

[DRAFT : 12th December 2019]

Dated the _____ day of _____ 2019

SUB-DEED OF MUTUAL COVENANT

in respect of

SECTION H OF LOT NO.242 AND SECTION D
OF LOT NO.256 BOTH IN DEMARCATION
DISTRICT NO.106 (BLOCK 53 of SKY BLUE (富
逸天峰 53 座), No.355 Shek Wu Tong, Pat Heung,
Yuen Long, New Territories, Hong Kong).

MESSRS. WONG & POON,
SOLICITORS,
20TH FLOOR,
YUEN LONG TRADE CENTRE,
99-109 CASTLE PEAK ROAD,
YUEN LONG,
NEW TERRITORIES.
OUR REF. :
(Block 53)

THIS DEED is made the day of **Two thousand and nineteen**

Parties BETWEEN the parties whose respective names and addresses or registered office and description are set out in the First Column of the First Schedule hereto ("the parties hereto" which expression wherever used in these presents shall if the context permits in the case of an individual include the person specifically named and his executors administrators and assigns and in the case of persons holding as joint tenants include the persons specifically named and the survivors or survivor of them and the executors and administrators of such survivor his or their assigns and in the case of persons holding as tenants in common include the persons specifically named and any of them and their respective executors administrators and assigns and in the case of companies or corporations include the companies or corporations specifically named and their successors and assigns).

WHEREAS :-

- Recital
- A. The land more particularly described in the Second Schedule hereto ("the land") is held from the Government for the residue of the term of years created by the Government Lease referred to in the Second Schedule hereto ("the Government Lease") by the parties hereto in such shares or proportions as set out in the Third Column of the First Schedule hereto.
 - B. This Sub-Deed of Mutual Covenant is supplemental to the Deed of Mutual Covenant and Management Agreement dated the 20th day of November 2012 and registered in the Land Registry by Memorial No.12121801150014 ("the Deed of Mutual Covenant and Management Agreement"). Wherever the context so permits or requires, words and phrases used herein shall have the same meaning as those used in the Deed of Mutual Covenant and Management Agreement.
 - C. There is now erected on the land or part thereof a three-storey village house now known as **BLOCK 53 of SKY BLUE (富逸天峰 53 座)** ("the Building").
 - D. The parties hereto have agreed to enter into these presents in order to define their respective rights and obligations of and in the land and the Building in manner hereinafter appearing.
 - E. In this Deed the following expressions shall have the following meanings wherever the context so permits :-
 - “Building Common Area” All those areas of the Building which are intended for the common use and benefit of all the owners of the land and the Building and occupiers for the time being of the floors of the Building and their servants,

licensees and visitors and, without prejudice to the generality of the foregoing, including the entrance staircases and landings in the Building save and except such staircases the exclusive right to the use of which is assigned with any floor(s) of the Building and save and except the space on the ground floor underneath the staircases of the Building.

“Building
Common
Facilities”

(a) Such of the sewers, pipes, cables, conduits, drains, watercourses, gutters, wires, pumps, water tanks, liquefied petroleum storage place and other service facilities whether ducted or otherwise which are or at any time may be in, under or over or passing through the land and the Building or any floor or floors thereof through which water, sewage, gas, electricity and any other services pass to or from the Building or any part or parts thereof and not for the benefit or enjoyment of any particular unit or owner thereof;

(b) public lighting within the Building:

(c) fire hydrons or other facilities and systems for the common use and benefit of all the owners and occupiers of all the floors of the Building and the land.

“the main
roof”

The roof of the Building.

NOW THIS DEED WITNESSES that the parties hereto for themselves their respective executors administrators and assigns or the survivors or survivor of them and the executors and administrators of such survivor his or their assigns or their successors and assigns as the case may be to the intent that the covenants herein contained shall bind them and each and every party of them and the owners or owner for the time being of the land and the Building and every part thereof and all persons claiming through under or in trust for them respectively DO and each of them DOTD hereby covenant with the other party or parties of them as follows :-

Exclusive
Possession

1. Each of the parties hereto shall for the residue of the term of years and renewed term if any for which the land is held from the Government of Hong Kong set out in the Second Schedule and subject to these presents have the sole and exclusive possession and the full right and privilege to the use occupation and enjoyment of the whole of that floor of the Building which is more particularly described and set out in the Second Column of the First Schedule hereto opposite to the respective names of the parties set out in the First Column of the First Schedule hereto with the appurtenances thereto and the entire rents and profits of such floor.

