

THIS PRINCIPAL DEED made the 28th day of September

One thousand nine hundred and ninety

BETWEEN MIGHTYTON LIMITED whose registered office is situate at 7th Floor, Central Building, Nos.1-3 Pedder Street, Hong Kong (hereinafter called "the Registered Owner" which expression shall where the context so admits include its successors and assigns) of the first part, the person whose name and address are specified in the First Schedule hereto (hereinafter called "the First Purchaser") of the second part and MIGHTYTON PROPERTY MANAGEMENT LIMITED whose registered office is situate at 7th Floor, Central Building, Nos.1-3 Pedder Street, Hong Kong (hereinafter called "the Manager" which expression shall where the context so admits include its successors or assigns) of the third part.

WHEREAS :-

The Crown Grant (1) Immediately prior to the Assignment hereinafter recited to the First Purchaser the Registered Owner was the registered owner of the Lot (as defined in Clause 1 of SECTION I) held from the Crown absolutely under and by virtue of the Crown Grant (as defined as aforesaid) under which a Crown Lease will be granted for a term of 75 years from the 2nd day of January 1981 (renewable for another term of 75 years) subject to the payment of the rent and to the observance and performance of the terms and conditions therein reserved and contained.

Deed Poll (2) By a Deed Poll dated the 20th day of January 1989 the Lot was subdivided into SECTION A, SECTION B, SECTION C AND THE REMAINING PORTION and by a Supplemental Deed Poll dated the 11th day of August 1990, the Lot was further

sub-divided into SECTION A, SUB-SECTION 1 OF SECTION B, THE REMAINING PORTION OF SECTION B, SECTION C, SECTION D AND THE REMAINING PORTION.

Development of Lot Section by Section in accordance with Master Plans (3) SECTION A is in the course of being developed in accordance with the Master Plans (as defined as aforesaid) and it is intended that THE REMAINING PORTION OF SECTION B, SECTION C and THE REMAINING PORTION except certain areas reserved for Estate Common Areas and Facilities (as defined as aforesaid) and will be developed Village (as defined as aforesaid) by Village in accordance with the Master Plans SUB-SECTION 1 OF SECTION B and SECTION D where part of a drainage reserve system is presently constructed will be surrendered to the Government.

(4). By an Assignment of even date more particularly described in the Sub-Deed (as defined as aforesaid) relating to SECTION A, the Registered Owner assigned unto the First Purchaser the premises more particularly described therein.

Easements, rights and privileges for common benefit (5) The Registered Owner and the First Purchaser have agreed that it is for their common benefit that they and the respective owners for the time being of the Lot and the Estate (as defined as aforesaid) should have and be subject to certain easements, rights and privileges, and that certain installations, services, facilities and other things constructed or to be constructed on the Lot in accordance with the Crown Grant and the Master Plans should serve or be available for the use and the benefit of the Owners (as defined as aforesaid), all on the terms and conditions hereinafter specified.

Rights, etc. (6) It is desirable to define and regulate the respective
of Owners rights, interests and obligations of the Owners on various
matters.

Registered (7) The Crown Grant requires the Registered Owner, inter
Owner obliged alia, to well and efficiently manage the Lot and all
to manage buildings and structures thereon in accordance with a Deed
etc. of Mutual Covenant.

Purpose of (8) The parties hereto have agreed to enter into this Deed
this Deed for the purposes of making provisions for the matters
referred to in Recitals (5) and (6) above and for the
management, maintenance and servicing of the Estate and
other matters as hereinafter appearing.

Approval (9) The Registrar General (Land Officer) has given his
of this approval to the terms of this Deed pursuant to the Crown
Deed Grant.

NOW THIS DEED WITNESSETH that the parties hereto have agreed and DO hereby
covenant with one another as follows to the intent that this Deed shall
enure to the benefit of and shall bind them and each of them and (except in
the case of the Manager) their respective successors in title and persons
deriving title under or through them or any of them and all persons who may
hereafter during the said term of the Crown Grant and any renewal thereof
become the owner of any part of or interest in the Lot and the Estate.

SECTION I

DEFINITIONS

1. In this Deed the following expressions shall have the following meanings ascribed to them whenever the context so permits :-

- "building" shall mean any building or other structure in, upon, above and below the Lot.
- "the Club" shall mean "The Redhill Peninsula Club Limited" for the purpose of managing and running the Club House (as hereinafter defined).
- "the Club House" shall mean the building complex constructed on the Lot designated "Club House" on the Master Plans and shall include tennis courts, swimming pools and other facilities within its compound (as hereinafter defined).
- "Crown Grant" shall mean Conditions of Sale No.11461.
- "Director" shall mean the Director of Buildings and Lands.
- "the Estate" shall mean the entire development of the Lot (but excluding the Section B and Section D Reserve System) and now known as "THE REDHILL PENINSULA (紅山半島)" and shall include but not limited to such buildings, structures, facilities and other constructions as are specified and shown on the Master Plans and all alterations or additions thereto or replacements thereof as well as the building foundations and the Estate Common Areas and Facilities.
- "Estate Common Areas" shall mean those parts of the Estate not otherwise specifically reserved for public use by the Crown Grant or assigned to or for the exclusive use of any one or more Owners and shall include but not limited

to the Public Road (if any), the Drainage Reserves and such areas, services and facilities serving the Estate as a whole and designated as such Estate Common Areas by the Registered Owner from time to time, including but not limited to the Recreational Facilities (as hereinafter defined) but shall exclude Village Common Areas (as hereinafter defined).

"Estate Common Areas and Facilities" shall mean collectively Estate Common Areas and Estate Common Facilities (as hereinafter defined).

"Estate Common Facilities" shall mean and include all collector and other sewers, drains, storm water drains, watercourses, cables pipes, wires, ducts, underground box culverts, sea water intake (including pump house, steps and pipes) flushing mains, fresh water mains, ducts, plant and machinery and other like structures, facilities and/or services being in under or above the Estate and for the benefit and service of the Estate as a whole but shall exclude Village Common Facilities (as hereinafter defined).

"Estate Management Budget" shall mean the budget to be prepared for the Estate more particularly described in Clause 1 of Sub-Section D of SECTION VI.

"Estate Management Expenses" shall mean all costs, charges, expenses and outgoings incurred by the Manager in relation to the management and maintenance of the Estate less the Village Management Expenses (as hereinafter defined).

"the Estate Owners' Committee" shall mean a committee of Owners established as provided in SECTION VII hereof.

"Estate Rules" shall mean the Estate Rules from time to time in force as provided in Clause 2(a) of Sub-Section B of SECTION VI relating to the use operation and maintenance of the Estate.

"Government" shall mean the Hong Kong Government.

"Lot" shall mean Section A, Sub-Section 1 of Section B, The Remaining Portion of Section B, Section C, Section D and The Remaining Portion of Rural Building Lot No.1050 and any Extension or Extensions thereto.

"maintain" shall mean repair, uphold, support, rebuild, renew, overhaul, pave, purge, scour, cleanse, empty, amend, keep, tend, replace and decorate or such of the foregoing as may be applicable in the circumstances and in the interest of good estate management, and "maintenance" shall be construed accordingly.

"management" shall mean all duties and obligations to be performed and observed by the Manager pursuant to the Crown Grant and/or as herein or in any Sub-Deed provided.

"Management Areas" shall mean those parts of the Estate (be they situated in a Village or otherwise) which are required by the Manager in order to carry out its duties as herein and in the Sub-Deed and in the Crown Grant provided.

"Management Budget" shall mean collectively the Estate Management Budget and Village Management Budget.

"Management Charges" shall mean collectively the Manager's Fee (as hereinafter defined), Estate Management Expenses and Village Management Expenses (as hereinafter defined) and other costs and expenses incurred by the Manager in carrying out its duties as herein and in any relevant Sub-Deed provided.

