners' Corporation provided that any fee or monetary benefit arising therefrom or any consideration received therefor shall be credited to the appropriate Capital Reserve Fund for the benefit of the Owners.
- (50) To grant rights of way or access or use at any level to the owners or occupiers of any other premises adjoining the Land or to such person and persons and upon such terms and conditions as the Manager may think fit in respect of the Estate Common Areas and the Estate Common Facilities or any part thereof and on behalf of the Owners to obtain a grant of similar rights in respect of such adjoining premises PROVIDED that the approval of the Owners' Committee (if formed) or where the Owners' Corporation has been formed, the prior written approval of the Owners' Corporation has been obtained and such grant of rights of way or access or use shall not contravene the terms and conditions contained in the Government Lease nor interfere with an Owner's right to hold, use, occupy and enjoy his Houses nor adversely affect an Owner's rights and interests and PROVIDED FURTHER that any charges or fees arising from the granting of such rights of way shall be credited to the appropriate Capital

Reserve Fund for the benefit of the Owners.

- (51) Subject always to the prior approval of the Director of Lands thereto as may be required under the Government Lease, to grant easements and rights of any other kind to the owners and occupiers of adjoining properties to construct, lay, maintain, remove and renew drains, pipes, cables, irrigation pipes and other installations, fittings, chambers and other equipment and structures within the Estate Common Areas and the Estate Common Facilities which the Manager shall in its reasonable discretion deem appropriate subject to approval by the Owners' Committee (if formed) or where the Owners' Corporation has been formed, the prior written approval of the Owners' Corporation Provided that any charges, rent or fees payable and arising from the granting of such easements or rights shall be credited to the appropriate Capital Reserve Fund for the benefit of the Owners and PROVIDED FURTHER that the exercise of such right shall not adversely affect an Owner's rights and interests or interfere with an Owner's right to hold, use, occupy and enjoy his House or impede or restrict the access to and from his House.
- (52) To grant franchises, leases, tenancy agreements and licences to other persons to use such of the Estate Common Areas and the Estate Common Facilities and on such terms and conditions and for such consideration as the Manager shall in its discretion think fit Subject Always to the provisions of the Government Lease and this Deed PROVIDED THAT the approval of the Owners' Committee or where the Owners' Corporation has been formed, the prior written approval of the Owners' Corporation has been obtained and all income arising therefrom shall be credited to the appropriate Capital Reserve Fund for the benefit of the Owners and PROVIDED FURTHER THAT the grant of such franchises, leases, tenancy agreements and licences shall not interfere with an Owner's right to hold, use, occupy and enjoy the House which he owns or that the access to and from his House or the Owner's rights and interests shall not be adversely affected.
- (53) To implement waste reduction and recycling measures with reference to guidelines on property management issued from time to time by the Director of Environmental Protection. To provide appropriate and sufficient waste separation and recovery facilities including, but not limited to, waste separation bins at such locations within the Estate Common Areas as the Manager may consider suitable and convenient to facilitate waste separation and recovery by the Owners and the Occupiers. The Manager shall ensure that the recovery facilities shall consist of materials that will not cause any fire hazard and shall

be placed in locations so as not to cause obstruction to any fire escape route, and that recyclable materials recovered from the facilities or through the regular cleansing process shall be properly collected, stored, and sent for recycling. The Manager shall maintain the facilities in an environmentally acceptable and hygienic manner to avoid creating nuisance to the Owners and the Occupiers.

- (54) To organise any activities as the Manager may consider appropriate on a regular basis to promote the environmental awareness of the Owners and the Occupiers and to encourage them to participate in activities with a view to improving the environmental conditions of the Estate.
- (55) To organise such recreational and social activities whether within or outside the Estate as the Manager may consider appropriate to promote the neighbourhood relationship of the Owners and the Occupiers and to charge a reasonable fee therefor provided that any part of such fee so charged and received by the Manager as aforesaid which have not been used for the purpose of such activities shall be credited to the General Fund for the benefit of the Owners.
- (56) Subject as otherwise provided in this Deed to give or withhold its written consent or approval to anything which requires its written consent or approval pursuant to this Deed (provided that the Manager shall not unreasonably withhold its consent or approval) and to impose conditions or additional conditions including payment of reasonable administrative fee relative thereto (such fees shall be paid into the appropriate Capital Reserve Fund).
- (57) To enter into contracts for the installation or use of aerial broadcast distribution or telecommunications network facilities and contracts for the provision of broadcast distribution network or telecommunications network services for the Estate PROVIDED THAT such contracts to be entered into by the Manager shall be subject to the following conditions:-
- (i) the term of the contract will not exceed 3 years;
 - (ii) the right to be granted under the contract must be non-exclusive and must provide for sharing the use of the facilities and network with other service providers; and
 - (iii) no Owner is required to make any payment in any form attributable to the installation or provision of the facilities or services, unless he is a subscriber to the relevant service.

- (58) To maintain, repair, reinstate and make good the Public Common Areas and Facilities pursuant to and subject to the provisions of the Government Lease.
- (59) To do all such other things as are reasonably incidental to the proper management of the Land and the Estate in accordance with the Government Lease, this Deed or for the common benefit of the Owners.
- (60) To, but not obliged to, reinstate or maintain the trees within the boundaries of any House at the cost and expense of the Owner thereof if the Owner shall fail to comply with Clause 5.1.51 hereof.
- (61) To read and understand the established fire safety strategies and implement the Fire Safety Management Plan and to issue any guideline or direction from time to time relating to its implementation, and where the Manager considers necessary, to enter with or without workmen equipment or materials at all reasonable times on reasonable notice (except in an emergency) the Open Kitchen Unit to carry out annual checking and regular testing, inspection, maintenance, reinstatement or rectification of the Fire Services Installations for Open Kitchen Unit at that Owner's expense or to verify observance and compliance of provisions set out in Clause 5.1.55.
- (62) To assist the Owner of Open Kitchen Unit in the maintenance of the Fire Services Installations for Open Kitchen Unit within his own Unit and submit the maintenance certificate to the Fire Services Department pursuant to the Fire Safety Management Plan.

6.2.2 Subject to the approval of the Owners' Committee (if formed) or the Owners' Corporation (if formed), the Manager shall have power from time to time to make, revoke and amend the Rules :-

- (i) regulating the use, occupation, maintenance and environmental control of the Estate and any of the Estate Common Areas and of any of the facilities, services or amenities thereof and the conduct of persons occupying, using or visiting the same;
- (ii) requiring payment of fees for the use of the facilities of the Recreational Areas and Facilities, such fees to be utilised towards maintenance and repair of the swimming pools and/or other areas or facilities of the Recreational Areas and Facilities;

- (iii) setting out requirements relating to the proper disposal of rubbish by the Owners and the Occupiers for waste separation and recycling purposes with reference to guideline on property management issued from time to time by the Director of Environment Protection; and
- (iv) regarding any matter or thing which the Manager is empowered to do pursuant to this Deed;

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

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

6.2.4 Neither the Manager nor any servants, agent or other person employed by the Manager shall be liable to the Owners or any of them or to any person or persons whomsoever whether claiming through, under or in trust for any Owner or otherwise, for or in respect of any act, deed, matter or thing done or omitted in pursuance of or purported pursuance of the provisions of this Deed and/or the Rules not being an act or omission involving criminal liability or dishonesty or negligence and the Owners shall fully and effectually indemnify the Manager and all such persons from and against all actions, proceedings, claims and demands whatsoever arising directly or indirectly out of or in connection with the management of the Land and the Estate or any act, deed, matter or thing done or omitted as aforesaid and all costs and expenses in connection therewith and not involving criminal liability, dishonesty or negligence on the part of the Manager or any such person or persons aforesaid. The Manager shall make good at his own expense any loss or damage caused by the negligent, wilful or criminal acts of the Manager or his staff, contractors or other person employed by the Manager. For the avoidance of doubt, no provision of this Deed shall operate to exclude, or shall be construed to have the effect of excluding, the liability of the Manager to the Owners for any act or omission involving criminal liability, dishonesty or negligence of the Manager or its servants, agents or contractors and no provision of this Deed shall operate to require, or shall be construed to

have the effect of requiring, any Owner to indemnify the Manager or its servants, agents or contractors from and against any action, proceedings, claim and demand whatsoever arising out of or in connection with any such act or omission.

6.2.5 (1) Subject to the provisions in Schedule 7 of the Building Management Ordinance and subparagraphs (2) and (3) the Manager or the Owners Committee shall not, in any financial year, enter into any contract for the procurement of any supplies of goods or services the value of which exceeds HK\$200,000.00 or of such other amount as the Secretary for Home Affairs may specify by notice in the Gazette unless (a) the supplies, goods or services are procured by invitation to tender and (b) the procurement complies with such standards and guidelines as may be specified in a Code of Practice referred to in Section 20A(1) of the Building Management Ordinance and relating to procurement and tender procedures.

(2) Subject to subparagraph (3), the Manager shall not enter into any contract for the procurement of any supplies, goods or services the value of which exceeds or is likely to exceed a sum which is equivalent to 20% of the annual budget or such other percentage in substitution therefor as the Secretary for Home Affairs may specify by notice in the Gazette unless :

- (a) if there is an Owners' Corporation :
 - (i) the supplies, goods or services are procured by invitation to tender;
 - (ii) the procurement complies with the Code of Practice referred to in section 20A(1); and
 - (iii) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the Owners passed at a general meeting of the Owners' Corporation, and the contract is entered into with the successful tenderer;
or
- (b) if there is no Owners' Corporation :
 - (i) the supplies, goods or services are procured by invitation to tender;
 - (ii) the procurement complies with the Code of Practice referred to in section 20A(1); and
 - (iii) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the Owners passed at a meeting of Owners convened and conducted in accordance with this Deed, and the contract is entered into with the successful tenderer.
- (3) Subparagraphs (1) and (2) do not apply to any supplies, goods or services

which but for this subparagraph would be required to be procured by invitation to tender (referred to in this subparagraph as "relevant supplies, goods or services") :

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

6.2.6 (1) The Manager shall establish and maintain a General Fund and all money received or recovered by the Manager in respect of the management of the Land and the Estate and credited to the General Fund shall without delay be paid into a specially designated Bank Account the title of which shall refer to the management of the Estate and be dealt with by the Manager subject to such conditions as may be approved by a resolution of the Owners' Committee. The Manager shall use the designated Bank Account exclusively in respect of the management of the Land.

