

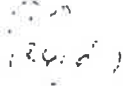


Stamp Duty \$ Nil

Memorial
No. **5453851**

Serial
No. 10
\$ 60.00

MEMORIAL of an instrument to be registered in the Land Office under the Land Registration Ordinance.

Nature and object of the instrument to which the memorial relates	SUB-DEED OF MUTUAL COVENANT	Solicitors Code
Date of instrument	Dated the 18th day of September 1992.	FOR LAND OFFICE USE ONLY
Consideration	Nil	Nature of Instrument Code
Memorial number of transaction satisfied [Regs. 6(1) (f) and 6(2) (f)]	Nil	RP
Names of parties, their respective shares in, and capacities in relation to, the premises	MIGHTYTON LIMITED "the Registered Owner"  "the First Purchaser" and MIGHTYTON PROPERTY MANAGEMENT LIMITED "the Manager"	Consideration Code
		Capacity Code
Premises affected by the instrument including lot number and address (with premises number and street name)	All That piece or parcel of ground registered in the Land Office as SECTION C OF RURAL BUILDING LOT NO.1050 (THE REDHILL PENINSULA - SITE B, 18 PAK PAT SHAN ROAD, HONG KONG).	
On this <u>7th October 1992</u> I <u>UY KIM LUM</u> of <u>Messrs. IP, KU & STOPPA</u> Hong Kong, Solicitor, hereby certify that the foregoing Memorial contains a just and true account of the several particulars therein set forth as required by the Land Registration Regulations.  <u>UY KIM LUM</u> Solicitor, Hong Kong.		Received at the Land Office and registered as Memorial No. <u>-9 OCT 1992</u>  for Land Officer.

THIS SUB-DEED made the 18th day of September One thousand nine hundred and ninety-two

B E T W E E N

MIGHTYTON LIMITED whose registered office is situate at 22nd Floor, Allied Kajima Building, 138 Gloucester Road, 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 22nd Floor, Allied Kajima Building, 138 Gloucester Road, Hong Kong (hereinafter called "the Manager" which expression shall where the context so admits include its successors or assigns) of the third part.

W H E R E A S :-

- | | | |
|-----------------------------------|-----|--|
| Supplemental to
Principal Deed | (1) | This Sub-Deed of Mutual Covenant (hereinafter called "this Sub-Deed") is supplemental to a Principal Deed of Mutual Covenant dated 28th day of September, 1990 and made between the parties hereto and registered in the Land Office by Memorial No.4579713 (hereinafter called "the Principal Deed"). |
| The Section | (2) | Immediately prior to the Assignment to the First Purchaser mentioned in Recital (5) below, the Registered Owner was the |

registered owner, inter alia, of the Section (as hereinafter defined) subject to and with the benefit of the Principal Deed.

The Village

- (3) The Registered Owner is in the course of developing the Village and has completed the properties specified in the Second Schedule hereto and obtained Occupation Permit in respect thereof.

Division of Shares

- (4) For the purpose of sale, the Section and the Village have been notionally divided into Shares (as hereinafter defined) which have been allocated as more particularly provided in the Third Schedule hereto.

Assignment of the said premises

- (5) By an Assignment bearing even date herewith and made between the Registered Owner of the one part and the First Purchaser of the other part the Registered Owner assigned unto the First Purchaser All That the estate right title benefit and interest of the Registered Owner of and in All Those Shares of and in the Section and of and in the buildings and other structures and ancillary work erected on the

Village together with the full and exclusive right and privilege to hold use occupy and enjoy the premises which premises and the number of Shares allocated are more particularly described in the Fourth Schedule hereto and shown coloured pink on the plan annexed to the said Assignment (hereinafter referred to as "the Said Premises").

- (6) The parties hereto have agreed to enter into these presents for the purpose of making provisions for the management, maintenance, insuring and servicing of the Village and its equipment, services and apparatus and for the purpose of defining and regulating the rights, interests and obligations of the Village Owners (as hereinafter defined) in respect of the Village and to provide for a due proportion of the common expenses of the Village to be borne by the Village Owners.

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

NOW THIS SUB-DEED WITNESSETH as follows :-

SECTION I

DEFINITIONS

1. In this Sub-Deed, the definitions contained in SECTION I of the Principal Deed shall apply also to this Sub-Deed whenever the context so permits provided that where any definition contained in SECTION I of the Principal Deed has a meaning ascribed to it in Clause 2 below that meaning shall for the purpose of this Sub-Deed prevail to the exclusion of the meaning ascribed by Section I of the Principal Deed.

2. In this Sub-Deed the following definitions shall have the following meanings ascribed to them whenever the context so permits :-

"the Section" shall mean SECTION C OF RURAL BUILDING LOT NO.1050 and the extension thereto (if any).

"the Village" shall mean the development on the Section constructed or in the course of construction in accordance with the Master Plans and known as "THE REDHILL PENINSULA - SITE B".

"the Village Common Areas" shall mean all those parts of the Village as shall be designated as such by the Registered Owner from time to time in accordance with the provisions of this Sub-Deed.

"the Village Common Areas and Facilities" shall mean collectively the Village Common Areas and Village Common Facilities.

"the Village
Common Facilities"

shall mean the Village Common Facilities
mentioned in the Principal Deed and
shall include :-

(a) Such of the sewers, drains, water
courses, pipes, gutters, wells (if any)
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
Village through which water, sewage,
gas, electricity and any other services
are supplied to the Village or any part
or parts thereof.

(b) Transformer rooms, main
distribution frame rooms (for
telephone), pump houses, switch rooms,
mechanical rooms and other similar
facilities for the use and benefit of
the Village and not for use or benefit
of a particular Unit or Estate Common
Facilities.

(c) Lamp posts and lighting within
the Village.