2. The owner of the second floor of the Building shall also have the exclusive right to the use occupation and enjoyment of the main roof (save the water tank, if any, erected on or at the roof for the common use of the owners of the Building and which water tank shall not be demolished or removed) and the staircases leading from the first step of staircase on the ground floor to the roof of the Building subject to the right of the owners for the time being of the ground floor and first floor of the Building and their agents servants workmen to have access thereto for the purposes of escape in case of fire or emergency and at all reasonable times on notices for the purposes of affixing installing maintaining repairing renewing or servicing a television aerial and the other common apparatus services and facilities if any on the roof.
- Duration 3. Subject to Clause 24 hereof the respective covenants herein contained shall in each case be for the residue of the term of years and renewed term (if any) set out in the Second Schedule hereto.
- Easements & appurtenant rights 4. Each of the parties hereto shall hold use occupy and enjoy his floor of the Building subject to and with the benefit of the following rights privileges and obligations namely :-
- (a) full right and liberty for the owners or occupiers for the time being of any other floors of the Building and their servants, licensees, visitors to pass up down over along and through the Building Common Areas and (in common with all persons having the like right) to go, pass and repass over and along the Estate Common Areas, if any, for all purposes connected with the proper use and enjoyment of the floor whereof he is entitled to the exclusive use, occupation and enjoyment;
 - (b) the right to subjacent and lateral support and to shelter and protection from the other floors of the Building;
 - (c) the free and uninterrupted passage and running of water sewage gas electricity and the like services from and to his floor of the Building through the sewers, drains, watercourses, cables, pipes, pumps, tanks and wires which now are or may at any time hereafter be in under or passing through the land and Building or any floor or floors thereof; and
 - (d) the right of the Manager for the time being of the Estate and the owner or occupiers for the time being of any floor of the Building with or without servants, workmen and others at all reasonable times on notices except in case of emergency to enter into and upon the other floor or floors of the Building and the Building Common Areas for the purposes of carrying out any work necessary for the maintenance and

repair of other part of the Estate including the Building and facilities thereof and thereto causing as little disturbance as possible and making good any damage caused.

Payment
Obligations

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Each of the parties hereto shall pay his due proportion of :-

- (a) Contribution towards the Management Expenses and other payments payable by the owner of the land under the Deed of Mutual Covenant and Management Agreement on the due date;
- (b)
 - (i) Government rent, rates and charges for water consumed by the owners or occupiers of all the floors of the Building and the land and the water meter rents if any unless and until the Government rent rates have been determined or assessed in respect of each floor of the Building or separate water meter for each floor of the Building shall have been installed by the Water Supplies Department or other relevant authorities;
 - (ii) Charges for electricity used in connection with the Building Common Areas and charges for electricity used by the owners or occupiers of all the floors of the Building and the meter rents if any unless and until separate electricity meter for each floor of the Building shall have been installed by the CLP Power Hong Kong Limited or other relevant authorities; and
 - (iii) insurance premium payable on the policy if any insuring the Building against loss or damage by fire and any other expenses charges assessed on or payable in respect of the land;
- (c) the costs and expenses of :-
 - (i) repairing renewing maintaining distempering redecorating painting and lime-washing the exterior of the Building and the internal parts of the Building Common Areas;
 - (ii) keeping in good and tenantable repair and condition the foundation and any retaining walls, side walls, main walls, supports, beams, and all external and internal parts of the Building used in common by the co-owners thereof; and
 - (iii) maintaining repairing and reinstating all the Building Common Facilities;
- (d) the expenses of operating, maintaining, repairing and

reinstating the water pipes and conduits for supplying tap water to all floors from the ground to second floors both inclusive and the sewage systems and water flushing systems of the Building; and

- (e) the cost of rebuilding or reinstatement of the Building or any part thereof in case of destruction or damage or condemnation by the Building Authority or other competent authority as being unfit for occupation Provided that as regards damage under sub-clause (c) to (e) inclusive caused by or resulting from any act or default or negligence of any particular owner of any floor of the Building or his servants or agents or tenants or licensees such damage shall be made good by such owner at his own expenses or if the same shall be made good at the expenses of the other co-owners then the costs thereof shall be recoverable from the owner in default by the co-owners thereof as a debt.