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

(3) Without prejudice to the generality of subparagraph (2), if there is an Owners' Corporation, the Manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a trust account or client account, for holding money received by him from or on behalf of the Owners'

Corporation in respect of the management of the Land and the Estate.

(4) The Manager shall display a document showing evidence of any account opened and maintained under subparagraph (2) or (3) in a prominent place in the Land and the Estate.

(5) Subject to subparagraphs (6) and (7), the Manager shall without delay pay all money received by him in respect of the management of the Land and the Estate into the account opened and maintained under subparagraph (2) or, if there is an Owners' Corporation, the account or accounts opened and maintained under subparagraph (3).

(6) Subject to subparagraph (7), the Manager may, out of money received by him in respect of the management of the Land and the Estate, retain or pay into a current account a reasonable amount to cover expenditure of a minor nature, but that amount shall not exceed such figure as is determined from time to time by a resolution of the Owners' Committee (if any).

(7) The retention of a reasonable amount of money under subparagraph (6) or the payment of that amount into a current account in accordance with that subparagraph and any other arrangement for dealing with money received by the manager shall be subject to such conditions as may be approved by a resolution of the Owners' Committee (if any).

(8) If there shall be any surplus in the Management Fee after payment of all the Management Expenses, such surplus shall be retained in the General Fund.

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

6.2.7 (1) The Manager shall establish and maintain a separate capital reserve fund for the Estate Common Areas and Estate Common Facilities (hereinafter called "the Capital Reserve Fund") for the purpose of paragraph 4 of Schedule 7 to the Building Management Ordinance towards payment of expenditure of a capital nature or of a kind not expected to be incurred annually, which includes, but is not limited to, expenses for the purchase, setting up, replacement, addition, renovation, improvement and repair of installation, plant and equipment for the relevant part of the Estate Common Areas and Estate Common Facilities and the costs of the relevant investigation works and professional services. It is hereby agreed and declared that the Capital Reserve Fund shall be a trust fund managed by the Manager, but all sums in such fund shall be the property of the Owners Fund.

(2) All money received or recovered by the Manager for the Capital Reserve Fund shall without delay be paid into a specially designated Bank Account the title of which shall refer to the Capital Reserve Funds of the Estate, and shall use such specially designated Bank Account exclusively for the purpose referred to in sub-clause (1) above .

(3) Without prejudice to the generality of sub-clause (2), if there is an Owners' Corporation, the Manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a trust account or client account, for holding money received by him from or on behalf of the Owners' Corporation in respect of the Capital Reserve Fund.

(4) The Manager shall display a document showing evidence of any account opened and maintained under sub-clauses (2) and (3) in a prominent place in the Estate.

(5) The Manager shall without delay pay all money received by him in respect of the Capital Reserve Fund into the account opened and maintained under sub-clause (2) or, if there is an Owners' Corporation, the account or accounts opened and maintained under sub-clause (3).

(6) Subject to Clause 6.5.1(a) hereof, each Owner covenants with the other Owners to make further periodic contributions to the Capital Reserve Fund.

(7) If there is an Owners' Corporation, the Owners' Corporation shall determine, by a resolution of the Owners, the amount to be contributed to the relevant Capital Reserve Fund by the Owners in any financial year, and the time when those contributions shall be made. Except in a situation considered by the Manager to be an emergency, no money shall be paid out of the Capital Reserve Fund unless it is for a purpose approved by a resolution of the Owners' Committee. For the avoidance of doubt, the Manager shall not use the Capital Reserve Fund or any part or parts thereof for the payment of any outstanding Management Expenses arising from or in connection with the day-to-day management of the Estate.

6.2.8 Special reference to the Capital Reserve Fund shall be made in the annual accounts and an estimate of the time when there will be a need to draw thereon and the amount of money that will be then needed shall also be given. In the event that further contributions need to be made to such Capital Reserve Fund for the ensuing year, the Manager shall recommend and request the Owners to approve such further contribution in the annual general meeting of the Owners.

C. Manager's Remuneration

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

6.3.2 For the purpose of calculating the Manager's Remuneration, the total annual Management Expenses referred to in Clause 6.3.1 above shall exclude (i) the Manager's Remuneration, (ii) any capital expenditure or expenditure drawn out of the provision of Capital Reserve Fund, Provided That by a resolution of Owners at an Owners' meeting convened under this Deed, any capital expenditure or expenditure drawn out of the Capital Reserve Fund may be included for calculating the Manager's Remuneration at the rate of 10% or at such lower rate as the Owners may consider appropriate. Capital expenditure shall mean expenditure of a kind not incurred annually.

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

6.3.4 Each Owner of a House shall pay his due proportion of the Manager's Remuneration to the Manager in advance on the first day of each month. Payment of the Manager's Remuneration shall be monthly in advance in the sum of one twelfth of the annual remuneration of the Manager being 10% of the total annual budgeted Management Expenses (excluding the Manager's Remuneration, the Capital Reserve Fund and any capital expenditure referred to in Clause 6.3.2) subject to adjustment at the end of each financial year when the final annual management expenses are ascertained.

D. Management Expenses in respect of the Estate

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

- (a) The proper and necessary cost of carrying out all or any of the duties of the Manager set out herein.

- (b) The cost of purchasing or hiring all necessary plant, equipment and machinery in connection with the management and maintenance of the Land and the Estate other than the Houses.
- (c) The cost of employing staff to administer the management of the Estate including (but not limited to) salaries, year end double pay, fringe benefits, provident fund, long service payment and other statutory payments under the Employment Ordinance or other applicable ordinances, premium for employees' compensation and medical insurance of the security force, watchmen, gardeners, caretakers and other staff and other reasonable costs incidental thereto.
- (d) All reasonable professional fees and costs incurred by the Manager including :-
 - (i) fees and costs of surveyors, rating surveyors, valuers, architects, engineers and others employed in connection with the management, maintenance and improvement of the Estate,
 - (ii) solicitors and other legal fees and costs,
 - (iii) fees and costs of any accountants, auditors and/or any other consultants employed in connection with the management accounts or the Manager's statements as hereinafter referred to.
- (e) All water, gas, electricity, telephone and other services charges except where the same is separately metered to individual Houses.
- (f) The cost of all fuel and oil incurred in connection with the operation of the Estate Common Areas and the Estate Common Facilities.
- (g) The cost of maintaining and operating emergency generators and the cost of providing emergency lighting of the Estate.
- (h) The cost of effecting insurance mentioned in Clause 6.2.1(29) and (30) hereof.
- (i) All charges, assessments, impositions and other outgoings payable by the Owners in respect of all parts of the Estate Common Areas.
- (j) The cost of postage, stationery and other sundry items incurred by the Manager in connection with the management of the Estate.

- (k) The Manager's Remuneration for carrying out its management duties in accordance with the provisions herein contained.
- (l) The cost and expense of maintaining the building structures or such part or parts thereof that are required to be maintained under the Government Lease.
- (m) The cost and expense of upholding, managing, maintaining and repairing (as the case may be) the Slopes and Retaining Walls which are required to be upheld, managed, maintained and repaired (as the case may be) under the Government Lease.
- (n) Charges for telephones installed at management offices and various caretakers' counters (if any) of the Estate.
- (o) The costs of providing uniforms for the security force, watchmen, gardeners, caretakers and other staff employed for the management of the Land and the Estate and replacement of the same.
- (p) The cost of landscaping and maintaining, repairing, cleansing and operating the sport and recreational facilities of the Estate.
- (q) The cost of landscaping and maintaining the Estate Common Areas and the Estate Common Facilities.
- (r) Government rent and rates (if any) of the management offices of the Estate and the Estate Common Areas.
- (s) Air-conditioning charges of the management offices of the Estate.
- (t) Water consumption and electricity charges of the management offices of the Estate.
- (u) Furniture, fixtures, fittings and other appliances in the management offices of the Estate.
- (v) The cost of operating or providing shuttle bus services (if any) in accordance with this Deed.
- (w) The expenses for the maintenance, repair and reinstatement of and making

good the Green Area and the Green Stippled Black Area.

- (x) The cost and expenses incurred in connection with the implementation of the Fire Safety Management Plan.
- (y) Any other items of expenditure which in the reasonable opinion of the Manager are considered to be necessary for the administration, management and maintenance of the Land and the Estate including but not limited to all staff, facilities, office, accountancy, professional, supervisory and clerical expenses incurred by the Manager in respect thereof or such due portion thereof which are provided by the headquarters office(s) of the Manager for the Estate as well as any other land, developments and buildings and for such purposes, the Manager shall be entitled to apportion any such items of expenditure or (as the case may be) a due portion thereof which directly relate to the administration and/or management and/or maintenance of the Land and the Estate in such manner as shall be reasonably determined by the Manager.