(d) Communal television antennae, if
any, for the use and benefit of the
Village.

(e) Any other facilities installed
for the use and benefit of the Village
and not for the use and benefit of a
particular Unit or Estate Common
Facilities.

"the Village
Retained Areas"

shall mean those parts of the Village
not otherwise specifically assigned to
or for the exclusive use of any one or
more Owners or otherwise designed
Village Common Areas by the Registered
Owner and which are not parts of the
Estate Common Areas.

"Reserved Shares"

shall mean the Shares which the
Registered Owner has reserved in this
Sub-Deed for allocation to any part of
the Village in accordance with the
provisions of this Sub-Deed.

"Village Owner"

shall mean an Owner of a Share and a
Unit in the Section and where the
context shall permit, shall include his
Occupiers.

"Village Owners
Committee"

shall mean a committee of the Village
Owners established as provided in
SECTION VIII hereof.

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

4. The marginal notes to and headings in this Sub-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 Common
Areas

1. The Village Common Areas shall be deemed to be common areas for the benefit of the Village Owners and may, subject to the provisions hereof, be used by all the Village Owners for all purposes connected with the proper use of their Units.

Easements, Rights,
etc. of Village
Owners

2. Each Share in the Village and the full and exclusive right and privilege to hold, use, occupy and enjoy any part of the Village shall be held by the person or persons from time to time entitled thereto subject to and with the benefit of the easements, rights, privileges, obligations, covenants, terms and conditions set out in this Sub-Deed and the Principal Deed.

Village Owners
bound by
covenants etc.

3. Each Village Owner shall at all times hereafter be bound by and shall observe and perform the obligations, covenants, terms and conditions set out in this Sub-Deed and the Principal Deed.

Village Owners
have right to
assign etc.

4. Every Village Owner shall have the full right and liberty without reference to any other Village Owner or other person who may be interested in a Share in any way whatsoever and without the necessity of making such other

Right to
enjoyment of
the Village
not to be
dealt with
separately
from Share

Village Owners or other persons a party to the transaction to sell, assign, mortgage, lease, license or otherwise dispose of or deal with his Share PROVIDED THAT any such transaction shall be expressly subject to the terms of this Sub-Deed and the Principal Deed.

5. The right to the exclusive use, occupation and enjoyment of any part of the Village shall not be sold, assigned, mortgaged, charged, leased or otherwise dealt with separately from the Share with which the same is held PROVIDED that this provision shall not extend to leases or tenancies for terms not exceeding 12 years.

SECTION III

RIGHTS OF THE REGISTERED OWNER

1. The Registered Owner shall have the exclusive and unrestricted right and privilege from time to time and at its absolute discretion :

Right to designate
Common Areas (i) to designate any part of the
Village to be a Village Common
Area,

Right to alter (ii) to alter, amend, vary or add
Common Areas to the Village Common Areas,

Right to designate (iii) to designate any part of the
Retained Areas Village to be a Village Retained
Area, and

Right to designate (iv) to designate any part of the
Common Areas from Village Retained Areas to be a
Retained Areas Village Common Area and to
re-designate the same

without the concurrence or approval of any Village Owner or any person having an interest in the Village but subject to the provisions of this Sub-Deed, the Principal Deed and the Crown Grant.

Right of Registered
Owners to assign
Common Areas to
Manager for benefit
of Village Owners 2. The Registered Owner shall have the exclusive right and privilege to assign any or all of the Village Common Areas and Facilities Together with the Shares relating thereto (if any) to the Manager, without consideration, for the general benefit of the Village Owners

subject to this Sub-Deed and the Principal Deed and any other 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 Village Owners provided that if the Manager shall resign or be wound up (except for the purposes of amalgamation and reconstruction) or is removed in accordance with the provisions of Clause 1(c) of Sub-Section A of SECTION VI of the Principal Deed and another manager appointed in its stead in accordance with the provisions of Clause 1 of Sub-Section A of SECTION VI of the Principal Deed, then the liquidator or the Manager (as the case may be) 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 Sub-Deed or the Principal Deed or any other relevant Sub-Deed PROVIDED FURTHER that the Manager shall not be

required to pay Management Charges in respect of the Shares assigned hereunder.

Exhibition of
notice

3. (a) If the Registered Owner shall exercise any of the rights and privileges mentioned in Clauses 1 and 2 above it shall forthwith give notice of such exercise by exhibiting for not less than 7 consecutive days in the Notice Boards of the Management Areas in the Village and other prominent places in the Village, a signed Memorandum in English and Chinese, giving full particulars of what they have done.

(b) Notwithstanding the provisions of Clauses 1 and 2 above, the exercise of the rights and privileges therein mentioned shall not in any way contravene with the terms covenants and conditions of the Crown Grant and the provisions of the Principal Deed or this Sub-Deed.

Right of the
Registered Owner
to allocate
Reserved Shares

4. The Registered Owner shall have the exclusive right and privilege at any time and from time to time to allocate any of its Reserved Shares (if any) to any part of the Village and to assign such allocated Reserved Shares together with the right to the exclusive use occupation and enjoyment of any part of the Village to any person on such terms and conditions as it shall think fit Provided Always that until so allocated, the Registered Owner shall not be required to contribute or pay towards the Management Charges in respect of such Reserved Shares Provided Further that the Registered Owner shall within 7 days of such allocation, notify the Manager of the same.