"Management Expenses" shall mean collectively the Estate Management Expenses and Village Management Expenses.

"Management Funds" shall mean all monies received, recovered or held by the Manager pursuant to this Deed and the Sub-Deeds except only the Manager's Fee.

"Manager" shall mean the Manager or any other manager for the time being appointed as manager of the Estate pursuant to the provisions of this Deed and the Crown Grant.

"Manager's Fee" shall mean the remuneration of the Manager as hereinafter provided and as provided in any Sub-Deed.

"Master Plans" shall mean the plans for the development of the Lot duly approved by the Director under reference No.BLD(B)2/3086/81/2 and deposited in the Land Office in accordance with Special Condition (5) of the Crown Grant and any amendments thereto duly approved by the Director.

"Occupation Permit" shall mean a temporary or permanent Occupation Permit issued by the Building Authority.

"Occupiers" shall mean and include any person occupying or using a Unit with the consent, express or implied, of an Owner who owns the Unit, including but without prejudice to the generality thereof any tenant, any member of the Owner's or tenant's family and any of the Owner's or tenant's servants, agents, invitees and licensees and/or visitors.

"Owners" shall mean the Registered Owner and any person in whom for the time being the legal estate in a Share (as hereinafter defined) is vested including joint-tenants or tenants-in-common and its or his or their executors administrators successors in title and person deriving title under or through it or them, and shall include, where the context so permits, the Owners' Occupiers and where the legal estate in a Share has been assigned by way of legal charge or Equitable Mortgage, by deed the word "Owner" shall include both the mortgagor and the mortgagee PROVIDED however that subject to the provisions of any agreement the voting

rights attached to a Share by the provision of this Deed or any Sub-Deed shall be exercisable by the mortgagor unless the mortgagee is in possession or in receipt of the rent and profits of the Share.

- "Recreational Facilities" shall mean and include such areas and facilities in the Lot (indoor or outdoor) as shall be designated recreational facilities from time to time by the Registered Owner.
- "Rules" shall mean collectively the Estate Rules and Village Rules.
- "Section B and Section D Reserve System" shall mean those parts of the drainage reserve system erected or to be erected on Sub-Section 1 of Section B and Section D of the Lot to be surrendered to Government.
- "the said Secretary" shall mean the Secretary for Lands and Works or the officer who has taken over the responsibilities of the former post of Director of Public Works and all reference to the Director of Public Works in the Crown Grant shall be construed as reference to the said Secretary.
- "Village" shall mean either Section A, The Remaining Portion of Section B, Section C or The Remaining Portion, together with the messuages, erections and buildings erected or to be erected therein.
- "Village Common Areas" shall mean those areas in a Village designated as Village Common Areas in the relevant Sub-Deed or other areas designated Village Common Areas by the Registered Owner from time to time.
- "Village Common Areas and Facilities" shall mean collectively the Village Common Areas and Village Common Facilities (as hereinafter defined).
- "Village Common Facilities" shall mean those facilities in a Village designated as Village Common Facilities in the relevant Sub-Deed or other facilities designated Village Common Facilities

by the Registered Owner from time to time.

"Village Management Budget" shall mean the budget to be prepared for each Village more particularly described in Clause 2 of Sub-Section D of SECTION VI and in accordance with the provisions of the relevant Sub-Deed.

"Village Management Expenses" shall mean the expenses in connection with the management, maintenance and servicing of a Village and more particularly described in the relevant Sub-Deed.

"Village Rules" shall mean the Village Rules from time to time in force as hereinafter provided for in Clause 2(b) of Sub-Section B of SECTION VI relating to the use operation and maintenance of the Village.

"Share" shall mean an equal undivided part or share or interest of and in any Village.

"Sub-Deed" shall mean a Sub-Deed of Mutual Covenant entered into for the purpose of making further provisions for the management, maintenance and servicing of a Village and its equipments, services and apparatus and for the purpose of further defining and regulating the rights, interests and obligations of the Owners thereof and to provide for a due proportion of the Village Management Expenses to be borne by the Owners thereof.

"Unit" shall mean a part of any Village in respect of which the full and exclusive right and privilege to hold use occupy and enjoy has been or is intended to be assigned to an Owner, and "his Unit" in relation to an Owner shall mean the Unit which that Owner has the full and exclusive right and privilege to hold use occupy and enjoy.

2. In this Deed (if the context so permits or requires) words or expressions importing the masculine gender shall include the feminine or neuter gender.

3. The marginal notes to and headings in this Deed are included merely for ease of reference and shall not affect the interpretation or construction of the relevant clauses and paragraphs.

SECTION II

GENERAL

Village to 1. Each Village shall be held by the Owners
be held thereof for the time being and all persons deriving
subject to title under or through them subject to and with the benefit
and with of the easements, rights, privileges, obligations,
benefit of covenants, terms and conditions set out in this Deed and
easements any relevant Sub-Deed.
etc.

Owners to 2. Each Owner shall hold his Share and the full and
hold subject exclusive right and privilege to hold use, occupy and enjoy
to this his Unit subject to and with the benefit of the easements,
Deed and rights, privileges, obligations, covenants, terms and
Sub-Deed conditions set out in this Deed and any relevant Sub-Deed.

Owners 3. Each Owner shall at all times hereafter be
bound by bound by and shall observe and perform the obligations,
covenants covenants, terms and conditions set out in this Deed and any
etc. relevant Sub-Deed and the benefit and burden thereof shall
be annexed to every part of the Lot and the Estate.

Recreational 4 The Club House facilities shall be used only by
facilities members of the Club who shall abide by the rules,
of Club to regulations and by-laws of the Club.
be enjoyed
by Members
only

SECTION III

RIGHTS OF REGISTERED OWNER AND MANAGER

- Rights of
Access for
completing
the Estate
1. (a) The Registered Owner shall have the exclusive and unrestricted right and privilege and at all times with contractors, servants, agents, workmen or other persons authorised, to enter into and upon any part of the Lot and the Estate with all necessary tools, equipment, plant and materials for the purpose of (i) completing or commissioning the construction of the Estate Common Areas and Facilities and the development of any Village and (ii) carrying out other works in under on or over the Lot and the Estate as it shall require from time to time. The Registered Owner in pursuance of any such works shall notify the Owners in writing as to the areas or parts of the Lot and the Estate which the Owners may not use while such works are being carried out and the Owners shall comply with the requirements of such notification. The Registered Owner shall not incur any liability of any nature whatsoever to any Owner or other person having an interest in the Estate by reason of the works save as provided for in Clause 2 (c) of this SECTION III;

The Registered
Owner's and
Manager's right
of access to
maintain etc.