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

- (a) Where any expenditure relates to the Estate Common Areas and/or the Estate Common Facilities, the expenditure shall form part of the Management Expenses of the Estate as a whole and shall be borne by all Owners of the Estate in accordance with the proportion that the respective Management Shares of the relevant part of the Estate bear to the total number of Management Shares of the Estate less those allocated to the Estate Common Areas and the Estate Common Facilities.
- (b) Notwithstanding anything contained in sub-clause (a) hereof, (i) where any expenditure relates solely to or is solely for the benefit of any House and no Owner other than the Owner entitled to the exclusive right and privilege to hold, use and occupy that House will receive any material benefit therefrom, then the full amount of such expenditure shall be borne by the Owner of such House and (ii) where any expenditure relates solely to or is solely for the benefit of a group of Owners but does not relate to or is not for the benefit of the other Owners, the full amount of such expenditure shall be apportioned between such Owners in proportion to their respective Management Shares.
- (c) Subject to the prior written approval of the Owners' Committee or where the Owners' Corporation has been formed, the prior written approval of the

Owners' Corporation, if the Manager is of the opinion that the adopted annual budget and/or the sharing of the amounts of Management Expenses assessed under any part of the adopted annual budget in accordance with the provisions of this Deed may lead to or result in any Owner or Owners of any part or parts of the Estate unfairly or inequitably paying some higher or lesser contributions, the Manager shall be entitled to modify any adopted annual budget in such manner as the Manager may (but subject to compliance with the procedures applicable to the draft annual budget, the annual budget and the revised annual budget as provided in Section VI Subsection F of this Deed) think fit (whether by creating new parts or abolishing existing parts of the budget or otherwise) and to prepare new budget in the modified manner as aforementioned and/or to vary or modify the manner of sharing the amounts of Management Expenses assessed under any part of the budget by the relevant Owners in such way as the Manager may (but subject to prior consultation with the Owners' Committee) think fit and the modified budget and the modified manner of sharing the management expenditure shall be binding (save for manifest error) on all Owners and provided always that the Manager's determination of the amount of contribution payable by each Owner as aforesaid shall (in the absence of manifest error) be conclusive and binding on all Owners. PROVIDED THAT (i) no Owner shall be called upon to pay more than his appropriate share of Management Expenses, having regard to the number of Management Shares allocated to his House and (ii) all Owners shall be liable for the Management Expenses of the Estate Common Areas and the Estate Common Facilities.

6.4.3 Each Owner shall pay in full a due proportion of the cost and expenses mentioned in Clause 6.4.1 (being the Management Expenses) of this Sub-Section D whether or not his House is occupied. No Owner shall be called upon to pay more than his fair share of the Management Expenses having regard to the number of Management Shares allocated to his House. The First Owner shall pay all Management Expenses for the Houses unsold Provided that no Management Expenses shall be payable in respect of those Undivided Shares allocated to such part of the Estate the construction of which has not been completed except to the extent that such uncompleted part benefits from the provisions of this Deed as to management and maintenance of the Estate. The Manager or the Owners' Corporation shall not be liable to pay the Management Expenses in respect of the Common Parts Undivided Shares held by them pursuant to this Deed.

- (a) The Owner of each House shall pay to the Manager monthly in advance the Management Fee calculated by reference to Clauses 6.4.2 and 6.3.1 hereof PROVIDED THAT if the total contributions receivable as aforesaid by the Manager shall be insufficient to meet the Management Expenses by reason

of any further Management Expenses whether incurred or to be incurred over and above the budgeted Management Expenses, such deficiency shall be carried forward to and recouped by adjusting the annual budget and the Management Fee for the next financial year PROVIDED ALWAYS that the Manager may demand from each Owner on giving not less than one (1) month's prior notice in writing the additional monthly contribution payable by each Owner as determined by the Manager pursuant to the provisions of this Deed PROVIDED THAT :- (i) such demand shall not be made more than once for every financial year for the purpose of management of the Land and the Estate; (ii) in exceptional circumstances it may be recovered by special contribution in one lump sum as the Manager shall deem fit to meet the said further Management Expenses including its remuneration due thereon; and (iii) all demands to be made by the Manager pursuant to this Clause 6.4.3(a) must be made by reference to a revised annual management budget which has followed the same procedures as apply to the draft budget and budget by virtue of Clause 6.6.2.

- (b) If there should be any surplus after payment of all the costs, charges and expenses then the surplus shall be credited to the General Fund and be applied towards the Management Expenses of the Land and the Estate for the next following financial year and in such manner as the Manager may decide.
- (c) The Manager shall be entitled to charge the Owner concerned a reasonable administrative fee for granting and processing any consent required from the Manager pursuant to this Deed PROVIDED THAT such fee shall be held by the Manager for the benefit of all Owners and be paid into the Capital Reserve Fund.

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

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

E. Security for and Recovery of Moneys Due to the Manager

6.5.1 (a) Except where the First Owner has made payments in accordance with Clause

6.5.1(b) the first person who becomes the Owner of each House shall on completion of the assignment of his House :-

- (i) pay to the Manager a deposit referred to in Clause 6.5.2 hereof ("the Management Deposit") as security against his liabilities under this Deed and the Management Deposit shall be placed in a specially designated Bank Account the title of which shall refer to the Management Deposit of the Estate Provided Always that no Owner may refuse to pay any money payable by him under this Deed or any part thereof by claiming any set off against the Management Deposit Provided Further that in the case of change of ownership of any House, the Management Deposit in respect of such House shall be transferred to the account of the new Owner and the previous Owner shall have no claim for any refund;
- (ii) pay to the Manager such sum not exceeding 2 months' Management Fee in respect of his House as payment in advance of the Management Fee;
- (iii) pay to the Manager 2 months' Management Fee in respect of his House as his initial contribution to the Capital Reserve Fund;
- (iv) pay to the Manager such sum not exceeding 1 month's Management Fee in respect of his House as debris removal fee; and
- (v) pay to the Manager any sum determined by the Manager to be necessary in respect of the deposits of the public meters for water and electricity and other utilities which sum shall not be refundable Provided any surplus of such sum shall be credited to the management account.

Provided that :-

- (1) the funds and fees referred to in sub-clauses (iii) and (iv) above shall be non-refundable and non-transferable in the case of change of ownership of any House;
- (2) any debris removal fee not used for debris removal shall be paid into the Capital Reserve Fund; and
- (3) the debris removal fees shall be applied towards payment of charges incurred in respect of the Houses.

- (b) The First Owner shall pay the Management Deposits, the initial contribution to the Capital Reserve Fund and the debris removal fee if it remains the Owner of those Undivided Shares allocated to Houses in that part of the Estate the construction of which has been completed and which remain unsold 3 months after (i) execution of this Deed or (ii) the date when it is in a position validly to assign those Undivided Shares (ie. when the relevant consent to assign or certificate of compliance has been issued), whichever is the later. In the event the First Owner shall assign such Houses to new Owners, the Management Deposits paid hereunder shall be transferred to the account of the new Owners of such Houses in the manner as provided in Clause 6.5.1(a)(i). All outgoings including Management Expenses in respect of all Houses held by the First Owner up to and inclusive of the date of the relevant assignment(s) of the relevant House(s) by the First Owner shall be paid by the First Owner. The First Owner shall make payments and contributions for those expenses which are of a recurrent nature for those Houses unsold.

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

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

- (a) to forbid such defaulting Owner, his tenants, lessees, employees, licensees and visitors the use of the management services provided by the Manager provided that notwithstanding anything contained in this Deed to the contrary, no provision of this Deed shall operate to empower, or shall be construed to have the effect of empowering, any person (including the Manager) to interrupt the supply of electricity, water, gas, telecommunications or other utilities which are provided by public utility companies to any House or to prevent access to the House by reason of the Owner of that House failing to pay any fees or to comply with any other provisions under this Deed;
- (b) to recover from the defaulting Owner who fails to pay sums due under the provisions of this Deed within 30 days of demand interest on the defaulted

amount at the rate of 2% per annum above the prime rate from time to time quoted by The Hongkong and Shanghai Banking Corporation Limited from the date on which the same become due and payable until the date of payment (such interest when collected shall be credited to the Capital Reserve Fund);

- (c) to recover from the defaulting Owner who fails to pay sums due under the provisions of this Deed within 30 days of demand a collection charge not exceeding 10% of the defaulted amount to cover the costs (other than legal costs of proceedings as hereinafter mentioned) of the extra work occasioned by the default which said collection charge when collected shall be credited to the Capital Reserve Fund;
- (d) to recover the defaulted sum and all sums payable under this Clause by civil action;
- (e) to recover from the defaulting Owner all legal costs relating to the recovery of the defaulted sum and all sums payable under this Clause on a solicitor and own client basis;
- (f) to register a charge against the Undivided Shares of the defaulting Owner and the House held therewith, such charge shall remain valid and enforceable notwithstanding that judgement has been obtained for the amount thereof unless and until such judgement has been satisfied; and
- (g) to enforce the said charge by legal action for obtaining an order for the sale of the Undivided Shares of the defaulting Owner and the House held therewith.

F. Annual Budget

6.6.1 The first financial year shall commence from the date of this Deed and shall end on the 31st day of December of that year and thereafter the subsequent financial year shall commence on the 1st day of January of the following year and shall end on the 31st day of December of that year PROVIDED THAT if the first financial year is less than a period of 6 months, the first financial year shall run from the date of this Deed until the 31st day of December in the next following year PROVIDED FURTHER THAT the financial year may not be changed more than once in every five (5) years unless with the prior approval of a resolution of the Owners' Committee (if any).

6.6.2 The Manager shall in respect of each financial year :-

- (a) prepare a draft budget setting out the proposed Management Expenses specifically referable to different parts of the Estate and apportioned in the manner set out in clause 6.4.2 hereof for the financial year;
- (b) send a copy of the draft budget to the Owners' Committee or, where there is no Owners' Committee, display a copy of the draft budget in a prominent place in the Estate and cause it to remain so displayed for at least 7 consecutive days;
- (c) send or display, as the case may be, with the copy of the draft budget a notice inviting each Owner to send his comments on the draft budget to the Manager within a period of fourteen (14) days from the date the draft budget was sent or first displayed;
- (d) after the end of that period, prepare a budget specifying the total proposed Management Expenses during the financial year; and
- (e) send a copy of the budget to the Owners' Committee or, where there is no Owners' Committee, display a copy of the budget in a prominent place in the Estate and cause it to remain so displayed for at least 7 consecutive days.