SECTION IV

EASEMENTS RIGHTS AND PRIVILEGES

Easements to which Village Owners entitled	A. Each Village Owner shall (in common with all other persons having the like right) be entitled to the following easements, rights and privileges during the term of the Crown Grant and any renewal thereof :-
Right to use Village Common Areas	1. Full right and liberty to go, pass and repass over and along the Village Common Areas for all purpose connected with the proper use and enjoyment of his Unit.
Right of support	2. The right to subjacent and lateral support from all other parts of the Village.
Passage of water etc.	3. Subject to interruption for necessary maintenance, the right to the free and uninterrupted passage and running of water, sewage, gas, electricity and any other services from and to his Unit through the Village Common Facilities for the proper use and enjoyment of his Unit.
Conditions of entitlement to easements etc.	B. The easements, rights and privileges granted in this SECTION IV are subject always to and conditional upon the Village Owner observing and

Easements etc. to
which Village
Owners are subject

No rights except
as herein

complying in all respect with the Rules and the requirements of this Sub-Deed and the Principal Deed and upon the Village Owner paying his due proportion of the Management Charges.

C. Each Village Owner shall hold his Share and his Unit subject to the following easements, rights and privileges :-

- (a) the easements, rights and privileges set forth in this SECTION IV; and
- (b) the rights and privileges set forth in SECTION III hereof.

D. The Village Owners (other than the Registered Owner) shall have no right to enter upon any part of the Village (other than their own respective Units) save as expressly provided in this SECTION IV and as provided in the Principal Deed.

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

Each Village Owner shall be bound by and shall observe and perform the covenants, provisions and restrictions contained in SECTION V of the Principal Deed the following covenants, provisions and restrictions :-

Assignment subject
to notice to
Manager and Owner
responsible for
Management Charges
up to date of
Assignment

1. Every assignment of a Share shall contain an express covenant by the Purchaser thereof to notify the Manager in writing of any subsequent change of ownership within one month from the date of the Agreement for Sale and Purchase in respect thereof. The new Village Owner shall be liable to pay all the Management Charges up to the date of the Assignment of the Unit if the previous Village Owner shall fail to do so.

Unit to be
maintained

2. Each Village Owner shall maintain his Unit in good repair and condition to the satisfaction of the Manager and in such a manner so as to avoid any loss, damage, nuisance or annoyance to any other Village Owners.

Use of disposal
areas

3. The refuse disposal areas shall be used only in the manner prescribed by the Manager in the Rules relating to the same.

Aerial connection
with consent.

4. No Village Owner shall be entitled to connect any radio receiver or transmitter or television set to any aerial installed by the Manager except with the prior written consent of the Manager and in accordance with any Rules relation to the same. No Village Owner shall affix or install his own private aerial outside his Unit except with the prior written consent of the Manager and the Manager shall be entitled in its absolute discretion to give or to refuse such consent.

No external signs,
etc. allowed
except with
consent

5. No external signs, signboards, notices, advertisements, flags, banners, poles, cages, shades, sculptures, or other projections or structures whatsoever extending outside the exterior of any of the Units shall be erected, installed or otherwise affixed to or projected from any part of the Unit except with the prior written consent of the Manager and the Manager shall be entitled in its absolute discretion to give or refuse such consent.

No alteration of
external
appearance except
with consent

6. No Village Owner shall do or permit to be done any act or thing which may or will alter the external appearance of the Unit without the prior written consent of the Manager and the Manager

No refuse etc. may
be discarded

Rules to be
observed
No alterations
etc. which may
affect structure

shall be entitled in its absolute discretion to give or to refuse such consent.

7. No Village Owner shall throw out or discard or permit or suffer to be thrown out or discarded from his Unit any refuse, rubbish, litter or other article or thing whatsoever except using the facilities (if any) provided for the disposal thereof.

8. All Village Owners shall at all times observe and comply with the Rules

9. Each Village Owner may at his own expense install in his Unit such additions, improvements, fixtures, fittings and decoration (all hereinafter in this Clause 9 referred to as "additions, etc.") and remove the same Provided however that no such installation or removal shall cause any structural damage or interfere with the enjoyment of any part of the Village or cut, damage, alter or interfere with the Village Common Facilities and Provided further that all permits or consents required in respect of such additions, etc. shall have been obtained from the appropriate authorities. If any Village Owner shall install or erect any additions, etc. without having obtained all necessary permits and consents the

Manager shall be entitled to remove the same at the cost of such Village Owner and the Village Owner shall indemnify all other Village Owners, in respect of any costs, damages, claims or expenses arising out of or in connection with such additions, etc. and the removal of the same.

No clogging of drains etc.

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

No trees to be removed

11. No Village Owner shall cut or otherwise maim or remove any trees shrubs and other vegetation planted by the Registered Owner and no owner shall plant any vegetation in any part of his Unit without the prior consent in writing of the Manager whose decision shall be final and binding on such Village Owner.

No shutter or awning to be erected

12. No Village Owner shall erect any shutter to his garage or awnings to his windows or anywhere else outside his Unit without the prior consent in writing of the Manager whose decision shall be final and binding on such Village Owner.

No erection on Roof

13. No Village Owner shall erect anything on his Roof.

No hanging on Roof

14. No Village Owner shall hang clothings on his Roof.

Caretakers etc. cannot be used for private purpose 15. No Village Owner shall be entitled to use the services of the caretakers and/or watchmen of the Village and/or the Estate for his own private business or other purpose.

No caretakers etc. may be reprimanded except through the Manager 16. The caretakers and/or watchmen of the Village and/or the Estate are servants of the Manager and consequently no Village Owner shall be entitled to reprimand any of such caretakers and/or watchmen, it being the intention that all complaints shall be made to the Manager who will take the necessary appropriate actions.

No business use of Unit 17. Each Village Owner shall use his Unit for private residential purpose only and consequently shall not be entitled to use his Unit as an apartment house, guest house or hostel or to sub-let bed spaces therein or to use it for any form of commercial letting, business activities or storage of goods and merchandise.

No advertising signs 18. No Village Owner shall, cause or permit or suffer to be erected, affixed, installed or attached in or on or to be displayed from Unit any advertising or other sign of any description (except a small name plate outside the entrance door to his Unit giving the Village Owner's name).