(b) The Registered Owner and the Manager their respective contractors, agents, servants, workmen and other persons authorised by them shall have the exclusive right and unrestricted right and privilege to enter into and upon any part of the Estate and where necessary, the interior of any Unit upon prior reasonable notice (except in case of emergency) for the purpose of inspecting and/or maintaining any part or parts thereof including the Estate Common Areas and Facilities, the Village Common Areas and Facilities or any apparatus or equipment used or installed for the benefit of the Estate or any Village or otherwise carrying out the management and maintenance of the Estate or the Village or performing the Manager's obligations hereunder or under any relevant Sub-Deed or as the case may be;

Right to change
Name and Numbering

(c) The Registered Owner shall have the exclusive and unrestricted right and privilege to change the name of the Estate or any part thereof and to change at any time the description and/or numbering of any building in the Estate as it shall in its absolute discretion think fit upon giving not less than 3 months prior written notice to all Owners and shall not be liable to any Owner or other persons having an interest in the Estate for any damages, claims, costs or expenses resulting therefrom or in connection therewith;

Right to designate Common Areas (d) The Registered Owner shall have the exclusive right and privilege to designate any part of the Estate (not forming part of a Unit) to be Estate Common Areas and Facilities and to re-designate the same from time to time;

Use of part or parts of Estate not yet assigned or developed (e) The Registered Owner shall have the exclusive and unrestricted right and privilege to license any part of the Estate not yet assigned or developed to the Manager, without any consideration, for use by the Owners as gardens or for recreational activities and in such event, such part of the Estate shall for the period of the licence be deemed to be part of the Estate Common Areas and the Owners shall contribute towards the maintenance of the same. The Registered Owner shall be entitled to terminate any such licence by giving to the Manager one month's notice, in which event such part of the Estate or such portion thereof as shall be required by the Registered Owner shall be vacated by the Manager and vacant possession thereof shall be delivered to the Registered Owner;

Right to assign Estate Common Areas and Facilities to Manager for benefit of Owners (f) The Registered Owner shall have the exclusive and unrestricted right and privilege to assign any or all of the Estate Common Areas and Facilities together with the Shares relating thereto (if any) to the Manager, without consideration, for the general benefit of the Owners subject to this Deed and any relevant Sub-Deed relating to the same and upon such assignment such areas and facilities

shall be held by the Manager as trustee for all the Owners and if the Manager shall resign or be wound up or is removed in accordance with the provisions of Clause 1 (c) of Sub-Section A of SECTION VI and another manager appointed in its stead in accordance with the provisions of Clause 1 of Sub-Section A of SECTION VI, then the liquidator or the outgoing Manager shall assign such Common Areas and Facilities together with the Shares relating thereto (if any) to the new manager to hold as such trustee as aforesaid PROVIDED ALWAYS that nothing herein contained shall in any way fetter or diminish the rights, powers, authorities, entitlements, duties and obligations of the Manager contained in this Deed or any relevant Sub-Deed PROVIDED FURTHER that the Manager shall not be required to pay Management Charges in respect of the Shares (if any) assigned hereunder;

Amendments to
Master Plans

- (g) The Registered Owner shall have the exclusive and unrestricted right and privilege to alter, amend, vary or add to the Master Plans existing at the date hereof without the concurrence or approval of any Owner or other person having an interest in the Estate but nothing herein contained shall absolve the Registered Owner from the requirements of obtaining the prior written consent of the said Secretary pursuant to the Crown Grant. No such alteration, amendment, variation or addition shall give to the Owners any right of action against the Registered Owner;

Amendments to
Crown Grant

(h) The Registered Owner shall have the exclusive and unrestricted right and privilege to obtain from the Government any alteration, amendment, variation or addition to the terms and conditions of the Crown Grant and to sign or execute any documents in connection therewith in the name of the Registered Owner only without the necessity of joining in other Owners and the amendments to the Crown Grant shall be binding on the Owner after execution of the relevant document by the Registered Owner. No such alteration, amendment, variation or addition shall give to the Owners any right of action against the Registered Owner;

Right to
surrender
dedicate or
assign to
Govt.

(i) The Registered Owner shall have the exclusive and unrestricted right and privilege to surrender, dedicate or assign or part with possession of any part or parts of the Lot or the Estate which are required to be surrendered or assigned to the Government or dedicated for public use without the necessity of joining in other Owners. No such surrender, dedication, assignment or parting with possession shall give to the Owners any right of action against the Registered Owner;

Right to amend
etc. Common Areas

(j) The Registered Owner shall have the exclusive and restricted right and privilege to alter, amend, vary or add to the Estate Common Areas and Facilities, designated as provided in (d) above without the concurrence or approval of any Owners or other persons having an interest in the Estate Provided Always that their rights and interest

shall not be adversely affected. No such alteration, amendment, variation or addition shall give to the Owners any right of action against the Registered Owner;

Sub-Deed

- (k) The Registered Owner shall have the exclusive and unrestricted right and privilege, without the necessity of making every Owner a party thereto to enter into a further Sub-Deed or Sub-Deeds in respect of any Village or any part thereof for the purpose of making provisions for the management, maintenance and servicing of that Village or any part thereof and its equipments, services and apparatus and for the purpose of defining and regulating the rights, interests and obligations of the Owners thereof Provided further that such Sub-Deed or Sub-Deeds shall be previously approved in writing by the Registrar General (Land Officer).

Exhibition of Notice

2. (a) If the Registered Owner or the Manager, as the case may be, shall desire to exercise any of the rights and privileges mentioned in Clause 1 above, (except in case of emergency and except those mentioned in Clause 1(a) and Clause 1(b) and Clause 1(k) above) it shall exhibit a notice in English and Chinese on the Notice Boards of the Management Areas and other prominent spaces for 30 consecutive days giving full particulars of what it intends to do;

Manager (b) Notwithstanding the provisions of Clause 1 above,
to act the rights and privileges therein reserved by the
reasonably Registered Owner and/or the Manager shall not in
any way contravene the terms covenants and
conditions of the Crown Grant and the provisions
of this Deed or any relevant Sub-Deed and shall
not unreasonably impede or obstruct any Owner's
reasonable access to his Unit.

Appointment 3. For the purposes of carrying out any of the provisions
of Attorney contained in this SECTION III, each Owner shall be deemed
to have appointed the Registered Owner and the Manager (as
the case may be) irrevocably his Attorney.

SECTION IV

EASEMENTS, RIGHTS AND PRIVILEGES

A. Easements, Rights and Privileges Granted to Owners of Each Village

1. Subject to Clauses 3 and 4 of this Sub-Section A, the Owners for the time being of each Village or part thereof shall (in common with all others having the like right) be entitled to the following easements, rights and privileges, during the said term of the Crown Lease to be granted under the Crown Grant and any renewal thereof :-

Right of Way
over Estate
Common Areas

- (a) full right and liberty at all times (subject to interruption for necessary maintenance) by day or night, with or without vehicles, to go, pass and repass along, over and upon the Estate Common Areas for all purposes connected with the proper use of the Village or part thereof;

Right to
passage of
water, etc.

- (b) full right and liberty at all times (subject to interruption for necessary maintenance) to use and receive the benefit of the Estate Common Facilities for the free passage and running of fresh and salt water, sewage, gas, electricity and other services to and from the Village for all purposes connected with the proper use and enjoyment of the Village or part thereof; and

Right to other easements etc. (c) all other easements, rights and privileges belonging or appertaining to the Village or part thereof.

Conditions of enjoyment of easements etc. 2. All the foregoing easements, rights and privileges are subject to and conditional upon the Owners for the time being of the Village or part thereof in respect of which they have been granted paying their due proportion of the Management Charges and observing and complying in all other respects with the requirements of this Deed and any relevant Sub-Deed.

3. The grant of each of the foregoing easements, rights and privileges shall not take effect until :-

Commencement of easements (a) the completion of the development of the Village or part thereof in respect of which the easements, rights and privileges have been granted to the Owners thereof;

(b) the completion of so much of the Estate Common Areas and Facilities and other parts of the Estate as to render the exercise of the easement, right or privilege of practical use and benefit to the said Owners;

and then only:-

(i) in respect of the said completed Village or part thereof, and

- (ii) until such time as the Estate Common Areas and Facilities have all been completed, in respect only of such parts thereof as shall from time to time be completed.

For the purpose of this Clause 3, completion of a building shall be evidenced by the issue of an Occupation Permit in respect thereof.

B. Easements, Rights and Privileges to Which Owners of Villages Are Subject

The Owners for the time being of each Village or part thereof shall hold the Village subject to the following easements, rights and privileges:-

- (a) such of the easements, rights and privileges set forth in Clause 1 of Sub-Section A of this SECTION IV as are applicable to or affect their Section or part thereof.
- (b) the easements, rights and privileges set forth in Clause 1 of SECTION III.