6.6.3 Where a budget has been sent or displayed in accordance with Clause 6.6.2 (e) hereof and the Manager wishes to revise it, it shall follow the same procedures in respect of the revised budget as apply to the draft budget or budget by virtue of Clause 6.6.2. Where a revised budget is duly sent or displayed, the total amount of the Management Expenses for that financial year shall be the total Management Expenses or proposed Management Expenses specified in the revised budget and the amount that the Owners shall contribute towards the Management Expenses shall be calculated and adjusted accordingly.

6.6.4 Where in respect of a financial year, the Manager has not complied with Clause 6.6.2 hereof before the start of that financial year, the total amount of the Management Expenses for that year shall :-

- (a) until it has so complied, be deemed to be the same as the total amount of Management Expenses (if any) for the previous financial year; and
- (b) when it has so complied, be the total proposed Management Expenses specified in the budget for that financial year, and the amount that the Owners shall contribute towards the Management Expenses shall be calculated and adjusted accordingly.

6.6.5 If any Owner requests in writing the Manager to supply him with a copy of any draft budget, budget or revised budget, the Manager shall on payment of a reasonable copying charge, supply a copy to that person. Such charge shall be credited to the Capital Reserve Fund.

6.6.6 Subject to Clauses 6.6.3, 6.6.4, 6.6.7 and 6.6.8, the total amount of Management Fees payable by the Owners during any period of 12 months adopted by the Manager as the financial year in respect of the management of the Estate shall be the total proposed Management Expenses during that year as budgeted in accordance with Clause 6.6.2 for that financial year.

6.6.7 If there is an Owners' Corporation and, within 1 month from the date that a budget or revised budget for a financial year is sent or first displayed in accordance with Clauses 6.6.2 or 6.6.3 hereof, the Owners' Corporation decides, by a resolution of the Owners, to reject the budget or revised budget, as the case may be, the total amount of the Management Expenses for that financial year shall, until another budget or revised budget is sent or displayed in accordance with Clauses 6.6.2 or 6.6.3 hereof and is not so rejected by the Owners' Corporation, be deemed to be the same as the total amount of Management Expenses (if any) for the previous financial year together with an amount not exceeding 10% of that total amount as the Manager may determine.

6.6.8 For the purposes of Clauses 6.6.2 to 6.6.7, "Management Expenses" includes all costs, charges and expenses to be borne by the Owners, including the Manager's Remuneration.

G. Management Accounts

6.7.1 The Manager shall :

- (a) maintain and keep true and proper books or records of account and other financial records of all monies received in the exercise of its powers and duties hereunder and all expenditure thereof and shall keep all bills, invoices, vouchers, receipts and other documents referred to in those books and records for at least six (6) years;
- (b) within one (1) month after each consecutive period of three (3) months or such shorter period as the Manager may select, prepare a summary of income and expenditure and a balance sheet of that period for different parts of the Estate as referred to in Clause 6.4.2 hereto and shall display a copy of it at a prominent

place in the Estate for at least 7 consecutive days;

- (c) within two (2) months after the end of each financial year, prepare an income and expenditure account and balance sheet for that year and display a copy of the income and expenditure account and balance sheet in a prominent place in the Estate and cause it to remain so displayed for at least 7 consecutive days;
- (d) ensure each income and expenditure account and balance sheet required under sub-clauses (b) and (c) of this Clause 6.7.1 shall include details of the Capital Reserve Fund and an estimate of the time when there will be a need to draw on the Capital Reserve Fund and the amount of money that will then be needed;
- (e) permit any Owner at any reasonable time to inspect the books or records of account and any income and expenditure account or balance sheet and on payment of a reasonable copying charge, supply any Owner with a copy of any record or document requested by him Provided that such copying charge shall be credited to the General Fund;
- (f) if there is an Owners' Corporation and the Owners' Corporation decides, by a resolution of the Owners, that any income and expenditure account and balance sheet should be audited by an accountant or by some other independent auditor as may be specified in that resolution, without delay arrange for such an audit to be carried out by that person; and :
 - (i) permit any Owner, at any reasonable time, to inspect the audited income and expenditure account and balance sheet and the report made by the accountant or auditor in respect of the income and expenditure account and balance sheet; and
 - (ii) on payment of a reasonable copying charge, supply any Owner with a copy of the audited income and expenditure account and balance sheet, or the report made by the accountant or auditor in respect of the income and expenditure account and balance sheet, or both, as requested by the Owner; and
- (g) before an Owners' Corporation is formed, upon request of the Owners at an Owners' meeting convened under this Deed appoint an accountant or some other independent auditor nominated by the Owners at the said Owners' meeting to audit any annual income and expenditure account and balance sheet prepared by the Manager under Clause 6.7.1(c).

H. Management by Owners' Corporation

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

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

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

I. Application of the Building Management Ordinance

6.9.1. Notwithstanding anything contained in this Section VI, nothing herein shall in any way prejudice or contravene or contradict or overrule or fail to comply with any provisions in or the application of the Building Management Ordinance and the Schedules thereto.

SECTION VII

EXTINGUISHMENT OF RIGHTS UNDER THIS DEED

7.1.1 In the event of the Estate or any part or parts thereof being so damaged by fire, typhoon, earthquake, subsidence or other cause so as to render the same substantially unfit for use and occupation, the Owners of not less than 75% of the undivided shares of such damaged part (excluding the relevant Common Parts Undivided Shares) shall convene a meeting of the Owners of the part or parts of the Estate so affected and such meeting may resolve by a resolution of not less than 75% of the Owners present in person or by proxy 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 such part or parts of the Estate then in such event the Undivided Shares in the Land and the Estate representing such part or parts shall be acquired by the Manager and the Owners (excluding the Owner of the Common Parts Undivided Shares) of such Undivided Shares shall in such event be obliged to assign the same and all rights and appurtenances thereto to the Manager upon trust to forthwith dispose of the same by public auction and to distribute the net proceeds of sale amongst the Owners (excluding the Owner of the Common Parts Undivided Shares) of such Undivided Shares in proportion to the respective Undivided Shares previously held by such former Owners (except the Manager) bears to the total number of Undivided Shares of the part or parts of the Estate in question (less the relevant Common Parts Undivided Share(s) allocated to the Estate Common Areas of such part or parts of the Estate). All insurance moneys received in respect of any policy of insurance on such part or parts of the Estate shall likewise be distributed amongst such former Owners. In such event all the rights, privileges, obligations and covenants of such former Owners under this Deed shall be extinguished so far as the same relate to such former Owners of such part or parts of the Estate Provided Always that if it is resolved to reinstate or rebuild such part or parts of the Estate each Owner (excluding the Owner of the Common Parts Undivided Shares) of such part or parts shall pay the excess of the costs of reinstatement or rebuilding of such part or parts over and above the proceeds from the insurance of such part or parts in proportion to the respective number of Undivided Shares held by him bears to the total number of Undivided Shares of the part or parts of the Estate in question (less the relevant Common Parts Undivided Share(s)) and that until such payment the same shall be a charge upon his interest in the Land and the Estate and be recovered as a civil debt.

7.1.2 The following provisions shall apply to a meeting convened by the Owners as provided in Clause 7.1.1 hereof :-

- (a) Every such meeting shall be convened by notice given in writing by the person or persons convening the meeting upon each Owner at least fourteen (14) days

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

- purposes of the meeting, be treated as being the Owner present at the meeting;
- (i) A resolution passed at a duly convened meeting by a 75% majority of the Owners (excluding the Owner of the Common Parts Undivided Shares) present in person or by proxy and voting shall be binding on all the Owners of the relevant part or parts of the Estate PROVIDED as follows :-
 - (i) the notice convening the meeting shall specify the intention to propose a resolution concerning such matter;
 - (ii) any resolution purported to be passed at any such meeting concerning any other matter shall not be valid; and
 - (iii) no resolution shall be valid if it is contrary to the provisions of this Deed;
 - (j) A resolution in writing signed by Owners (excluding the Owner of the Common Parts Undivided Shares) who in the aggregate have vested in them for the time being more than 75% of the Undivided Shares allocated to the part or parts of the Estate in question (but excluding the relevant Common Parts Undivided Share(s)) shall be as valid and effectual as if it had been passed at a duly convened meeting of such Owners; and
 - (k) The accidental omission to give notice as aforesaid to any Owner shall not invalidate the meeting or any resolution passed thereat.