Restrictions regarding Village Common Areas 19. No part of the Village Common Areas shall be obstructed or incumbered nor shall any refuse, matter or other thing

be placed thereon nor shall any part of the Village Common Areas be used for any business or private purposes, and no Village Owner shall do or permit or suffer to be done anything in the Village Common Areas as may be or become a nuisance or cause annoyance to any other Village Owners.

No storage of
dangerous goods
in Unit

20. No Village Owner shall store or permit or suffer to be stored in his Unit any hazardous, dangerous or combustible goods or materials except such as may be reasonably required for the purpose of domestic cooking and heating.

Village Owners
not to do
anything to
make insurance
void or
voidable

21. No Village 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 Village may become void or voidable or whereby the premium for any such insurance may be increased (except the normal use of the Unit for which it is designed) and in the event of any breach of this Clause by any Village Owner, such defaulting Village Owner 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 Village or any part thereof being damaged or destroyed by fire at any time and the insurance money under any insurance against the fire effected thereon

being wholly or partially irrecoverable by reason solely or in part of any act or default or any Village Owner then and in every such case such Village Owner shall forthwith pay to the Manager on behalf of other Village Owners affected the whole or (as the case may require) a fair proportion of the cost of rebuilding or reinstating the same.

Section not to
be partitioned

22. No Village Owner shall at any time exercise or attempt to exercise any statutory or common law right to partition the Section, the Village or the Lot.

No illegal or
immoral use or
cause nuisance

23. No Village Owner will use or permit or suffer his Unit to be used for any illegal or immoral purpose nor will he do cause or permit or suffer to be done any act or thing which may be or become a nuisance or annoyance to or cause damage to the other Village Owners.

Village Owners
responsible for
compliance by
their occupiers

24. Each Village Owner shall take full responsibility for the conduct of the Occupiers of his Unit and shall ensure that they comply with the foregoing covenants, provisions and restrictions as if they themselves were a Village Owner. If any of the Occupiers shall fail to comply with any of such covenants, provisions and restrictions, the Manager shall have full power to enforce compliance by using the powers granted to it in Clause (12) of

Sub-Section A of SECTION VI hereof as if the defaulting Occupier was a defaulting Village Owner.

Village Owners to
notify Manager of
address

25. If any part of the Village shall be so damaged by fire or other cause so as to make the same unfit for the purposes allowed by the Occupation Permit, each Village Owner shall forthwith notify the Manager of an address to which all notices and communications may be sent to him.

Village Owners
to indemnify
others for loss
etc.

26. Each Village Owner shall indemnify all other Village 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 Village Owner or the breach of the Village Owner's obligations hereunder or by through or in any way owing to the overflow of water or the escape of fumes smoke or anything else originating therefrom.

SECTION VI

MANAGEMENT OF THE VILLAGE

A. Powers and Duties of the Manager

Powers and duties
of Manager

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 Village or any part thereof, and without prejudice to the generality of the foregoing shall, in addition to such of the powers set out in Clause 1 of Sub-Section B of SECTION VI of the Principal Deed, have the full power and authority :-

To inspect

(1) to inspect and examine the Village Common Areas and Facilities at reasonable intervals,

To ensure
satisfactory
maintenance of
Common Areas etc.

(2) to ensure that the Village Common Areas and Facilities are maintained in a satisfactory manner and to put in hand any necessary repairs,

To paint exterior

(3) to paint or repaint as appropriate the exteriors of all the structures in or upon the Village Common Areas and Facilities at reasonable intervals,

To replace glass	(4)	to replace any broken glass doors, windows or fixtures in the Village Common Areas and Facilities,
To provide lighting	(5)	to keep the Village Common Areas and Facilities well lighted (where appropriate),
To replace plants etc.	(6)	to purchase, plant and tend and where necessary to replace and replant flowers, plants, grass, shrubs and trees,
To prevent obstruction	(7)	to prevent the obstruction of any of the Village Common Areas and Facilities and to remove such obstruction,
To keep Village Common Facilities in working order	(8)	to keep the Village Common Facilities in good condition and working order,
To prevent unauthorised use of Facilities etc.	(9)	to prevent any person from occupying or using the Village Common Areas and Facilities other than in accordance with the written permission of the Manager and the provisions of the Principal Deed and this Sub-Deed,
To prevent alteration or injury to Facilities etc.	(10)	to prevent any person detrimentally altering or injuring any part of the Village Common Areas and

To insure (11) Facilities,
To insure and keep insured
against fire, earthquakes and
other risks and perils in
respect of the Village Common
Areas and Facilities and in
the same manner and in such
amounts as provided in Clause
B 1 (27) of SECTION VI of the
Principal Deed.

Village Management Budget B. Village Management Expenses
1. In addition to the Estate
Management Budget specified in Clause 1
of Sub-Section D of SECTION VI of the
Principal Deed, the Manager shall in
consultation with the Village Owners'
Committee prepare an annual budget (save
and except the first year) to be called
"Village Management Budget" for the
ensuing financial year for the purpose
of determining the contributions payable
by the Village Owners and such budget
shall show the estimated Village
Management Expenses and the Manager's
Fee chargeable thereon and the estimated
income.

Financial year 2. The Village Management Budget shall
commence and run at the same time as the
Estate Management Budget.

Items included in
Village Management
Expenses

Costs of carrying
out duties under
this Sub-Deed

Purchase of
equipment etc.

Employment of
extra watchmen
etc.