C. Exclusion of Rights

Save as expressly provided herein or in any Sub-Deed, no Owner shall have any right to enter upon any part of the Lot or the Estate.

D. Owners' right to joint the Club

Right to Every Owner shall be entitled, on completion of the sale
join the and purchase of his Unit, to become a member of the Club
Club and he shall abide by the rules and regulations of the Club
 including paying usage fees for the facilities provided by
 the Club.

SECTION V

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

- To pay taxes etc. 1. Each Owner shall promptly pay and discharge all existing and future taxes, rates, assessments and outgoings of every kind assessed or payable from time to time in respect of his Unit and shall indemnify the other Owners from and against all liability therefor.
- To pay Management Charges 2. Each Owner shall pay to the Manager on the due date his share of the Management Charges as provided herein and in any relevant Sub-Deed.
- No contravention of Crown Grant or acts affecting insurance 3. No Owner shall do or permit or suffer to be done any act or thing in contravention of the Crown Grant or whereby any insurance on the Estate may become void or voidable or whereby the premium for any such insurance may be increased (the normal use of the Unit for which it is designed excepted) and in the event of any breach of this Clause by any Owner, he shall in addition to any other liability pay the amount of any increase in premium caused by or on account of such breach and in the event of the Estate or any part thereof being damaged or destroyed by fire at any time and the insurance money under any insurance against fire effected thereon being wholly or partially irrecoverable by reason solely or in part of any act or default of any Owner then and in every such case such Owner shall forthwith pay to the Manager on behalf of

the other Owners the whole or (as the case may require) a fair proportion of the cost of rebuilding or reinstating the same.

To indemnify other Owners 4. Each Owner shall indemnify all other Owners against any actions, proceedings, claims and demands whatsoever in respect of any loss or damage to any person or property caused by or as the result of the act or negligence of such Owner of his Unit or any person using his Unit with his consent expressed or implied or by or through or in any way owing to the overflow of water or the escape of fumes, smoke or anything else originating therefrom.

To be responsible for occupiers 5. Each Owner shall be liable to the Manager and shall indemnify all other Owners for the acts, omissions and defaults of the occupiers of his Unit and shall pay all costs, charges and expenses incurred in repairing or making good any loss or damage caused by the act, neglect or default of such persons. In the case of loss or damage which the Manager is responsible to make good or repair, such costs charges and expenses shall be recoverable by the Manager as herein provided and in the case of loss or damage suffered by other Owners of any part of the Estate for which the Manager is not responsible to make good or repair, such costs, charges and expenses together with all other damages recoverable by law shall be recoverable by the person sustaining the loss or damage.

No inter- 6. No Owner shall do or permit or suffer to be
ference with done and each Owner will take all possible
construction steps to prevent the occupiers of his Unit from
or maintenance doing any act, deed, matter or thing which in any
of Estate way interferes with or affects or which is likely to
interfere with or affect the construction of any part
of the Estate at any time in the course of construction
or the maintenance and management of the Estate as
herein provided.

To observe 7. All Owners shall at all times be bound by and observe
Rules and perform the Rules.

SECTION VI

MANAGEMENT OF THE ESTATE

A. General

Management
to be
undertaken by
the Manager

1. (a) The management and maintenance of the Estate shall be undertaken by the Manager initially for a term of 3 years from the date of the issue of the first Occupation Permit in respect of any part of the Estate and such appointment shall continue thereafter until the Manager's appointment is terminated pursuant to the provisions hereinafter mentioned.

Manager may
resign on 3
months' notice

- (b) The Manager may at anytime after the expiration of the said initial period of 3 years, terminate the appointment as Manager of the Estate by giving to the Estate Owners' Committee 3 months' written notice of termination.

Manager may
be dismissed
on 3 months'
notice

- (c) Similarly, the Estate Owners' Committee may at anytime after the expiration of the said initial period of 3 years, terminate the appointment of the Manager as Manager of the Estate by giving to the Manager 3 months' written notice of termination.

Manager shall
be dismissed
on liquidation

- (d) The appointment of the Manager shall be terminated forthwith if the Manager shall go into liquidation (except for the purpose of amalgamation or reconstruction).

Manager may be
dismissed without
notice for gross
negligence, etc.

(e) The Estate Owners' Committee has the right,
at any time before or after the said initial
period of 3 years without notice, dismiss
the Manager for gross negligence or
dishonesty or gross incompetence.

Provisions not to
convene until 50%
of Estate completed

(f) Notwithstanding anything hereinbefore
contained in this Clause 1, the provisions
mentioned in Sub-Clause (b) and (c) hereof
will not come into effect until the
Occupation Permits in respect of at least
50% of the buildings in the Estate have
been issued.

Manager bound
by this Deed

2. The Manager shall be bound by and shall observe
and perform all of the conditions, duties and
obligations on its part to be observed and
performed as herein and in any Sub-Deed
provided.

Manager
appointed
attorney to
enforce
this Deed

3. The Manager shall be deemed to be acting for all
the Owners collectively and not for the Owners
individually, and each Owner shall be deemed to
have appointed the Manager irrevocably as
Attorney to enforce the provisions of this Deed
and any relevant Sub-Deed and each Owner shall
be deemed to have covenanted not to enforce the
terms of this Deed of any relevant Sub-Deed
otherwise than through the Manager unless the
Manager shall be in breach of the provisions of
this Deed or any relevant Sub-Deed.

Commencement
of Manager's
obligations

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

B. Powers and Duties of Manager

Powers and
duties of
Manager

1. The Manager shall be responsible for and shall have full and unrestricted authority to do all such acts and things as may be necessary or requisite for the proper management and maintenance of the Estate, and without prejudice to the generality of the foregoing shall have full power and authority :-

To inspect

- (1) to inspect and examine the entire Estate including the interior of all Units (on reasonable notice) at reasonable intervals;

To maintain

- (2) to carry out all works necessary to maintain the Estate and every part thereof in a good, clean, satisfactory and safe condition;

To ensure
Owner's
obligations
to repair

- (3) to ensure that all Units are maintained in a satisfactory manner and in the event of default to put in hand any necessary maintenance and to recover the cost therefor from the defaulting Owner or his occupiers;

- | | |
|---------------------------|---|
| To paint
exteriors | (4) to paint or repaint at reasonable intervals
as appropriate the exteriors of all the
buildings and structures in the Estate and
to clear off graffiti as and when necessary; |
| To replace
glass | (5) to replace any broken glass, doors, windows
or fixtures in the Estate Common Areas; |
| To provide lighting | (6) to keep all the Estate Common Areas well
lighted; |
| To ventilate | (7) to keep in good repair the ventilation of
such parts of the Estate Common Areas as are
enclosed; |
| To clean Estate | (8) to keep the Estate and all parts thereof
(other than Units) in a clean, sanitary and
tidy condition; |
| To remove refuse etc. | (9) to remove all refuse from the Estate and
every part thereof and arrange for its
disposal at regular intervals and to
maintain refuse collection facilities to the
satisfaction of the relevant Government
Departments; |
| To prevent
obstruction | (10) to prevent so far as possible the
obstruction of any of the Estate Common
Areas and to remove such obstruction thereon; |

- To clear
sewers etc.
- (11) to keep clear and in good working conditions
all the common sewers, drains, watercourses
and pipes in the Estate;
- To keep Estate
Common Facilities
in working order
- (12) to keep the Estate Common Facilities
in good condition and working order;
- To keep plant
etc. in working
order
- (13) to keep all plant, machinery and equipment
on the Estate Common Areas in good condition
and working order and, in the case of lifts,
in accordance with any relevant laws and
regulations;
- To prevent
dumping of refuse
onto Government
property
- (14) to prevent so far as possible any refuse
or other matter being deposited, washed,
eroded or falling from the Estate onto any
public roads or Government property and to
remove any such refuse or matter therefrom;
- To remove
unauthorised
structures
- (15) to remove anything erected or installed
in contravention of the terms of the Crown
Grant and this Deed and any Sub-Deed and to
demand and recover from the person
responsible for the cost of removal and
making good any damage caused by such
erection or installation;
- To maintain
fire fighting
installations
and appliances
- (16) to provide and maintain fire services
installations, appliances and equipment in
the Estate as required by the Crown Grant
and all relevant laws and regulations and
such other fire and safety installations,

appliances and equipment as the Manager may deem necessary or desirable;