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

SECTION VIII

MEETINGS OF THE OWNERS AND THE OWNERS' COMMITTEE

A. Meetings of Owners of the Estate

8.1.1 Any Owners appointed to convene such a meeting by the Owners holding not less than 5% of the total number of Undivided Shares or the Manager or the Owners' Committee may at any time convene an Owners' meeting for the purpose of determining any matters concerning or affecting or in any way relating to the Land and the Estate and the management thereof (subject to the provisions of this Deed and the Building Management Ordinance). The Manager shall as soon as possible but not later than nine (9) months from the date of this Deed convene the first meeting of Owners (and to call further and subsequent meetings, if required), which meeting shall appoint a chairman and the Owners' Committee or shall appoint a management committee for the purpose of forming the Owners' Corporation under the Building Management Ordinance. The following provisions shall apply to any Owners' meeting, namely :-

- (a) a meeting may be validly convened by (i) the Manager or (ii) an Owner appointed to convene such meeting by those Owners who in the aggregate have vested in them not less than 5% of the total number of the Undivided Shares and (iii) the Owners' Committee (if formed);
- (b) notice in writing specifying the place, date and time of every such meeting and the resolutions (if any) that are to be proposed shall be given by the person or persons convening the meeting upon each Owner at least fourteen (14) clear days before the date of the meeting, and such notice may be given (i) by delivering it personally upon the Owner (ii) by sending it by post addressed to the Owner at his last known address or (iii) by leaving it at the Owner's House or depositing it in the letter box for that House;
- (c) The quorum at a meeting of the Owners shall be 10% of the Owners and no business shall be transacted at any meeting unless a quorum is present when the meeting proceeds to business and, for the purposes of this Clause 8.1.1(c), the reference to "10% of the Owners" shall (i) be construed as a reference to 10% of the number of persons who are Owners without regard to their ownership of any particular percentage of the total number of the Undivided Shares; and (ii) not be construed as the Owners of 10% of the Undivided Shares in aggregate;
- (d) the chairman of the Owners' Committee shall preside the meeting or if the

meeting is convened under sub-clause 8.1.1(a)(i) or (ii) above, the person convening the meeting;

- (e) the chairman shall cause a record to be kept of the persons present in person or by proxy at the meeting, the appointment and vacation of appointments of all its members and all changes therein, the proceedings and the resolutions of the Owners' Committee;
- (f) every Owner shall have one vote for each Undivided Share he owns and in the case of Owners who together are entitled to one such Undivided Share the vote in respect of that Undivided Share may be cast :-
 - (i) by a proxy jointly appointed by the co-Owners; or
 - (ii) by a person appointed by the other co-Owners from amongst themselves;
or
 - (iii) if no appointment has been made under sub-clauses (i) and (ii) hereof, then either by one of the co-Owners personally or by proxy by one of the co-Owners; and in the case of any meeting where 2 or more persons are the co-Owners of an Undivided Shares and more than one of the co-Owners seeks to cast a vote in respect of that Undivided Share, only the vote that is cast, in person or by proxy, by the co-Owner whose name, in order of priority, stands highest in relation to that Undivided Share in the register kept by the Land Registry shall be treated as valid;
- (g) in case of any equality of votes the person presiding over the meeting shall have in addition to a deliberative vote, a casting vote;
- (h) votes may be given either personally or by proxy;
- (i) the instrument appointing a proxy shall be in the form set out in Form 1 in Schedule 1A of the Building Management Ordinance and signed by the Owner or, if the Owner is a body corporate, shall, notwithstanding anything to the contrary in its constitution, be impressed with the seal or chop of the body corporate and signed by a person authorized by the body corporate in that behalf;
- (j) the instrument appointment of a proxy shall be lodged with the Chairman of the Owners' Committee or the person, as the case may be, who convened the

meeting not less than 48 hours before the time for the holding of the meeting and a proxy appointed by an Owner to attend and vote on behalf of the Owner shall, for the purposes of the meeting, be treated as being the Owner present at the meeting;

- (k) any resolution on any matter concerning the Land and the Estate passed at a duly convened meeting by a majority of votes of the Owners present in person or by proxy and voting shall be binding on all the Owners Provided that :-
 - (i) the fourteen (14) days prior written notice convening the meeting shall specify the intention to propose a resolution concerning such matter;
 - (ii) any resolution purported to be passed at such meeting concerning any other matters shall not be valid; and
 - (iii) no resolution shall be valid if it is contrary to the provisions of this Deed or the Government Lease.
- (l) a resolution in writing signed by the Owners who in the aggregate have vested in them not less than fifty per cent (50%) of the total number of Undivided Shares (less those allocated to the Estate Common Areas and Estate Common Facilities) shall be as valid and effectual as if it had been passed at a duly convened meeting of the Owners;
- (m) the accidental omission to give notice as aforesaid to any Owner shall not invalidate the proceedings at any meeting or any resolution passed thereat;
- (n) the procedure at the meeting shall be as is determined by the Owners;
- (o) for the avoidance of doubt and notwithstanding anything to the contrary herein contained, no right to vote shall attach to the Common Parts Undivided Shares or such shares allocated to any additional Estate Common Areas and Estate Common Facilities from time to time; and
- (p) an annual general meeting of the Owners shall be held every year for the purposes of considering and resolving on matters which this Deed requires to be approved or decided by the annual general meeting of the Owners. The first of such annual general meeting shall be held within 12 calendar months after the first meeting of the Owners and annual general meetings for each ensuing year shall be held within 12 calendar months from the previous annual general

meeting.

- 8.1.2 (a) (i) Any Owners' Committee formed under this Deed shall consist of not less than 3 members elected in an Owners' meeting to represent the Owners in all matters concerning the management of the Land and the Estate, undertaking other functions conferred on the Owners' Committee by this Deed, and in particular, to communicate with the Manager on behalf of the Owners and to consider such matters required to be approved or decided by the Owners' Committee under this Deed.
- (ii) A chairman, a vice-chairman, a secretary and such other officers (if any) as the Owners may from time to time determine shall be elected in the Owners' meeting among the abovementioned members by the Owners present.
- (b) Any Owner and any representative appointed by an Owner in the event of such Owner being a corporate body shall be eligible for election to the Owners' Committee. The appointment of a representative by a corporate Owner shall be in writing addressed to the Owners' Committee and such appointment may be revoked at any time by notice in writing given to the Owners' Committee.
- (c) No person shall be appointed as a member of the Owners' Committee who :-
- (i) has been declared bankrupt or insolvent; or
- (ii) has been convicted of a criminal offence other than a summary offence not involving dishonesty; or
- (iii) has entered into composition with his creditors.
- (d) An Owner's Committee shall be appointed for a term of one (1) year and its members shall hold office until a new Owners' Committee is appointed and in the event of no new Owners' Committee is appointed for whatever reasons after the said term of one (1) year, the members of the existing Owners' Committee shall continue to act until a new Owners' Committee is appointed Provided Always that a member shall cease to hold office if :-
- (i) he ceases to be an Owner;
- (ii) he becomes disqualified for appointment as a member of an Owners'

Committee under sub-clause (c) hereof;

- (iii) he resigns from the office by notice in writing given to the Owners' Committee;
 - (iv) he is removed by a resolution passed at an Owners' meeting; or
 - (v) he has become incapacitated by mental illness.
- (e) Retiring members of the Owners' Committee shall be eligible for re-election.
- (f) The Owners' Committee may continue to act notwithstanding any vacancies in their number Provided That the number is not reduced below 3 . In the event that the number is reduced below 3 , the remaining members of the Owners' Committee may act but only for the purpose of convening an Owners' meeting for purpose of electing eligible persons to be members of the Owners' Committee.
- (g) A meeting of the Owners' Committee may be convened at any time by the chairman or any 2 members of the Owners' Committee.
- (h) Notice in writing specifying the place, date and time of a meeting of the Owners' Committee and the resolutions (if any) that are to be proposed shall be given in writing by the person or persons convening the meeting upon each member of the Owners' Committee at least seven (7) days before the date of the meeting.
- (i) All notices required to be served hereunder shall be sufficiently given on a member of the Owners' Committee if a copy of the notice is given by delivering personally to the member of the Owners' Committee or by sending by post to the member of the Owners' Committee at his last known address or by leaving at his House or deposited in the letter box of that House.
- (j) The quorum at a meeting of the Owners' Committee shall be fifty per cent (50%) of the members of the Owners' Committee (rounded up to the nearest whole number) or 3 such members, whichever is the greater.
- (k) A meeting of the Owners' Committee shall be presided by the chairman or in the absence of the chairman, a member of the Owners' Committee appointed as chairman for that meeting.

- (l) At a meeting of the Owners' Committee, each member present shall have one (1) vote on a question before the Owners' Committee and if there is an equality of votes the chairman shall have, in addition to a deliberative vote, a casting vote.
 - (m) The procedure at meetings of the Owners' Committee shall be as is determined by the Owners' Committee.
- 8.1.3 On the formation of the Owner's Corporation, the provisions contained in the Schedule 2 to the Building Management Ordinance shall apply in respect of all meetings and resolutions of the management committee which shall take the place of the Owners' Committee formed under this Deed, and the provisions contained in the Schedule 3 to the Building Management Ordinance shall apply to all general meetings of the Owners' Corporation which shall take the place of the Owners' meetings under this Deed.
- 8.1.4 The Manager shall consult (either generally or in any particular case) the Owners' Corporation (if formed) at a general meeting of the Owners' Corporation and adopt the approach decided by the Owners' Corporation (if formed) on the channels of communication among the Owners on any business relating to the management of the Estate.
- 8.1.5 The management committee (if any) appointed under this Deed or the Building Management Ordinance shall within 28 days of its appointment apply to the Land Registrar for the registration of the Owners as an Owners' Corporation.
- 8.1.6 Notwithstanding anything contained in this Deed, nothing herein shall in any way prejudice or contravene any provisions in or the application of the Building Management Ordinance.

SECTION IX

MISCELLANEOUS

9.1.1 Subject to the provisions of the Building Management Ordinance, in any civil action initiated or defended by the Manager under the powers given in this Deed, the Manager shall conclusively be deemed to be acting as the agent for and on behalf of all Owners other than the Owner (if any) against whom the action is being initiated or defended and no Owner shall raise or be entitled to raise any defence of want of authority or make any objection to the right of the Manager to initiate or defend such action.

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

9.1.3 The First Owner shall deposit at the management office of the Estate a full set of the Maintenance Manual (if any), two copies of the Fire Safety Management Plan and a copy of Schedules 7 and 8 to the Building Management Ordinance (English and Chinese version) within 1 month of the date hereof and the Manager shall keep the same available for inspection by the Owners free of charge and taking copies upon payment of a reasonable charge during normal office hours provided that the Owner of the Open Kitchen Unit may take a copy of the Fire Safety Management Plan free of charge. All charges received must be credited to the Capital Reserve Fund.