3. The Village Management Expenses shall, in addition to those set out in Clause 4 of Sub-Section D of SECTION VI of the Principal Deed, include but not be limited to the following costs, charges and items :-

- (a) the cost and expenses of carrying out the duties of the Manager under this Sub-Deed in sofar as they are incurred in connection with the Village Common Areas and Facilities and other matters not being attributable to or solely for the benefit of any Unit,
- (b) the cost and expenses of purchasing or hiring all necessary plant, equipment and machinery in sofar as they are incurred in connection with the Village Common Areas and Facilities and other matters as aforesaid,
- (c) the cost and expenses of employing extra (if any) watchmen, caretakers, fitters, gardeners, cleaners, associated tradesmen and others within the Village to manage the Village and the cost and expenses of providing uniforms, working clothes, tools, applicances, cleaning and other materials and equipment

Employment of
contractors

for the same,

(d) the cost and expenses of employing contractors to carry out any works or duties for which any of the persons mentioned in (c) above might be employed,

Insurance premiums

(e) insurance premiums in respect of or related to the Village Common Areas and Facilities,

Utility charges

(2) all utility charges incurred by the Manager in connection with the management and maintenance of the Village Common Areas and Facilities.

Inspection of
Budget

4. The Village Management Budget shall be made available for inspection in the offices of the Manager within the Village and any Village 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.

5. Each Village Management Budget shall be divided into two parts :-

Attributable to
the Village

(a) the first part shall be the estimated Village Management Expenses which are attributable solely to or solely for the management and maintenance of the Village and the Village Common

Attributable to
the Estate

Expenditure
relating to a Unit

Areas and Facilities which expenses together with the Manager's Fee thereon shall be apportioned between the Village Owners pro rata according to the number of Shares allocated to the completed Units owned by them respectively; and

- (b) the second part shall be estimated Estate Management Expenses apportioned to the Village in accordance with the provisions of Sub-Section G of SECTION VI of the Principal Deed which expenses shall together with the Manager's Fee thereon be apportioned between the Village Owners pro rata according to the number of Shares allocated to the completed Units owned by them respectively as at the date of apportionment.

For the purpose of this Clause 5, "completed Units" means Units in respect of which an Occupation Permit has been issued.

6. Where any expenditure relates solely to or is solely for the benefit of any Unit then the full amount of such expenditure shall be borne by the Village Owner of such Unit.

Alternative method
of appointing
Village Management
Expenses

Manager's
discretion to
attribute Village
Management
Expenses

Manager to
increase or charge
reduce additional
contributions sum
with approval of
Village Owners
Committee

7. The Manager may, with the approval of the Village Owners' Committee, having first given three months notice of its intention so to do, apportion the Village Management Expenses on an alternative basis to that set out in any of the preceding Sub-Clauses (a) and (b) of Clause 5 of this SECTION VI.

8. The Manager shall have absolute power and discretion to attribute any item of the Village Management Expenses or any part or parts thereof to either the Village Common Areas and Facilities or the Estate Common Areas and Facilities or the Units or partly to the one and partly to the other or others.

9. Subject to the approval of the Village Owners' Committee, the Manager shall have the power to increase or reduce the amount to be contributed monthly by a Village 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 10(a) below to the intent that any such amount shall form part of the monthly contribution of such Village Owner to the Village Management Expenses and be recoverable accordingly.

Revised budget to
cater for
deficiency

10. (1) 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 Village Owners' Committee, prepare a revised Village Management Budget and may exercise all the powers conferred by this SECTION VI and by SECTION VI of the Principal Deed in respect of such revised budget and may determine additional contributions payable by each Village Owner which may be rendered necessary by the adoption of such revised budget. The Manager may reconp such deficiency by increased monthly instalments save in exceptional circumstances it may be recovered by special contribution in one lump sum as the Manager shall with the approval of the Village Owners' Committee, see fit to require.

Surplus to be
receipt for
following 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 vacant

11. (a) Each Village Owner shall be
personally liable to pay his
full contributions towards
Management Charges in respect
of his Unit irrespective of
whether his Unit is vacant,
let or owner occupied.

Registered Owner
is responsible for
30% of the
Management Charges

(b) Notwithstanding the provision
of Sub-Clause (a) above, in
the event there are unsold or
unlet Units (registered in the
name of the Registered Owner)
in the Village within 24
months from the date of this
Sub-Deed then the Registered
Owner shall pay 30% of the
Management Charges for the
period when such Units are
vacant or until the expiration
of 24 months from the date of
this Sub-Deed, whichever date
shall be the earlier PROVIDED
THAT if the total contribution



collected for the same 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.

SECTION VII

PROVISIONS APPLICABLE WHEN PART OF VILLAGE IS SO DAMAGED

AS TO BE UNFIT FOR USE

Reinstatement

1. If any part of the Village shall be so damaged by fire, typhoon, earthquake, subsidence or other cause as to render the same (hereinafter called "the damaged part") unfit for use for the purpose allowed by the Occupation Permit and there is no structural or legal reason making it impossible to reinstate the damaged part as it was before the damage, the Manager shall take whatever action is necessary to reinstate the damaged part at the cost (in so far as the insurance moneys recoverable are insufficient for the purpose) of the Village Owners holding Shares allocated to the damaged part (hereinafter called "the Owners affected") in proportion to what were the insured values of their respective interests in the damaged part at the date of the damage to it, and each of the Owners affected shall from time to time, as required, pay to the Manager within 15 days of demand all such sums as may be demanded by it as, or as instalments towards, his share of the costs of reinstatement, and the

Steps to be taken
when reinstatement
impossible

Meeting to
consider course of
action

provision of Clauses 2, 4, 5, 6 and 7
of Sub-Sec E of SECTION VI of the
Principal Deed shall apply in relation
to all such sums demanded by the
Manager.