To provide security (17) to provide and maintain a security force, watchmen and caretakers for the Estate and every part thereof and to install, operate and maintain security installations therein at the absolute discretion of the Manager;

To control vehicles (18) to control parking and all vehicular and pedestrian traffic within the Estate, to impose such parking fees as may be prescribed by the Rules and to tow away and/or impound vehicles for breach of the Rules, or the provisions herein or in any relevant Sub-Deed and to charge the owner of the vehicle which has been towed away and impounded or who has defaulted in paying parking fees such fees and expenses including interest and collection charges mentioned in Clause 2 of Sub-Section E of this SECTION VI, as the Manager shall in its absolute discretion think fit;

To install aerials (19) to install and maintain wireless and television aerials to serve the Estate or any part thereof;

To maintain and
improve services

To charge
usage fees

To appoint
solicitors etc.

To prevent
unauthorised use
of Estate Common
Areas

(20) to do all things which the Manager shall in its discretion deem necessary or desirable for the purposes of maintaining and improving all facilities and services in or on the Estate or for the better enjoyment or use of the Estate by the Owners and in particular to maintain and manage the Recreation Facilities and to charge the Owners who use such facilities usage fees, which shall be deemed to be part of the Management Funds;

(21) to appoint solicitors with authority to accept service on behalf of all the Owners in all legal proceedings relating to the Estate or any part thereof and, in particular but without limiting the foregoing, in all proceedings in which the Crown or the Government shall be a party, and within 7 days of being requested so to do by the said Secretary or other authorised officer, to appoint a solicitor to accept service on behalf of all such Owners for the purpose of Order 10 Rule 1 of the Rules of the Supreme Court (or any provision amending or in substitution for the same);

(22) to prevent any person from occupying or using the Estate Common Areas and Facilities otherwise than in accordance with the written permission of the Manager and the provisions of this Deed and any

relevant Sub-Deed;

- | | |
|--|---|
| To comply with
statutory
requirements | (23) to take all steps necessary or expedient
for complying with the Crown Grant and
any Government requirements concerning the
Estate or any part thereof; |
| To prevent breach
of Crown Grant | (24) to prevent and to take action to remedy any
breach by any Owner or other person of any
provisions of the Crown Grant; |
| To prevent
alteration or
injury to Estate etc. | (25) to prevent any person from detrimentally
altering or injuring any part of the
Estate or the Estate Common Areas and
Facilities; |
| To collect monies
and pay
outgoings | (26) to demand, collect and receive all amounts
payable by Owners under the provisions
of this Deed and any relevant Sub-Deed and
to pay and discharge out of the monies so
collected all outgoings relating to the
management and maintenance of the Estate or
any part thereof or otherwise incurred by
the Manager; |
| To insure | (27) to insure and keep insured against loss or
damage by fire and earthquakes all Units and
the Estate Common Areas and Estate Common
Facilities in such amounts and against other
risks and perils as the Manager shall in its
absolute discretion think fit in accordance
with good management practice, and to effect |

public and/or occupiers' liability
insurance, employees' compensation liability
insurance and insurances against other
liabilities in such amounts as the Manager
shall in its absolute discretion PROVIDED
that all such insurances shall be reviewed
at least once every 5 years and shall be in
the name of the Manager for and on behalf of
itself as Manager and the Owners according
to their respective insurable interests, and
the Manager shall pay all premiums required
to keep such insurances in force;

To landscape etc.

(28) to landscape, plant with trees and shrubs,
flowers, bushes, grass and other vegetation
and maintain the same including any access
steps staircases and ramps, whether the same
are within or outside the Estate;

To represent
Owners

(29) to represent the Owners in all dealings
with the Government or any utility company
or other authority or any person in relation
to the management and maintenance of the
Estate;

To take or defend
legal proceedings
and enforcement of
this Deed

(30) to commence, defend and settle (if thought
fit) legal and other proceedings relating to
the Estate and any part thereof;

- To employ staff (31) to employ such staff as may from time to time be necessary to enable the Manager to perform its duties herein or in any relevant Sub-Deed contained on such terms as the Manager shall in its absolute discretion decide and to provide accommodation within the Estate for staff (if any) employed within the Estate, uniforms, working clothes, tools, appliances, cleaning and other materials and all necessary equipments;
- To prevent hawking (32) to prevent any person from hawking within the Estate and any part thereof and to remove therefrom any person found to be hawking. Notices to the effect that hawking is prohibited within the Estate and any part thereof shall be displayed prominently by the Manager near all entrances to the Estate and any part thereof;
- To promote
community services
and general publicity (33) to provide and maintain in respect of the Estate or the buildings thereon promotions for public relations community services and general publicity as deemed necessary by the Manager;
- To remove nuisance (34) to removal any birds or other animals from any Unit if in the opinion of the Manager, such fowls or animals are causing a nuisance to the Owners of other Units;

- | | |
|---|--|
| To decorate | (35) to decorate the entrances and external walls of the buildings and all parts of the Estate including lights and other decorations, during Christmas, Chinese New Year and other festivals and to organise community entertainments and activities as the Manager shall in its absolute discretion think fit; |
| To enforce this Deed and any Sub-Deed and Rules | (36) to enforce the due observance and performance by the Owners of the terms covenants and conditions of the Crown Grant, this Deed and any relevant Sub-Deed and the Rules by :- |
| Methods of enforcement
Posting defaulting Owner's name | (a) posting and displaying the name of the defaulting Owner in prominent spaces throughout the Estate together with details of the breach, and/or |
| Entering Unit to purge breach | (b) entering into the defaulting Owner's Unit, with or without workmen (except in an emergency when entry may be immediate), upon the expiration of a 14 days' notice in writing requiring him to purge the breach therein mentioned, and taking such action therein as shall be required to purge such breach, and/or |
| Legal actions | (c) taking legal actions, and/or |

Other measures

(d) taking any other appropriate measures or actions as the Manager in its absolute discretion shall think fit, and

To do all other
incidental things

(37) to do all such other things as are reasonably incidental to the proper management and maintenance of the Estate or any part thereof.

2. The Manager shall have power from time to time to make, amend and replace :-

Estate Rules

(a) Estate Rules regulating the use, operation, management and maintenance of the Estate and the Estate Common Areas and Facilities and the conduct of persons occupying using or visiting the same and such Estate Rules shall be binding on all of the Owners; and

Village Rules

(b) Village Rules regulating the use, operation, management and maintenance of any Village and any facilities, services or amenities thereof and the conduct of persons occupying, using or visiting the same and such Village Rules shall be binding on all of the Owners of the Village to which such Village Rules apply;

Rules to be
posted and
supplied to
Owners

Copies of the Rules, and any amendments or replacements thereof shall be posted on the notice boards in the Management Areas and shall be supplied to each Owner on request free of charge at the first instance but subsequent copies shall attract reasonable copying charges.

Acts of
Manager
binding

3. All acts done and decisions made by the Manager in accordance with the provisions of this Deed and any Sub-Deed shall be binding in all respects on all the Owners.