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

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

9.1.6 Subject to Section VII hereof, the rights, privileges, obligations and covenants herein contained shall be binding on the Owners and their respective executors,

administrators, successors in title, assigns and mortgagees or chargees in possession or those who have foreclosed and the covenants herein contained and the interest herein both as to the benefit and burden of such covenants shall run with the Land. The Conveyancing and Property Ordinance (Cap 219) of the Laws of the Hong Kong Administrative Region shall apply to this Deed Provided That no Owner shall be bound after ceasing to own any part or share of and in the Land and the Estate or any interest therein save and except in respect of any matter arising previously to his ceasing to own such part or share or interest therein.

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

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

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

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

- (i) As-built record plans of the building and services installations together with the necessary technical information (such as specifications of materials and design standard) for maintenance of all facilities and equipment;
- (ii) All warranties and guarantees provided by contractors (together with the names of the companies providing the warranty and the contact telephone numbers) in respect of all facilities and equipment;
- (iii) Recommended maintenance strategy and procedures;

- (iv) A lists of items of the Works and Installations requiring routine maintenance;
 - (v) Recommended frequency of routine maintenance inspection;
 - (vi) Checklist and typical inspective record sheets for routine maintenance inspection;
 - (vii) Recommended maintenance cycle of the Works and Installations.
- (b) Within one (1) month after the execution of this Deed, the First Owner shall deposit a full copy of the first Maintenance Manual for the Works and Installations in the management office for inspection by the Owners free of charge and any Owner or his duly authorized representative shall be entitled to a copy thereof upon payment of a reasonable charge to cover the cost of copying the same Provided That all charges received therefrom shall be credited into the Capital Reserve Fund.
- (c) (i) The Manager shall on behalf of and at the cost and expense of the Owners inspect, maintain and carry out all necessary works for the maintenance of the Estate Common Areas and the Estate Common Facilities including those part or parts of the Works and Installations (in so far as they are in existence) forming part of the Estate Common Areas and the Estate Common Facilities.
- (ii) The Owner shall at their own costs and expense inspect, maintain and carry out all necessary works for the maintenance of the Houses including those part or parts of the Works and Installations forming part of their Houses.
- (d) The Owners may, by a majority resolutions passed at an Owners' meeting convened under this Deed, make, amend, revise and revoke the schedule of Works and Installations and the Maintenance Manual for the Works and Installations or any part thereof as the Owners shall deem fit, in which event the Manager shall procure the revised schedule and the revised Maintenance Manual for the Works and Installations or any amendments thereto from a qualified professional or consultant within such time as may be prescribed by the said Owners' resolutions. All costs and expenses of and incidental to the preparation of the revised schedule and the revised Maintenance Manual for the Works and Installations or any subsequent

amendments thereto shall be borne by the Owners and paid out of the Capital Reserve Fund.

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

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

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

THE FIRST SCHEDULE ABOVE REFERRED TO
Allocation of Undivided Shares
of and in the Land and the Estate

(A) Houses 4,969 Shares

House	Undivided Shares
79 Peak Road	754
79A Peak Road	708
77A Peak Road	671
77B Peak Road	532
77C Peak Road	528
77D Peak Road	562
77E Peak Road	688
77F Peak Road	526

(B) Estate Common Areas and Estate Common Facilities 10 Shares

Grand Total 4,979 Shares

THE SECOND SCHEDULE ABOVE REFERRED TO
Allocation of Management Shares
of and in the Land and the Estate

(A) Houses

4,969 Shares

House	Management Shares
79 Peak Road	754
79A Peak Road	708
77A Peak Road	671
77B Peak Road	532
77C Peak Road	528
77D Peak Road	562
77E Peak Road	688
77F Peak Road	526

Grand Total 4,969 Shares

SEALED with the Common Seal
of the First Owner and SIGNED by
NG Tin Hoi Stephen, Director
Wharf Secretaries Limited, Secretaries
director(s) / person(s) duly authorized by
its board of directors
whose signature(s) is/are verified by:-




Lam Harmony Yin
Solicitor, Hong Kong SAR,
Woo Kwan Lee & Lo

For and on behalf of
Wharf Peak Properties Limited


.....
Director


WHARF SECRETARIES LIMITED
Secretaries


.....
HUI, Chung Ying Kevin
Director & Secretary

SEALED with the Common Seal
of the Second Owner and SIGNED by
TSUI Yiu Cheung, Director
Wharf Secretaries Limited, Secretaries
director(s) / person(s) duly authorized by
its board of directors
whose signature(s) is/are verified by:-



Lam Harmony Yin
Solicitor, Hong Kong SAR,
Woo Kwan Lee & Lo

For and on behalf of
Affluent Peak Limited


.....
Director


WHARF SECRETARIES LIMITED
Secretaries

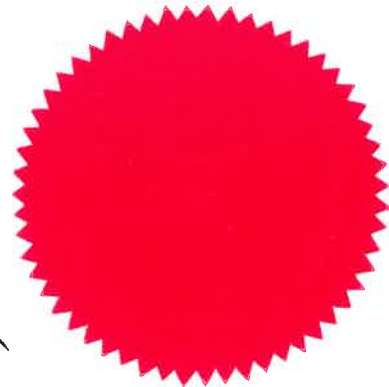

.....
HUI, Chung Ying Kevin
Director & Secretary

SEALED with the Common Seal of the)
Manager and SIGNED by)
NG Tin Hoi Stephen, Director)
TSUI Yiu Cheung, Director)

director(s) / person(s) duly authorized by)
its board of directors)
whose signature(s) is/are verified by:-)



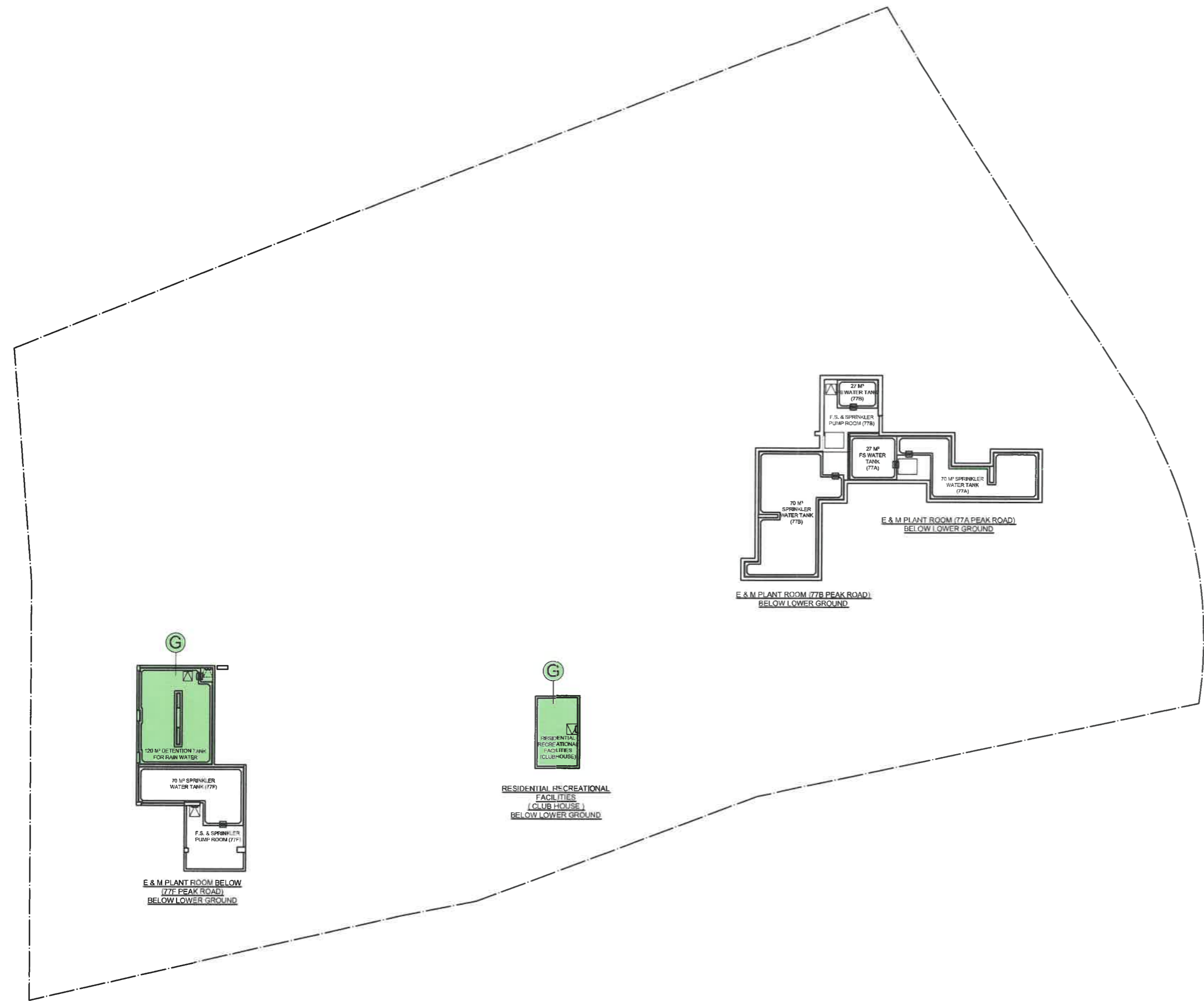
Paul Yiu



Lam Harmony Yin
Solicitor, Hong Kong SAR,
Woo Kwan Lee & Lo

Legend

 Green - Estate Common Areas



E & M Plant Room Part Plan (Below Lower Ground)

(For identification purpose only)

DWG: 0608/DMC_01

Proposed Residential redevelopment at The Remaining Portion of Rural Building Lot No. 836



scale 1:400 (A3)
drawing revision date: 21.06.2017

NG CHI HO
Authorized Person (Architect)

Handi architects limited

E & M Plant Room Part Plan (Below Lower Ground)

Legend

 Green - Estate Common Areas



Lower Ground Floor Plan (77A to 77F Peak Road)

(For identification purpose only)