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|-------------------------------------|-----|---|
| Share of Contribution | 6. | The amount which each of the parties hereto shall be liable to pay or contribute under clause 5 hereof unless such party is solely responsible shall be the proportion which his share in the land bears to the whole of the land. |
| Expenses of individual floor | 7. | All existing and future taxes, property tax, rates, assessments and outgoings of every description for the time being payable in respect of each floor of the Building shall be borne and paid by the party for the time being entitled to the exclusive use, occupation and enjoyment of such floor. |
| | 8. | The expenses of keeping in good and tenantable repair and condition the interior of each floor and all the fixtures and fittings therein or appertaining thereto and all the windows and doors thereof shall be borne and paid by the party for the time being entitled to the exclusive use occupation and enjoyment of such floor. |
| | 9. | The owner of the second floor and the main roof of the Building shall be responsible for keeping and maintaining the main roof in repair save the water tank, if any, erected on or at the roof for the common use of the owners of the Building and such water tank shall not be demolished or removed. The owners of the Building and the land shall be responsible for keeping and maintaining the water tank and the liquefied petroleum gas storage place and meters, if any, erected in or at any part of the Building or the land for the common use of the owners of the Building and such liquefied petroleum gas storage place and meters shall not be demolished or removed. |
| To notify Manager and other parties | 10. | If for any reason any of the parties hereto shall cease to have any share or interest in the Building he shall notify the Manager of the Estate within one month of such ownership cessation and to advise |

- of change of ownership the Manager and the other parties hereto the particulars of the new owner and upon the notification aforesaid but without prejudice to any liability incurred by him prior to such cessation he shall thereupon cease to be liable for any further breach of such covenants or for anything arising at any time thereafter.
- Residential use only 11. Each of the parties hereto shall use the floor of the Building in the case of the ground floor including the garden appurtenant thereto and in the case of the first floor and the second floor including the balcony appurtenant thereto and in the case of the second floor including the main roof thereabove of which he has the exclusive use occupation and enjoyment solely and exclusively as a private residence.
- Observe Government Lease etc. 12. Each of the parties hereto shall perform and observe all the covenants terms conditions provisions provisos as are contained in the Deed of Mutual Covenant and Management Agreement and any Supplemental Deed and the Government Lease insofar as the same relate to or affect the land and the Building or any part thereof and the Building Licence and in particular the provisions on the construction provision maintenance and repair and replacement of the Government land shown brown if any and, where applicable, that part of the lot as shown hatched red if any in the plan to the Building Licence as an emergency vehicular access and the emergency vehicular access and the fire service installation or equipment or fire preventive measures in such Government land.
- Non-structural Improvement 13. Each of the parties hereto may at his own expenses make any non-structural improvement inside the floor of which he is entitled to the exclusive use, occupation and enjoyment, such as mantels, lights, fixtures, wood-work, panelling, doors or decorations Provided that such improvement can be removed without any structural alteration or causing any damage to the Building and Provided that the same does not contravene the Buildings Ordinance, Cap.123 or any regulations or any legislations affecting building as applicable to the New Territories and the party making the same shall have the right to remove the same at any time at his own expense and making good any damage caused by such removal.

Restrictions

- Not to make Structural alteration 15. None of the parties hereto shall make any structural alteration to the Building or any part thereof or to the floor of which he is entitled to the exclusive use, occupation and enjoyment nor make any alteration to any installation or fixture so as to affect or be likely to affect the supply of water, electricity or gas to the Building nor cut or damage any of the main walls or beams or floors of or any equipment or apparatus serving the Building.