Extent of
Manager's
liability

4. Neither the Manager nor any servant agent or other person employed by the Manager shall be liable to the Owners for or in respect of (i) any act, deed, matter or thing done or omitted in pursuance or purported pursuance of the provisions of this Deed and any Sub-Deed not being an act, deed, matter or thing done or omitted involving criminal liability or dishonesty or gross negligence or wilful default, 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 Estate and the Villages or any such act, deed, matter or thing done or omitted as aforesaid and all costs and expenses in connection therewith; (ii) any interruption in any of the services hereinbefore mentioned by

reason of necessary maintenance of any installation, apparatus or equipment, or damage thereto or destruction thereof by fire, water or act of God, or by reason of mechanical or other defect or breakdown, or inclement weather conditions, or unavoidable shortage of fuel, materials, water or labour, or other cause beyond the Manager's control.

- Best endeavours 5. The Manager shall only be required to use all reasonable endeavours in carrying out the management and maintenance of the Estate in accordance with the provisions of this Deed and any relevant Sub-Deed.

C. Manager's Fee

- Remuneration
of Manager 1. The Manager's Fee being the remuneration of the Manager for the performance of its duties in accordance with the provisions contained herein and in any Sub-Deed shall be 10% of the total Management Charges (less the Manager's Fee) which amount shall be subject to such increase as shall be approved by the Estate Owners' Committee.

- Manager not
required to
disburse
Management
Expenses from
Manager's Fee 2. The Manager shall not be required to disburse out of or provide from the Manager's Fee the cost of any staff employed within the Estate, facilities, legal or professional accountancy and bookkeeping services, or other costs and/or professional supervision, the costs for which shall be a direct charge upon the Management Funds.

Payment of
Manager's Fee

3. The Manager's Fee shall be payable by the Owners in advance on the first day of each month.

D. Management And Other Expenses

Estate
Management
Budget

1. Save and except the first year, the Manager shall in consultation with the Estate Owners' Committee prepare a budget to be called "Estate Management Budget" for the ensuing financial year for the purpose of determining the contributions payable by the Owners and such budget shall show the estimated expenditure of the management and maintenance of the Estate Common Areas and Facilities and other expenses not attributable to or solely for the benefit of any Village, the estimated Manager's Fee and the estimated income.

Village
Management
Budget

2. The Manager shall also prepare the Village Management Budget of each Section in accordance with the provisions of the Sub-Deed governing such Village or any part thereof.

Financial Year

3. The first financial year shall, for the purposes of the Management Budget, commence from the date of the first Occupation Permit for a part of the Estate and shall run until the 31st December in that year unless that period shall be less than four months in which event the first financial year shall run until the 31st December in the following year. Thereafter the financial year shall be the calendar year PROVIDED always that

the Manager shall have the right to change the financial year at any time upon giving six months notice in writing to the Owners.

Summary of income
and expenditure
monthly

4. The Manager shall prepare a summary of income and expenditure monthly and display the same in the Management Areas for a reasonable time.

Items included
in Estate
Management Expenses

5. The Estate Management Expenses shall include but not be limited to the following costs, charges and items :-

Crown Rent

- (a) the Crown Rent and all sums payable under the Crown Grant,

Costs of Management

- (b) the costs and expenses of carrying out the duties of the Manager under this Deed in so far as they are incurred in connection with the Estate Common Areas and Facilities and other matters not being attributable to or solely for the benefit of any Section or Sections of the Lot,

Costs of plants
and equipment etc.

- (c) the costs and expenses of purchasing or hiring all necessary plant, equipment, machinery, and road vehicles in so far as they are incurred in connection with the management and maintenance of the Estate Common Areas and Facilities and other matters as aforesaid,

Costs of
administration
and supervisory
staff

(d) the costs and expenses of employing on site administrative and supervisory staff to assist in the management of the Estate as a whole,

Costs of watchmen
caretakers and
other staff etc.

(e) the costs and expenses of employing on site watchmen caretakers, fitters, gardeners, cleaners, associated tradesmen and others to manage the Estate (excluding those (if any) employed exclusively by each Village) and the costs and expenses of providing uniforms, working clothes, tools, appliances, cleaning and other materials and equipment for the same,

Costs of employing
contractors

(f) the costs and expenses of employing contractors to do the acts mentioned in (d) and (e) above,

Rent for
management areas

(g) if the Management Areas are insufficient for the administration of the Estate as a whole, any rent, rates and other outgoings payable for management or administrative offices, meeting rooms or accommodation of any staff employed by the Manager within the Estate in connection with the management of the Estate as a whole,

Professional
fees etc.

(h) all professional fees and costs incurred by the Manager in connection with the management of the Estate as a whole,

Utility Charges	(i) all utility charges incurred by the Manager in connection with the management and maintenance of the Estate Common Areas and Facilities,
Costs for operating plants, equipment etc.	(j) all costs and expenses in connection with the operation of plant, equipment and machinery and road vehicles provided by the Manager for the benefit of the Estate as a whole,
Costs for operating emergency generators	(k) the costs and expenses of providing and operating any emergency generators for the Estate as a whole (if any),
Payment of insurance premia	(l) the payment of insurance premia in respect of or related to the Estate Common Areas and Facilities,
Contingency Fund	(m) such reasonable provisions for contingencies relating to Estate Common Areas and Facilities as the Manager shall in its absolute discretion think fit,
Tax	(n) any tax payable by the Manager on the Management Funds, and
Costs of festivity decorations	(o) the costs of operating and displaying festival decorations during Christmas, Chinese New Year and other festivals and organising community entertainments and activities, and

Costs of
Construction of
the Estate to be
borne by the
Registered Owner

6. The Management Charges shall not include any sums attributable or relating to the costs of the development of the Lot in accordance with the Master Plans.

Inspection of
and copying
of Annual
Budget

7. The Management Budget shall be made available for inspection in the Management areas and any Owner or his duly authorised representative shall be entitled to a copy thereof upon payment of a reasonable charge to cover the cost of copying the same.

Expenses
attributable
solely to a
Village

8. Where any expenditure relates solely to or is solely for the benefit of any Village then the full amount of such expenditure shall be borne by the Owners of such Village in accordance with the provisions of the relevant Sub-Deed.

Attribution of
costs and expenses

9. The Manager shall have absolute power and discretion to attribute any costs and expenses to either Estate Management Expenses or Village Management Expenses or partly to the one and partly to the other.

Manager to
increase or
reduce
contributions
with approval
of Estate Owners'
Committee

10. Subject to the approval of the Estate Owners' Committee, the Manager shall have power to increase or reduce the amount to be contributed monthly by an Owner at such sum as shall be approved as aforesaid to meet revised estimated expenditure in the financial year without the necessity of preparing a revised budget as provided in Clause 11(a) below to the intent that any such amount shall form part of the monthly contribution of such Owner to the Estate Management Expenses and be recoverable accordingly.

Manager may
revise budget
to cater for
deficiency

11. (a) If the Manager is of the opinion that the incomes budgeted for the then current financial year are insufficient to cover all expenditure required to be incurred in that financial year, the Manager may with the approval of the Estate Owners' Committee, prepare a revised budget and may determine additional contributions payable by each Owner which may be rendered necessary by the adoption of such revised budget and may exercise all the powers conferred by this SECTION VI in respect of such additional contributions. The Manager may recoup such deficiency by increased monthly instalments save that in exceptional circumstances it may be recovered by special contribution in one lump sum as the Manager shall with the approval of the Estate Owners' Committee, see fit to require;

Surplus a receipt
for following
financial year

(b) In the event of a surplus of incomes over expenditure for a financial year, the surplus shall be treated as a receipt for the following financial year.

Owner to be
responsible if
Unit is vacant etc.