DWG: 0608/DMC_02

Proposed Residential Redevelopment at
The Remaining Portion of Rural Building
Lot No. 836

0 5 10 15 20m

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drawing revision date: 13.04.2018

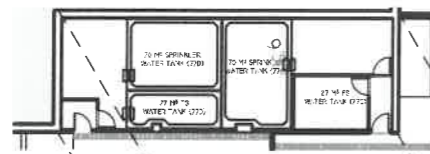
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NG CHI HO
Authorized Person (Architect)

Handi architects limited

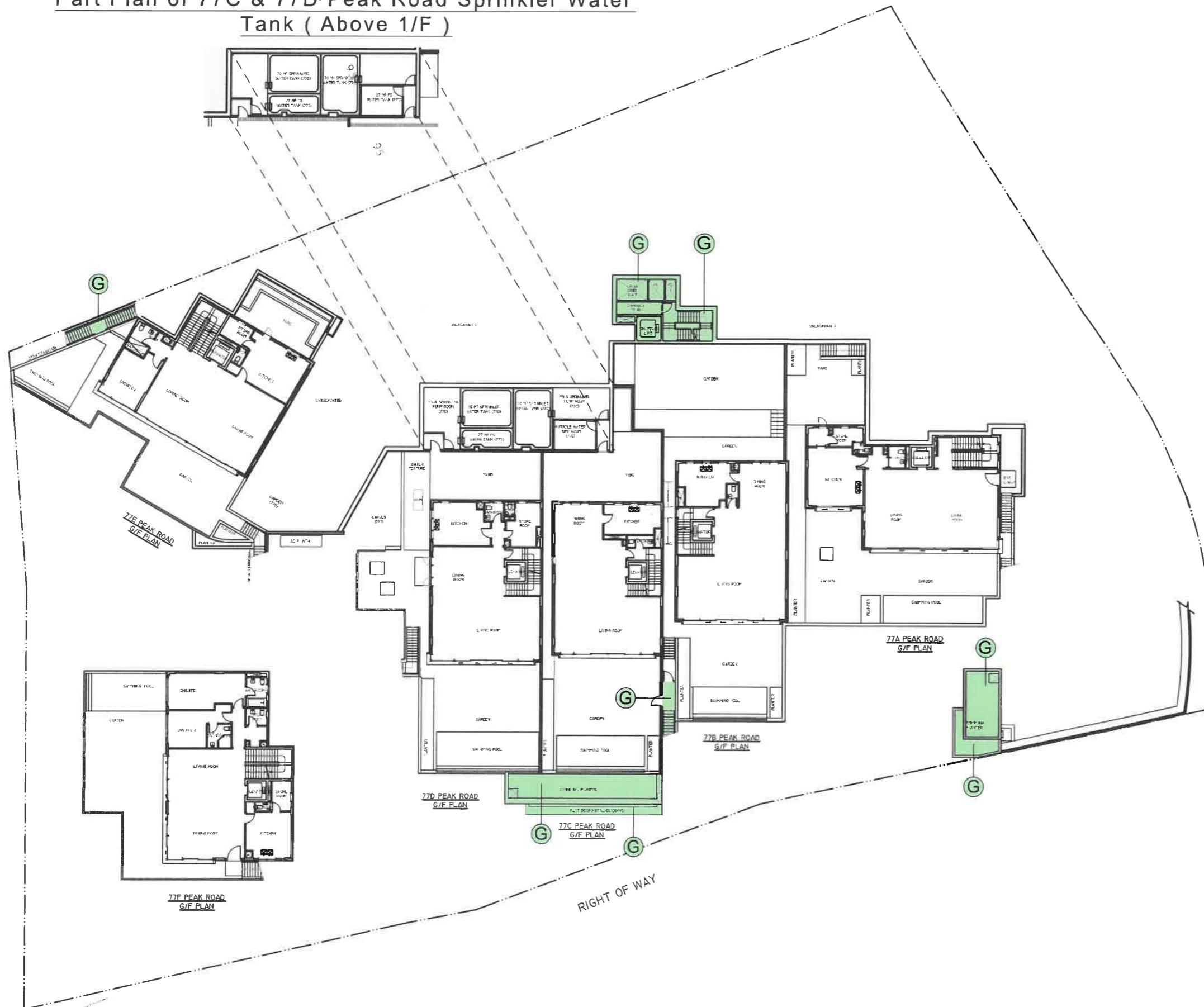
Lower Ground Floor Plan (77A to 77F Peak Road)

Part Plan of 77C & 77D² Peak Road Sprinkler Water Tank (Above 1/F)



Legend

G Green - Estate Common Areas



Ground Floor Plan (77A to 77F Peak Road)

(For identification purpose only)

DWG: 0608/DMC_03

Proposed Residential Redevelopment at
The Remaining Portion of Rural Building
Lot No. 836



scale 1:400 (A3)
drawing revision date: 13.04.2018

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Authorized Person (Architect)

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Ground Floor Plan (77A Peak Road to 77F Peak Road)

Legend

 Green - Estate Common Areas



**1st Floor Plan
(77A to 77F Peak Road) &
Lower Ground Floor Plan (79 & 79A Peak
Road)**

(For identification purpose only)

DWG: 0608/DMC_04

Proposed Residential Redevelopment at
The Remaining Portion of Rural Building
Lot No. 836



scale 1:400 (A3)
drawing revision date: 13.04.2018

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Authorized Person (Architect)

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**1st Floor Plan (77A to 77F Peak Road) &
Lower Ground Floor Plan (79 & 79A Peak Road)**

Legend

 Green - Estate Common Areas



**2nd Floor Plan
(77A to 77E Peak Road),
Roof Floor Plan (77F
Peak Road) &
Ground Floor Plan (79
& 79A Peak Road)**
(For identification purpose only)

DWG: 0608/DMC_05

Proposed Residential Redevelopment at
The Remaining Portion of Rural Building
Lot No. 836



scale 1:400 (A3)
drawing revision date: 07.08.2017



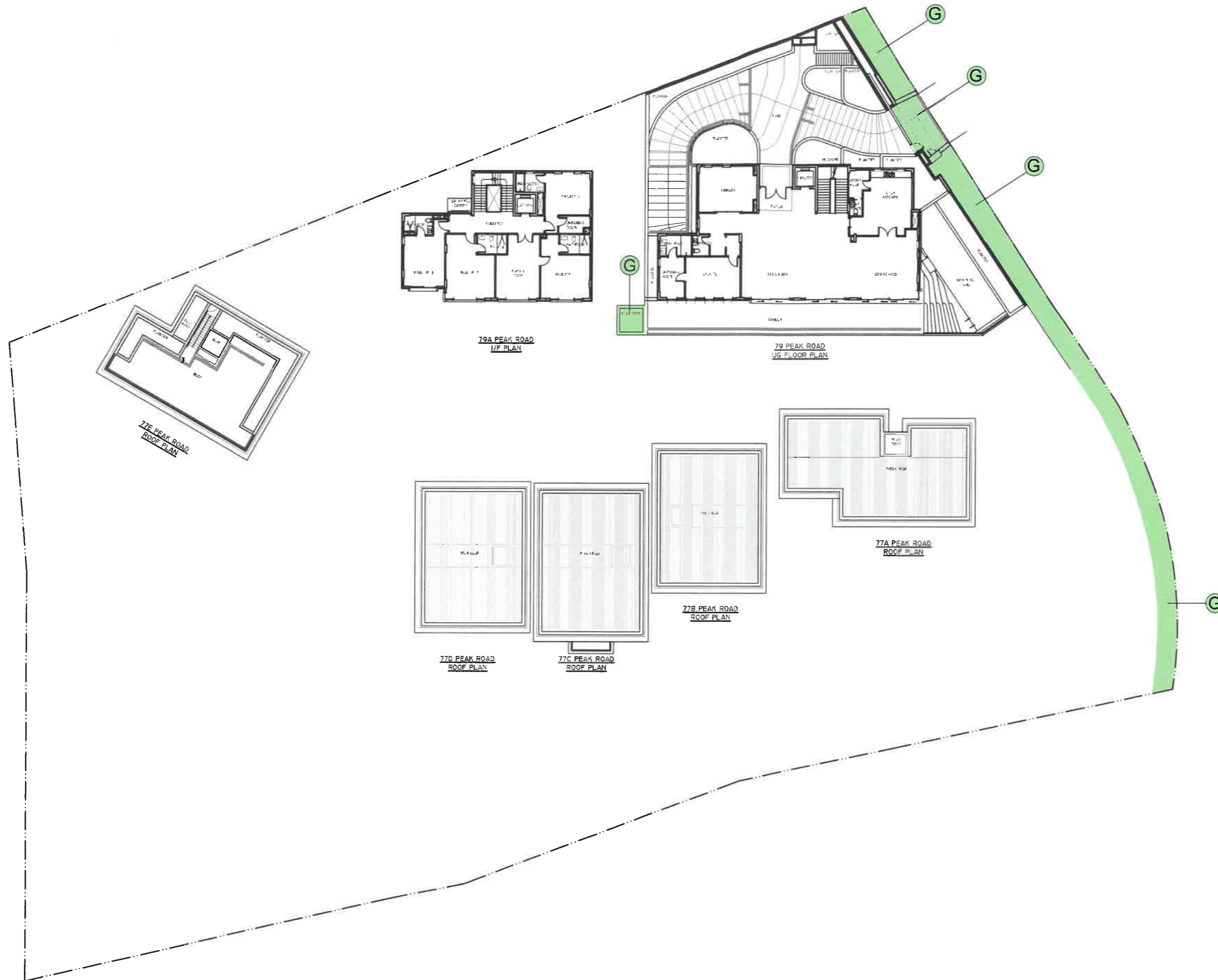
NG CHI HO
Authorized Person (Architect)