- Not to alter external appearance
16. (a) None of the parties hereto shall do or permit to be done any act or thing which may or will alter the external appearance or the colour scheme of the Building without the prior consent in writing of the Manager and any government authorities if so required.
- (b) The parties shall not without the prior written approval of the Manager alter the design colour appearance and material of the metal grilles and/or fences at the windows, balconies and the ground floor entrances of the Building and the main entrances to the land and at the garden boundary walls and the tiles and/or mosaic tiles and/or paints of the Building and of the garden boundary walls or any parts of the above now erected and installed.
- Not to store dangerous goods
17. None of the parties hereto shall store or permit to be stored in any part of the land or Building any hazardous, dangerous or combustible goods or material except such as may be reasonably required for the purpose of domestic cooking or heating.
- Not to render insurance void or voidable
18. None of the parties hereto shall do or cause or permit or suffer to be done anything whereby any insurance of the Building against fire may be rendered void or voidable or whereby the premium for any such insurance may be liable to be increased, and each of the parties hereto shall indemnify all of the other parties hereto against such increased or additional premium as shall have been brought about or caused by his act or default or the act, neglect or default of his servants, agents, tenants or licensees. In the event of any floor of the Building or any part or parts 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 the act or default of any of the parties hereto or of his servants or agents or tenants or licensees then and in every such case such party shall forthwith pay to the other parties hereto the whole or as the case may require a fair proportion of the cost of completely rebuilding or reinstating the same.
- Not to cause nuisance
19. None of the parties hereto shall use or cause or suffer or permit to be used the floor of which he is entitled to the exclusive use, occupation and enjoyment of any part thereof for any illegal, unlawful or immoral purpose and shall not do or cause or suffer or permit to be done therein or thereupon anything which may create unnecessary noise or which may be or become a nuisance, annoyance or inconvenience to the occupiers of the other floors of the Building or the neighbourhood.
- Not to obstruct common area
20. None of the parties hereto shall obstruct or permit or suffer to be obstructed any of the entrance, staircases and landings (save such parts thereof over which there is the right of exclusive possession), common passages or common parts of and in the Building and the land.

- Not to partition the title 21. None of the parties hereto shall at any time exercise or attempt to exercise any statutory or common law right to sub-divide or partition as to the title to the land or any floor in the Building, vertically.
- Default 22. If any of the parties hereto shall fail to fulfil his share of the reinstatement or repairs which should become necessary or shall fail to pay his share of the costs of such reinstatement or repairs within one month from the date of any notice from the other of them requiring the same to be done or paid then the party serving such notice may at his own absolute discretion proceed to carry out such reinstatement or repairs and the defaulting party shall on demand pay to the other party or parties his share of the costs and expenses incurred in such reinstatement or repairs and until such repayment the said costs and expenses or such part thereof as shall remain unpaid shall be charged upon the share of the defaulting party of and in the land and the Building AND IT IS HEREBY AGREED AND DECLARED that if default shall be made in payment of the amount of such share of the costs and expenses after one month of the same shall have been demanded by the other party or parties the other party or parties may at any time or times thereafter without any further consent on the part of the defaulting party sell the share and interest of the defaulting party of and in the land and the Building in such manner and for such price as the party exercising the power of sale hereunder shall deem fit and with power to give good receipt therefor and that the proceeds of such sale shall be applied towards the satisfaction of the proportionate share of the defaulting party of the costs and expenses for such reinstatement or repairs as aforesaid and the surplus if any shall be paid to the defaulting party or other person or persons entitled thereto.
- Each party as attorney for 23. In the event of any sale under clause 22 hereof the party serving the notice shall have power to execute all such agreements the other deeds assignments assurances and any other documents as may be necessary to complete the sale and the purchaser or purchasers shall not be required or bound to enquire whether the events which give rise to such sale have happened and each of the parties hereto hereby mutually appoints the other of them to be his attorneys or attorney for the purpose of execution in the name of the defaulting party or in the name of such attorneys or attorney any agreement or agreements or assignment or assignments or assurances and other deeds and instruments in writing as may be necessary to complete any sale which may take place under clause 22 hereof.
- Termination 24. Notwithstanding the covenant hereinbefore contained in clause 5(e) hereof if the Building shall be so damaged by fire typhoon earthquake or white ants or subsidence or any cause (not attributable to the default of any of the parties hereto or for which any of them is responsible) so as to render the Building substantially