12. (a) Each Owner shall be personally liable to contribute towards Management Charges irrespective of whether his Unit is vacant, let or owner occupied;

Registered Owner
to pay 30% for
unsold or unlet
Units

(b) Notwithstanding the provisions of sub-clause (a) above, if the Registered Owner shall have unsold or unlet Units in the Estate within 24 months from the dates of the Occupation Permit issued in respect thereof then the Registered Owner shall pay 30% of the Management Charges in respect of such Units for the period when such Units are vacant or until the expiration of 24 months from the respective date of the Occupation Permits, which date shall be the earlier PROVIDED THAT if the total contribution collected for the said period shall be insufficient to cover the Management Charges, the Registered Owner shall make contribution to cover such deficiency to the limit that it would be liable to pay as if this sub-clause had not been inserted.

Deposit

13. Each Owner, on completion of the sale and purchase of his Unit, shall deposit with the Manager as security for the due payment of all amounts which may be or become payable by him

under this Deed a sum equivalent to three months Management Charges for his Unit calculated to be payable by him in accordance with the Management Budget for the first financial year.

Payment of
proportion of
Management
Expenses from
notice of
Occupation
Permit

14. Each first Owner on completion of the sale and purchase of his Units shall pay to the Manager the proportion of Management Charges due for the period from the date of the notice in writing being given by the Registered Owner to such Owner that the Occupation Permit in respect of his Unit has been issued and the assignment of his Unit is ready for execution to the end of the calendar month in which such assignment is executed.

Maintenance of
deposit at
existing level

15. Each Owner shall at all times maintain the deposit held in respect of his Unit at existing level being an amount equivalent to three months' Management Charges existing at the time of demand and shall pay to the Manager forthwith on demand any sum required by the Manager to bring the deposit up to that level.

Special Funds

16. (1) The Manager shall set up the following Special Funds :-

Estate Special Funds

- (a) Estate Special Fund, into which every Owner shall initially contribute a sum ranging from HK\$3,500.00 (or such lesser sum as may be adjusted by the Manager) to HK\$5,600.00 for the purpose of meeting major works of a capital nature

in respect of the Estate Common Areas and
Facilities; and

Village Special
Fund

- (b) Village Special Fund, into which every
Owner of a Unit in a Village shall initially
contribute a sum ranging from HK\$3,500.00
(or such lesser sum as may be adjusted by
the Manager) to HK\$5,600.00 for the purpose
of meeting major works of a capital nature
in respect of the Village Common Areas and
Facilities of that Village.

Interest

- (c) The Special Funds shall be deposited in
interest bearing accounts of a licensed bank.

Reference
to be made
in annual
accounts

- (d) The Special Funds shall be kept separate
and apart from the Management Funds in the
books of accounts but reference shall be
made to these Special Accounts in the annual
accounts.

Owners to
determine
annual
contribution

- (e) The Owners, at annual general meetings,
shall resolve the amounts to be contributed
by the respective Owners to the Respective
Special Funds for the ensuing year.

Manager to
give notice to
use Special
Fund

- (f) The Manager shall give to the relevant
Owners at least 2 months' notice of
intended use of the relevant Special Fund
together with information on the amount and
the purpose for which such fund shall be
used.

E. Recovery of Management Charges

- Monthly contribution to be made in advance
1. Each Owner shall, on the first day of each calendar month, pay to the Manager the monthly estimated Management Charges, in respect of his Unit in advance.
- Failure to pay
2. If any Owner shall fail to pay any amount payable by him in accordance with the provisions of this Deed and any relevant Sub-Deed within 15 days of the date on which the same shall fall due, the Manager shall be entitled to take action as provided in Clause (36) of Sub-Section B of this SECTION VI or in Clauses 4, 5, 6 and 7 of this Sub-Section E, and in addition the Manager shall be entitled to demand and recover from such defaulting Owner :-
- Interest
- (a) interest from due date to date of payment calculated on the unpaid amount at the rate of 2% over and above the Prime Lending Rate quoted by The Hongkong and Shanghai Banking Corporation from time to time, and
- Collection charge
- (b) the cost incurred or payable to any clerical or manual staff engaged for the purpose of collecting the amount due plus a collection charge of \$500.00 as liquidated damages (other than legal costs of proceedings as hereinafter mentioned) of the extra work occasioned by the default for the Manager by the default. Such collection charge shall

be adjusted annually in accordance with the Consumer Price Index (A) published from time to time by the Hong Kong Census and Statistics Department.

Interest and
collection charges
to be credited to
Management Fund

3. All monies paid to the Manager by way of interest and collection charges shall be credited to the Management Funds and treated as an income for the financial year in which such monies are paid.

Recovery by
distrain or
civil action

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

Registration of
charge against
Shares of defaulting
Owner

5. If any Owner shall fail to pay any amount due and payable by him in accordance with the provisions of this Deed and any relevant Sub-Deed within 30 days of the date on which the same fell due, the amount thereof together with interest as aforesaid and the said collection charges and all costs and expenses which may be incurred in recovering or attempting to recover the same including the legal expenses referred to in Clause 4 of this Sub-Section E and in registering the Memorandum of Charge hereinafter referred to, shall stand charged on the Share of the defaulting Owner, and the Manager shall be entitled without prejudice to any other remedy hereunder to register a Memorandum of such charge in the Land Office against the Share of the defaulting Owner. Such charge shall remain valid and enforceable as hereinafter mentioned notwithstanding that judgment has been obtained for the amount thereof unless and until such judgment has been satisfied.

Order for Sale

6. Any charge of which a Memorandum has been registered in accordance with the last preceding Clause 5 shall be enforceable as an equitable charge by action at the suit of the Manager for an Order for sale of the Share of the defaulting Owner together with the Unit held therewith and the provisions of Clause 4 of this Sub-Section E shall apply to any such action. Any such equitable charge shall rank in priority to any legal charge or equitable charge or mortgage

given or made by the Owner in respect of such Share and the Unit held therewith notwithstanding that such other charge or mortgage shall have been created and registered prior to such equitable charge.

Commence
Proceedings to
enforce this Deed

7. The Manager shall further have power to take proceedings for the purpose of enforcing the observance and performance by any Owner of the covenants, conditions and provisions of this Deed and any relevant Sub-Deed and of the Rules made hereunder or under any relevant Sub-Deed and of recovering damages for the breach, non-observance or non-performance thereof. The provisions of Clauses 4, 5 and 6 of this Sub-Section E shall apply to all such proceedings.

Damages part of
Management Funds

8. All costs, expenses and damages recovered in any such proceedings shall be credited to the Management Funds and be applied in such manner as the Manager may with the approval of the Estate Owners' Committee from time to time apply.

F. Management Funds

All Sum to be
paid into bank
accounts

1. The Management Funds save and except sufficient petty cash for day to day requirements, shall be paid into a separate bank account or accounts of the Manager maintained with a licensed bank in Hong Kong (provided that the Manager shall be under no obligation to ensure that such account or accounts are interest bearing).

Proper accounts
to be kept and
annual accounts
to be audited

2. The Manager shall keep true and proper accounts of the Management Funds and the expenditure thereof and shall within six months after the end of each financial year prepare a set of accounts showing all items of receipts and expenditure during the preceding financial year together with a Balance Sheet as at the end thereof duly certified by the Auditors (appointed under Clause 3 below) as correct.

Appointment
of auditors

3. The Manager shall appoint a firm of Certified Public Accountants to audit at the expense of the Owners the accounts of the Manager relating to the management and maintenance of the Estate and the Villages and to certify the annual accounts prepared as hereinbefore provided. The Manager shall further have power to replace such firm and to appoint another firm in their place as it may deem necessary or desirable from time to time. If the Estate Owners' Committee has been formed, the Committee should have power to require the annual accounts to be audited by an independent auditor of their choice.

Management Funds
not refundable
but transferable

4. Any person ceasing to be an Owner shall in respect of the Share of which he ceases to be the Owner thereupon cease to have any interest in the Management Funds including the Special Funds paid under Clause 16 of Sub-Section D of this SECTION VI to the intent that all the Management Funds shall be held and applied for

or held as security in connection with the management and maintenance of the Estate irrespective of changes in ownership of the Share PROVIDED that any such Management Funds or the balance thereof held shall be transferred by the Manager without the consent of the Old Owner into the name of the new Owner of such Share upon notice to the Manager of the change of ownership.