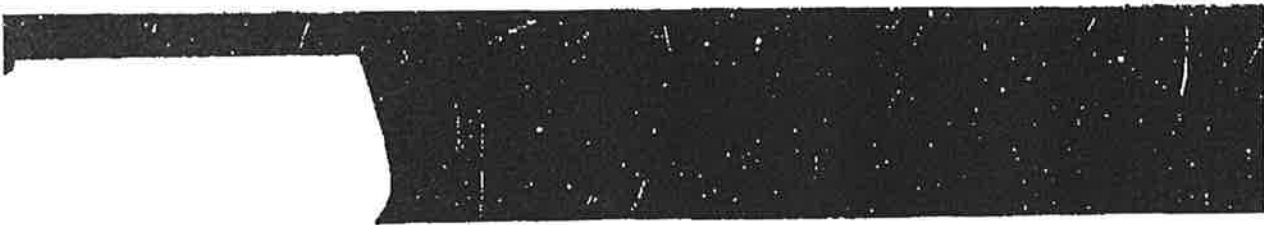
2. (a) If any part of the Village
shall be so damaged by fire,
typhoon, earthquake,
subsidence or other cause as
to render the same
(hereinafter called "the
damaged part") unfit for use
for the purposes allowed by
the Occupation Permit and if
for any structural or legal
reason it is not possible to
reinstate the damaged part as
it was before the damage, the
Manager shall within three
months of the date on which
the damage was caused convene
a meeting of the Owners
affected in order to consider
what action should be taken
with respect to the damaged
part, and for this purpose the
Manager may in the notice
convening the meeting set out
in general terms what seem to
it to be possible courses.

Fresh meeting to
consider scheme

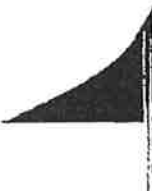
(b) If at such meeting or any adjournment thereof a resolution is passed in favour of a proposed course of action in which all the Owners affected are to be treated in a fair and equitable manner according to their respective interests and having regard to all the circumstances, the Manager shall prepare a formal scheme designed to give effect to the proposed course of action and shall convene a fresh meeting of the Owners affected (to be held not less than one month after the first meeting) to consider such scheme.

If scheme approved
by majority of
Owners affected
all bound to carry
it out

(c) If at such fresh meeting or any adjournment thereof a resolution is passed in favour of the said scheme with or without amendment, the Manager shall give notice thereof to all the Owners affected, and if the holders of a simple majority of all the Shares allocated to the damaged part shall signify their approval




of the scheme to the Manager in writing, all the Owners affected shall be bound to participate and co-operate in all respects and to the fullest extent in the carrying out of the approved scheme and do all such acts and things and execute all such deeds and instruments as may be required to give effect to the approved scheme.



Further meetings
may be held

Failing agreement
on a scheme Shares
to be sold and
proceeds etc.
distributed

- (d) If necessary, further meetings may be held and resolutions put to all the Owners affected until a course of action and scheme are approved in writing by the holders of a simple majority of all the Shares allocated to the damaged part.
- (e) If within one year of the date of the damage a majority of the Owners affected have not agreed in writing upon a scheme, the Manager may in its absolute discretion call upon the Owners affected to assign to it free from incumbrances all the Shares allocated to the damaged part upon trust to



sell them by public auction or otherwise at its absolute discretion subject to and with the benefit of the Principal Deed and this Sub-Deed and (subject to the deduction of any sums due to the Manager by any of the Owners affected and of any sums required to meet any claims ranking in priority to those of the Owners affected) distribute the net proceeds of the sale amongst the Owners affected pro rata according to the number of such Shares assigned by them respectively to the Manager, and each of the Owners affected shall within two months of being called upon so to do assign to the Manager free from incumbrances upon trust as aforesaid all the Shares allocated to the damaged part held by him, and the Manager shall as soon as the Shares allocated to the damaged part have been so assigned to it proceed to sell the same and distribute the

net proceeds of sale in the manner aforesaid. At the same time the Manager shall (subject to the deduction of any sums due to the Manager or of any sums ranking in priority to those of the Owners affected) :-

- (i) distribute amongst the Owners affected all insurance moneys received in respect of the damage to the damaged part pro rata according to what were the insured values of their respective interests in the damaged part as at the date of the damage to it,
- (ii) return to each Owner affected the deposit held by the Manager as security in accordance with Clause 13 of Sub-Section D of SECTION VI of the Principal Deed, and
- (iii) return to each Owner affected any balance of the Management Funds held

by the Manager under the Principal Deed or this Sub-Deed in the proportion which the number of Shares held by such Owner bear to the total number of Shares of the Owners contributing to such balance of the Management Funds. PROVIDED THAT should the owner have paid any management charges at the rate as set out in Clause 11(b) of Sub-Section B of SECTION VI of this Deed, the Manager shall have the discretion to adjust the amount to be returned thereto in such manner as it shall reasonably deem fit.

Provisions
applicable to
meetings

3. The following provisions shall apply to meetings convened by the Manager as provided in Clause 2 above :-

- (a) Notice of the meeting shall be sent to each Owner affected at least 14 days before the date of the meeting.
- (b) The quorum for a meeting shall

be the holders of not less than 50% of the Shares allocated to the damaged part present in person or by proxy.

- (c) A meeting shall not start unless a quorum is present. If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to the same time and day in the next week and at the same place, and if a quorum is not present at such adjourned meeting the Owners affected present in person or by proxy shall be deemed to be a quorum.
- (d) The Chairman shall be a person appointed by the Manager to preside at the meeting and he shall cause a record of the proceedings to be kept.
- (e) All matters arising at the meeting shall be decided by a majority of votes of the Owners affected voting either personally or by proxy.
- (f) A resolution put to the vote at a meeting shall be decided

by a show of hands unless a poll is (before or on the declaration of the result of the show of hands) deemed desirable by the Chairman or demanded by at least one Owner affected entitled to vote and present at the meeting in person or by proxy, whereupon a poll shall be taken at such time and in such manner as the Chairman shall direct.