unfit for use and no resolution is passed by the parties hereto for the rebuilding of the Building within one month thereafter then and in such event subject to section VIII of the Deed of Mutual Covenant and Management Agreement these presents shall be deemed to be cancelled and of no effect and such party shall release unto the other parties all the rights and privileges herein contained and from the covenants to be performed hereunder.

Miscellaneous

Service of
Notices

25. All notices required to be served hereunder on any of the parties hereto shall be deemed sufficiently served, if a copy of such notice is posted on a conspicuous part of the floor of which the party to be served is entitled to the exclusive use, occupation and enjoyment, notwithstanding that such party may not personally occupy such floor, or if a copy is sent by registered post to the last known address in Hong Kong of the party to be served. Non-resident owner of the land and the Building shall provide the other owners with an address within the jurisdiction for service of notices under the terms hereof.

Dispute

26. All matters and questions which shall hereafter arise between the owners for the time being of the land and the Building touching these presents or the construction or interpretation thereof or whether these presents are still subsisting or not or touching any account or calculation to be made hereunder or as to any act deed or omission by any of the parties hereto or as to any other matter in any way relating to these presents or the rights duties or liabilities of any person hereunder shall be decided upon in meetings to be held by the owners of undivided shares of the land. Any owner may convene a meeting of owners by 14 days' notice and two owners shall form a quorum. Every owner shall have one vote for each undivided share of the land vested in such owner and in the case of owners who together are entitled to any such undivided share such owners shall jointly have one vote for each such undivided share and save as otherwise provided in this Deed any resolution passed by a simple majority of votes in such meetings shall be binding on all the owners Provided that nothing herein shall prejudice the operation of the Building Management Ordinance, Cap.344 and the establishment of an owners incorporation thereunder.

27. Each of the parties hereto shall be responsible for and indemnify the other parties against all actions proceedings claims and demands whatsoever arising out of or in respect of any loss or damage to any person or property caused by or as the result of the act or negligence of any occupier of any floor of which he is the owner or any person using such floor with his consent express or implied or by, through or in any way owing to the spread of fire or overflow of water therefrom.

28. IT IS HEREBY DECLARED AND AGREED that :-
- (a) the main roof and the second floor of the Building and the staircases leading from the first step of staircase on the ground floor up to the roof of the Building shall be held as a whole by the owner who has the exclusive use occupation and enjoyment of the second floor of the Building and such owner shall not assign the main roof or such staircases or any part thereof separately to any person who is not also the owner of the second floor of the Building;
 - (b) the garden appurtenant to the ground floor of the Building and the space on the ground floor underneath the staircases of the Building shall be held as a whole by the owner who has the exclusive use occupation and enjoyment of the ground floor of the Building and such owner shall not assign the garden or such space or any part thereof separately to any person who is not also the owner of the ground floor of the Building;
 - (c) ground floor including the garden thereto of the Building and the space on the ground floor underneath the staircases of the Building and the first floor including the balcony appurtenant thereto of the Building shall be held as a whole by the owner who has the exclusive use occupation and enjoyment of the ground floor and the first floor of the Building and such owner shall not assign the ground floor or the first floor or the garden or such balcony or such space or any part thereof separately to any person who is not also the owner of the ground floor and the first floor of the Building;
 - (d) the covenants herein contained are intended to run and shall run with the land or the interest therein both as to the benefit and burden of such covenants and that the Conveyancing and Property Ordinance, Cap.219 together with any statutory amendment thereto or modification thereof for the time being in force shall apply to these presents; and
 - (e) in these presents if the context so permits or requires words importing the singular number only shall include the plural number, and vice versa; words importing the masculine gender only shall include the feminine gender and the neuter gender; and words importing persons shall include companies or corporations.
29. The owners shall at their own expense maintain and carry out all works in respect of any slopes, retaining walls or other structures within or outside the land or Estate as required by the Government Lease and in accordance with the "Geogide 5- Guide to Slope Maintenance" issued by the Geotechnical Engineering Office (as amended from time to time), if any, annexed to the Deed of Mutual Covenant and Management Agreement and hereto together with a plan of such areas, if any, for identification purposes. The Manager