Refund of
Management Funds
upon expiry of
Crown Lease

5. Upon the expiration of the term of the Crown Lease and any renewal thereof and no further Crown Lease being obtainable, any balance of a deposit held in the name of an Owner at the time of such reversion shall be returned to him (subject to any claims of the Manager therein), and any balance of the Management Funds shall be divided proportionally between the then existing Owners according to the number of Shares held by each of them immediately prior to such revision.

G. Contributions to Estate Management Expenses

Allocation of
Estate
Management
Expenses

The Manager shall allocate the Estate Management Expenses and the Manager's Fee in respect thereof to each Village in the proportion which the number of Shares in completed parts of the Village bears to the total number of Shares in completed parts of the Estate. For the purpose of this Sub-Section G, completion means the issue of an Occupation Permit. The Owners of each Village shall contribute towards the amount so allocated to their Village in accordance with the provisions of the relevant Sub-Deed.

H. Termination of Manager's Services

If the Manager's services shall be terminated for any reason, then the Manager shall, in addition to assigning the Shares mentioned in Clause 1(f) of SECTION III;

- (a) deliver to the Estate Owners' Committee all the books of accounts, cheque books, deposit receipts, records, plans and all other papers and documents relating to the Estate; and
- (b) submit the accounts of the income and Management Expenses up to date of termination to a firm of public certified accounts appointed by the Estate Owners' Committee for audit.

SECTION VII

1. The first Estate Owners' Committee (hereinafter called "E.O.C.") shall consist of the representatives of the Village the Units in which have received their Occupation Permits.
2. The membership of the E.O.C. shall be enlarged as more representatives of the Villages the Units in which shall receive their Occupation Permits.
3. If the lot is developed completely, there shall be 12 members of the E.O.C.
4. Members of the E.O.C. shall choose from amongst themselves a Chairman and a Vice-Chairman and such other posts as the members shall determine.
5. The Manager shall cause a record to be kept of all persons present at all meetings and the proceedings hereof.
6. A member of the E.O.C. who has defaulted in paying Management Charges shall automatically be excluded from receiving notices of meetings of the E.O.C. and from attending such meetings.
7. If the Chairman shall fail to attend a meeting duly convened within 15 minutes of the appointed time, the Vice-Chairman shall preside at the meeting. In the absence of both the Chairman and the Vice-Chairman at a meeting duly convened within 15 minutes of the appointed time, the members present (provided there is a quorum) shall choose one of their number to be the chairman of the meeting.

8. The members of the E.O.C. shall determine from time to time the number of regular meetings and notice shall be sent by the Manager to the members of the E.O.C. at least 7 days prior to the meeting; such notice shall set out the time and place of the meeting together with an agenda of the matters to be discussed as well as copy of the minutes of the previous meeting.
9. The Manager may at any time convene an extraordinary meeting of the E.O.C. provided that :-
 - (a) that matters to be discussed are matters which the Manager may not act without the approval of the E.O.C. by virtue of the provisions of this Deed; and
 - (b) the matters to be discussed cannot be postponed until the next regular meeting of the E.O.C.; and
 - (c) at least 24 hours notice has been given to members of the E.O.C.; such notice shall set out the time and place of the meeting together with an agenda of the matters to be discussed.
10. 3 members present or by proxy shall form a quorum of the E.O.C. meeting.
11. The Functions of the E.O.C. are :-
 - (a) to discuss problems relating to the maintenance and management of the Estate;
 - (b) to approve Budgets and extraordinary items of expenditure relating to the Estate;

(c) to discuss matters relating to the welfare of the residents of the Estate; and

(d) to approve any matters which require the approval of the E.O.C. by virtue of this Deed.

12. Any resolution to be passed at any meeting shall be passed by a single majority or a show of hands.

13. In the case of equality of votes the chairman shall have a second or casting vote.

14. The E.O.C. shall be entitled to co-opt any Owner to fill the post vacated by an Owner and the provisions contained in this Sub-Section D shall apply to the co-opted members of the E.O.C.

SECTION VIII

MISCELLANEOUS

1. Subject as hereinbefore provided no person shall after ceasing to be an owner of a Share be liable for any debts, liabilities or obligations under the covenants, terms and conditions of this Deed or any relevant Sub-Deed in respect of such Share and/or the Unit held therewith save and except in respect of any breach, non-observance or non-performance by such person of any such covenant or term or condition prior to his ceasing to be the owner thereof.

2. All notices or demands required to be served hereunder or under any Sub-Deed shall be sufficiently served if addressed to the party intended to receive the same and sent by pre-paid post to, or left at or in the letter box of the Unit (if any) of which the party to be served is the owner notwithstanding that such party is not personally occupying the same or sent by pre-paid post to or left at the last known address of such party notified to the Manager Provided however that where a notice is to be given to a mortgagee such notice shall be served on the mortgagee, if a company, at its registered office or last known place of business in Hong Kong and, if an individual, at his last known place of business or residence. All notices required to be given to the Manager shall be sufficiently served if sent to or left at the registered office of the Manager or left at the Manager's office in the Estate.

3. It is hereby declared that any mortgagee of the Registered Owner when it is in possession or receipt of the rent and profits of the whole Lot or the entirety of any Village or Villages (but not a part thereof) mortgaged to it, shall, so far as it relates to or affects the Lot or Village or Villages it has entered into possession or in receipt of the rents and profits as aforesaid, be entitled to exercise in full all of

the powers, right, authorities, privileges and benefits of the Registered Owner herein or in any Sub-Deed contained, excepted or reserved and that in respect of any Village or Villages and the Shares thereto, until such time as any mortgagee enter into possession of the same as aforesaid, the obligations for making any payment under this Deed or any Sub-Deed and the other obligations, burden and restrictions herein or in any Sub-Deed imposed shall not be binding on any mortgagee and no liability for any payment under this Deed or any Sub-Deed shall be binding on any mortgagee in respect of any sum accrued prior to it entering into possession as aforesaid.

IN WITNESS whereof the Registered Owner and the Manager have caused their respective Common Seals to be hereunto affixed and the First Purchaser has hereunto set his hand and seal the day and year first above written.

THE FIRST SCHEDULE

Particulars of the First Purchaser

Name

Address



Gentleman and
Married Woman



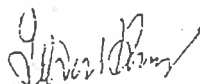
SEALED with the Common Seal of)
the Registered Owner and SIGNED)
by)
PATRICK LEE SENG WEI)
one of its Directors - - - - -)
whose signature(s) is/are verified)
by :-)




KAM HUNG MING
Solicitor,

Hong Kong.

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


Li Wai Kwong
Legal Executive,
Hong Kong.




INTERPRETED to the First Purchaser by :



Li Wai Kwong
Legal Executive,
Hong Kong.

SEALED with the Common Seal of)
the Manager and SIGNED by)
PATRICK LEE SENG WEI)
one of its Directors - - - - -)
whose signature(s) is/are verified)
by :-)




KAM HUNG MING
Solicitor,
Hong Kong.


I hereby verify the signature of
Li Wai Kwong


KAM HUNG MING
Solicitor, Hong Kong.

Dated 28th September 1990.

PRINCIPAL DEED

I certify the foregoing reproduction to be a true
and complete copy of the original instrument


UY KIM LUN
Solicitor, Hong Kong

28 DEC 1991

REGISTERED in the Land Office by Memorial No. 4579713 on 20 OCT 1990 p. Land Officer

WOO, KWAN, LEE & LO,
Solicitors &c.,
26th Floor, Jardine House,
No.1 Connaught Road Central,
Hong Kong.

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