(g) Subject to Sub-Clauses (i) and (j) below, on a show of hands each Owner affected present in person or by proxy shall have one vote.

(h) Subject to Sub-Clauses (i) and (j) below, on a poll each owner affected present in person or by proxy shall have one vote for every Share held by him in respect of the damaged part.

(i) If any Share is owned jointly by two or more persons the vote in respect of that Share may be cast :-

(i) by a proxy jointly appointed by the

co-owners, or

(ii) by one co-owner present in person appointed in writing by the other co-owners, or

(iii) if no appointment has been made under (i) or (ii) by (either personally or by proxy) the co-owners whose name stands first in relation to that Share in the Manager's record of owners of the damaged part.

(j) If a registered mortgagee shall have appointed a receiver of a Share of an Owner affected, such mortgagee shall, to the exclusion of the Owner, be entitled to exercise the voting rights of such Owner either personally or by proxy.

(k) The votes of Owners affected or of mortgagees entitled to vote may be given either personally or by proxy.

(l) The instrument appointing a proxy shall be signed by the

Owner or mortgagee, or if the Owner or mortgagee is a body corporate, under the seal of that body.

- (m) The appointment of a proxy or the appointment of a co-owner to vote on behalf of the other co-owners shall have no effect unless the instrument appointing the proxy or appointing the co-owner to vote is lodged with the Manager not less than 48 hours before the holding of the meeting for which the appointment has been made, or within such lesser time as the Chairman shall allow.

SECTION VIII

MEETINGS OF THE VILLAGE OWNERS

A. Meetings of Village Owners

(a) First Meeting

1. As soon as possible but in any event not later than 9 months from the date of the issue of the Occupation Permit in respect of a Village, the Manager shall call a meeting of that Village.
2. The purpose of the First Meeting is to elect 7 representatives of that Village to serve on the Village Owners' Committee (hereinafter called "V.O.C.") for a term initially of 2 years and any other business specified in the notice calling the meeting.

(b) Subsequent Meetings

1. A General Meeting of the Owners of the Village will be held every subsequent year after the said initial term of 2 years for the purpose of electing 7 representatives to serve in the V.O.C. and any other business specified in the notice calling the meeting.
2. A meeting of the Village Owners shall be convened at any time :-
 - (i) by the Manager; or
 - (ii) by Owners of 20% or more of the Owners of that Village.

B. Procedure at all the above meetings

- (a) At least 14 days' notice must be given to all Village Owners to convene any of the above meeting and such notice shall be in writing and shall specify the time,

purpose and place of meeting.

- (b) No business shall be transacted at any meeting unless a quorum is present when the meeting proceeds to business and Village Owners present personally or by proxy holding 1/10th of the total number of shares of the Village shall be a quorum.
- (c) The Village Owners present shall start the proceedings by choosing one of their member to be the chairman of the meeting who shall then preside at that meeting.
- (d) Any resolution to be passed at any meeting shall be passed by a majority of those present or by proxy on a show of hands unless a poll is demanded at least 24 hours before the meeting, in which event, every Share held by the Village Owners present or by proxy represents one vote. For this purpose joint tenants or tenants in common of a Unit shall be treated as a single owner and only one of them may vote.
- (e) In the case of an equality of votes the Chairman shall have a second or casting vote.
- (f) Subject to (g) below, the only persons entitled to attend any of the above meetings of the Village Owners and vote thereat shall be Village Owners who have not defaulted in paying Management Charges.
- (g) The spouse of an Village Owner (if so authorised in writing) or if the Owner is a limited company, its duly appointed representative, may attend and vote at all the above Meetings and may be elected a member of the V.O.C..
- (h) A representative of the Manager shall attend all such meetings unless requested not to do so by the Chairman

of the meeting.

- (i) The Manager shall cause a record to be kept of the persons present at all the above meetings and the proceedings thereof and copies thereof sent to all the Village Owners.

C. Meetings of Village Owners' Committee

(a) First Meeting

1. As soon as the 7 representatives have been elected, they constitute the V.O.C. and the Manager shall call a meeting of the V.O.C..
2. The purpose of the First Meeting is to elect 3 representatives to serve on the Estate Owners' Committee and any other business specified in the notice calling the meeting.

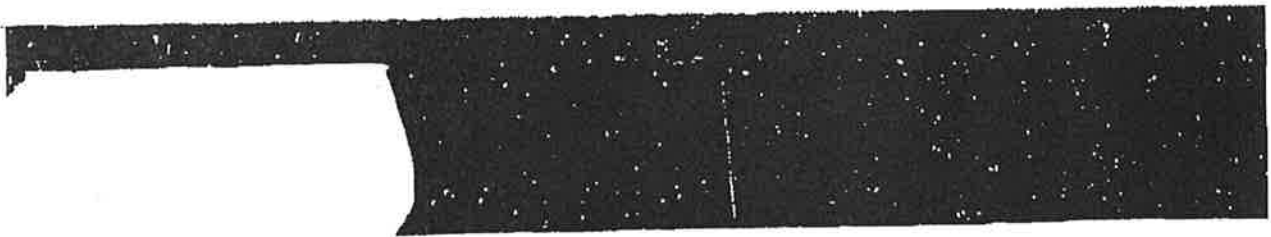

(b) Subsequent Meetings

1. The V.O.C. shall meet not less than 7 times per calendar year for the purpose of transacting any business which shall require the approval of the V.O.C..
2. In addition, the Manager shall be entitled to convene a V.O.C. meeting at any time to transact any business which requires immediate attention.

D. Procedure at all the above meetings

1. Members of the V.O.C. shall choose from amongst themselves a Chairman and a Vice-Chairman and such other posts as the members shall determine.
2. The Manager shall cause a record to be kept of all persons present at all meetings and the proceedings hereof.