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**2nd Floor Plan (77A to 77E Peak Road), Roof Floor Plan (77F Peak Road) &
Ground Floor Plan (79 & 79A Peak Road)**

Legend

 Green - Estate Common Areas



**Roof Floor Plan
(77A to 77E Peak Road) ,
1/F Floor Plan (79A Peak
Road) & Upper Ground
Floor Plan (79 Peak Road)**

(For identification purpose only)

DWG: 0608/DMC_06

Proposed Residential Redevelopment at
The Remaining Portion of Rural Building
Lot No. 836



scale 1:400 (A3)
drawing revision date: 13.04.2018

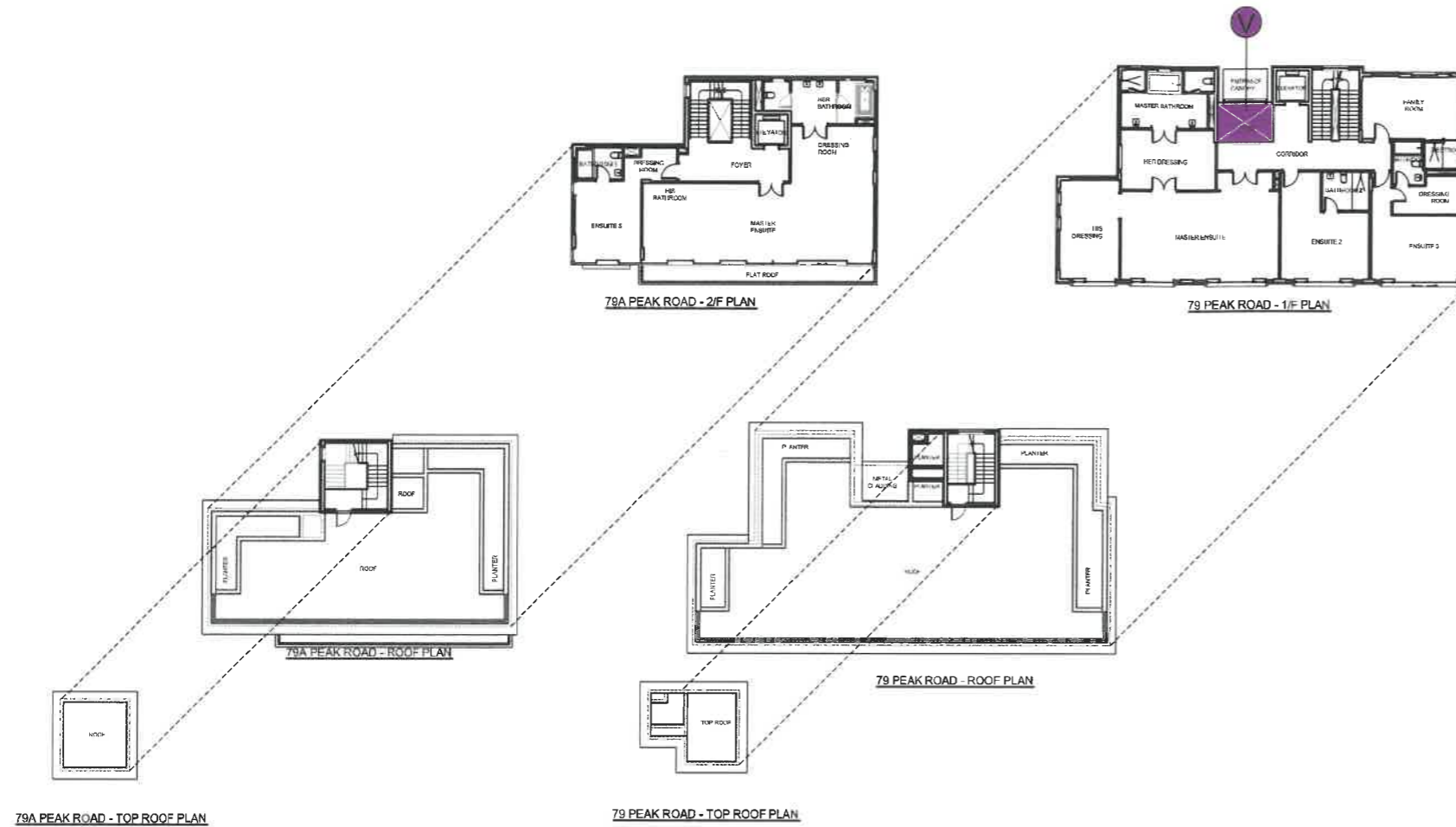
NG CHI HO
Authorized Person (Architect)

Handi architects limited

**Roof Floor Plan (77A to 77E Peak Road) , 1/F Floor Plan (79A Peak Road)
& Upper Ground Floor Plan (79 Peak Road)**

Legend

 Violet - Void area



1st to Top Roof Floor Plan (79 Peak Road) & 2nd to Top Roof Floor Plan (79A Peak Road)

(For identification purpose only)

DWG: 0608/DMC_07

Proposed Residential redevelopment at
The Remaining Portion of Rural Building
Lot No. 836



scale 1:400 (A3)

drawing revision date: 13.04.2018

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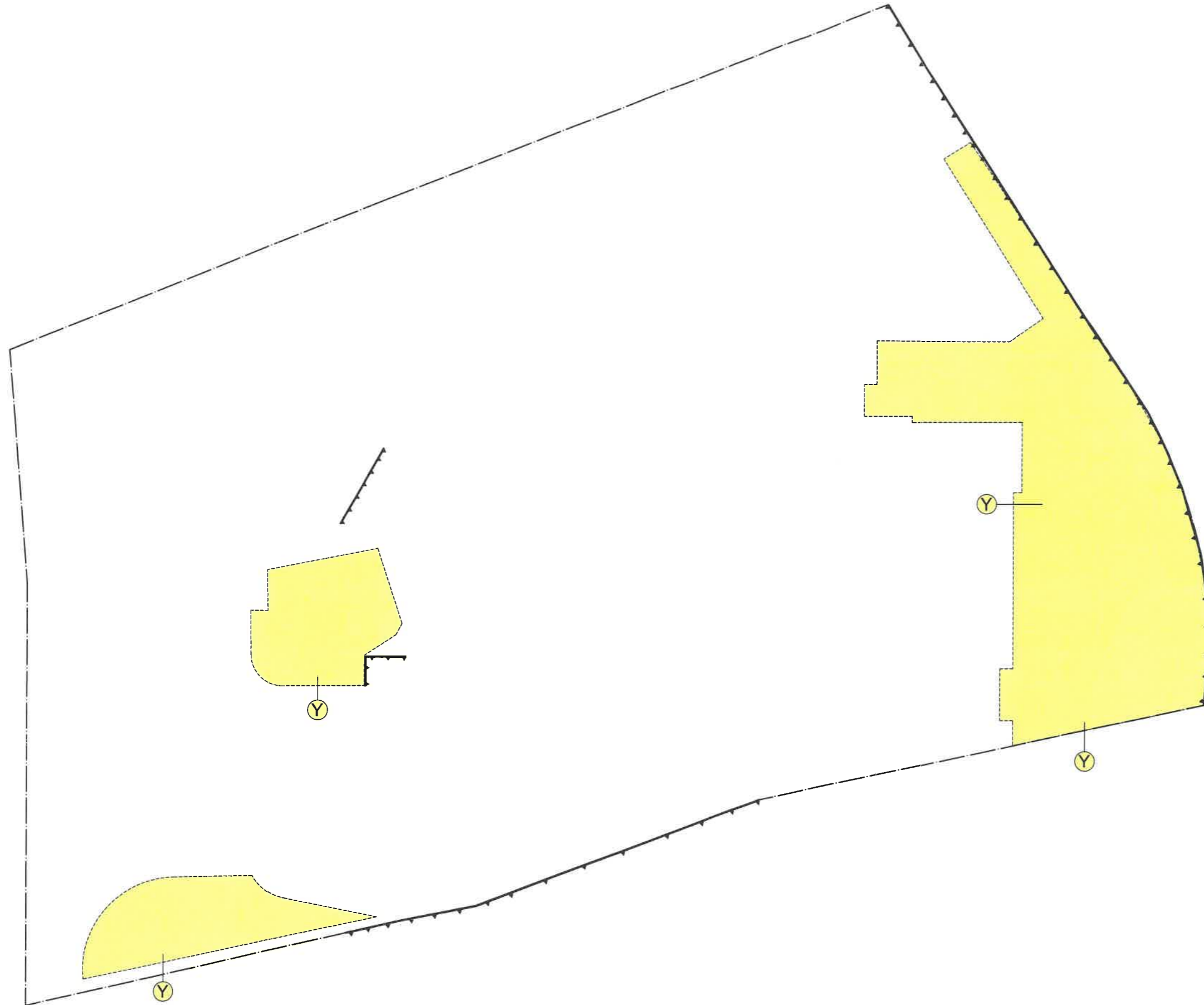
1st to Top Roof Floor Plan (79 Peak Road) & 2nd to Top Roof Floor Plan (79A Peak Road)

Legend

 Yellow Slope areas

 Retaining Structures

I HEREBY CERTIFY THAT ALL SLOPES TREATMENT WORKS, RETAINING WALLS OR OTHER STRUCTURES AS MENTIONED IN THE CURRENT GUIDELINES ISSUED BY THE LANDS DEPARTMENT FOR DRAFTING OF DEEDS OF MUTUAL COVENANT WHETHER EXIST WITHIN OR ADJACENT TO THE DEVELOPMENT HAVE BEEN INCLUDED IN THIS PLAN.




Slope And Retaining Structure Plan

(For identification purpose only)

DWG: 0608/DMC_08

Proposed Residential redevelopment at
The Remaining Portion of Rural Building
Lot No. 836

scale 1:400 (A3)
drawing revision date: 13.04.2018


NG CHI HO
Authorized Person (Architect)

Handi architects limited