3. A member of the V.O.C. who has defaulted in paying Management Charges shall automatically be excluded from receiving notices of meetings of the V.O.C. and from attending such meetings.
4. 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.
5. Notice of V.O.C. regular meetings shall be sent by the Manager to the members of the V.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 a copy of the minutes of the previous meeting.
6. The Manager may at any time convene an extraordinary meeting of the V.O.C. provided that :-
- (a) the matters to be discussed are matters which the Manager may not act without the approval of the V.O.C. by virtue of the provisions of this Sub-Deed; and
 - (b) the matters to be discussed cannot be postponed until the next regular meeting of the V.O.C.; and
 - (c) at least 24 hours notice has been given to members of the V.O.C.; such notice shall set out the time and place of the meeting together with an agenda of the matters to be discussed.

- 
- 
7. 4 members present or by proxy shall form a quorum of the V.O.C. meeting.
 8. The functions of the V.O.C. are :-
 - (a) to discuss problems relating to the maintenance and management of the Village;
 - (b) to approve Budgets and extraordinary items of expenditure relating to the Village;
 - (c) to discuss matters relating to the welfare of the residents of the Village;
 - (d) to approve any matters which require the approval of the V.O.C. by virtue of this Deed;
 - (e) to instruct the representatives to the Estate Owners' Committee to make representation on matters relating to the management and maintenance of the Estate and to receive their reports.
 9. Any resolution to be passed at any meeting shall be passed by a single majority or a show of hands.
 10. In the case of an equality of votes the chairman shall have a second or casting vote.
 11. The V.O.C. shall be entitled to co-opt any Village Owner to fill the post vacated by a Village Owner the provisions contained in this Sub-Section D shall apply to the co-opted members of the V.O.C..

SECTION IX

PARTY WALLS

The Village Owners of Units which have a common wall adjoining their respective Units or a common wall separating their Units shall equally have the right to the use of the interior surface of the wall on his side. Neither owner shall use any portion of the wall so as to interfere with the use and enjoyment of other owner. Neither owner shall erect any fence or any structure e.g. spikes or wires, on top of the wall without the written consent of the other. Neither owner shall put structures of any kind, e.g. fish ponds, so near to the wall as to cause leakage of water to the other side of the wall or to cause the wall to collapse. If the wall or any portion thereof, except the interior surface of the 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.

IN WITNESS whereof the Registered Owner and the Manager have caused their respective Common Seals to be hereunder 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

[REDACTED]

THE SECOND SCHEDULE

All Houses and parts of the Village described in the First
Column of the Third Schedule hereto.

THE THIRD SCHEDULE

ALLOCATION OF THE UNDIVIDED SHARES
TO THE HOUSES OR PARTS OF THE VILLA

<u>Houses or parts of the Village</u>	<u>Number of undivided Shares allocated to each house or part</u>	<u>Total undivided allocated</u>
Houses Nos. 129 to 155 (odd numbers) Palm Drive (Totalling 14 Houses)	60	840
Houses Nos. 59 to 101 (odd numbers) Cedar Drive (Totalling 22 Houses)	60	1320
Houses Nos. 136 to 178 (even numbers) Cedar Drive (Totalling 22 Houses)	60	1320
Common Areas	100	<u>100</u> 3580

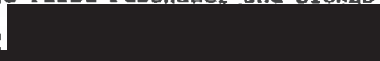
THE FOURTH SCHEDULE


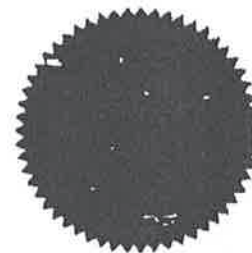
ALL THOSE 1,740 equal undivided 3,580th parts or shares of and in ALL THAT piece or parcel of ground registered in the Land Office as SECTION C OF RURAL BUILDING LOT NO.1050 And of and in the messuages erections and buildings thereon now known as "THE REDHILL PENINSULA - SITE B" TOGETHER with the sole and exclusive right and privilege to hold use occupy and enjoy ALL THOSE Houses Nos. 59, 61, 67, 69, 75, 77, 83, 85, 91, 93, 99, 136, 138, 144, 146, 152, 154, 160, 162, 168, 170 and 176 Cedar Drive and Houses Nos. 133, 135, 141, 143, 149, 151 and 155 Palm Drive (also known as Houses Nos. S1, S2, S5, S6, S9, S10, S13, S14, S17, S18, S21, T1, T2, T5, T6, T9, T10, T13, T14, T17, T18, T21, S25, S26, S29, S30, S33, S34 and S36, Redhill Peninsula - Site B).

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



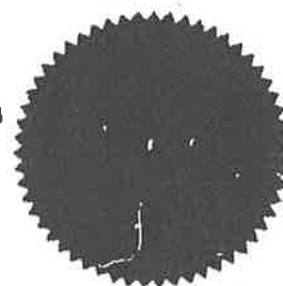
WU WING KIT
Solicitor,
Hong Kong.

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



Tony C.S. Wan
Solicitor,
Hong Kong.

SEALED with the Common Seal of)
the Manager and SIGNED by
NINA T.H. WANG (director)
whose signature(s) is/are
verified by :-



WU WING KIT
Solicitor,
Hong Kong.

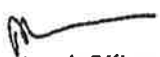
DATED 18th September 1992

MIGHTYTON LIMITED
and OTHERS

SUB-DEED OF MUTUAL COVENANT
in respect of
Section C of Rural
Building Lot No.1050

REGISTERED in the Land Office by
Memorial No. **5453851**

on- 9 OCT 1992


p. Land Officer

IP, KU & STOPPA
SOLICITORS,
HONG KONG.
(SUB-MIGHT-Redhill)

5/9/89/AL-LU/KW