(which for this purpose shall include any Management Committee or Owners Corporation) shall have full authority of the owners to engage suitable qualified personnel to inspect keep and maintain in good substantial repair and condition any of such slopes, retaining walls or other structures in compliance with the Government Lease and in particular in accordance with all guidelines issued from time to time by the appropriate Government department regarding the maintenance of slopes, retaining walls and related structures and to collect from all owners all costs lawfully incurred or to be incurred by it in carrying out such maintenance and repair. The Manager shall not be personally liable for carrying out any such requirements of the Government Lease which shall remain the responsibility of the owners if, having used all reasonable endeavours, he has not been able to collect the costs of the required works from all owners.

30. Notwithstanding any other provisions of this Deed including any provision which purports to confer a benefit on a person who is not a party to this Deed, this Deed is not intended to and does not give any person who is not a party to this Deed any right to enforce any provisions of this Deed under the Contracts (Rights of Third Parties) Ordinance, and a person who is not a party to this Deed shall not have any right under the Contracts (Rights of Third Parties) Ordinance to enforce any provisions of this Deed.

IN WITNESS whereof the parties hereto have hereunto executed these presents the day and year first above written.

THE FIRST SCHEDULE ABOVE REFERRED TO

Names, addresses and descriptions of the parties hereto	The floor of the Building to be exclusively used occupied and enjoyed by the party whose name is set out in the First Column directly opposite the reference to such floor of this column	The share or proportion of the parties hereto in respect of the land whose floor of the Building appears in the Second Column directly opposite the reference to such share of this Column
CHEUNG KING KWONG (張琮光) (Holder of Hong Kong Identity Card No. []) of [] (“the First Owner”)	Ground Floor including the Garden thereto and the space on the Ground Floor underneath the staircases of the Building	1
the First Owner	First Floor including the Balcony appurtenant thereto of the Building	1
[] () of 2nd Floor, Block 53 of Sky Blue (富逸天峰 53 座), No. 355 Shek Wu Tong, Pat Heung, Yuen Long, New Territories, Hong Kong (“the Second Owner”)	Second Floor including the Balcony appurtenant thereto together with the Roof thereabove and the staircases leading from the first step of staircase on the Ground Floor up to the Roof of the Building	1

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THE SECOND SCHEDULE ABOVE REFERRED TO

ALL THAT/ALL THOSE piece(s) or parcel(s) of ground situate lying and being at Yuen Long New Territories Hong Kong and registered in the Land Registry as SECTION H OF LOT NO.242 AND SECTION D OF LOT NO.256 BOTH IN DEMARCATION DISTRICT NO.106 which is/are now vested in the First Owner and Second Owner as Tenants in Common in such shares as set out in the Third Column of the First Schedule above referred to for the residue of the renewed term of 24 years less the last three days thereof from the 1st day of July 1973 and the term of the Government Lease is extended until the 30th day of June 2047 under Section 6 of the New Territories Leases (Extension) Ordinance, Cap.150 SUBJECT to and with the benefit of Deed of Consent of Right of Way with Plan Memorial No. 08100202000057 (if applicable), Deed of Rectification with Plan Memorial No.11052002870081 (if applicable), Deed of Grant of Right of Way with Plan Memorial No.12112201840016, Deed of Grant of Right of Way with Plan Memorial No.12121702270029, Deed of Mutual Covenant and Management Agreement Memorial No.12121801150014 and Deed of Adhesion Memorial No.[].

SIGNED SEALED AND DELIVERED by)
the First Owner by his lawful attorney,)
[] (holder of Hong Kong)
Identity Card No.[]) in the)
presence of :-)

INTERPRETED to the lawful attorney of the First Owner by: -

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

INTERPRETED to the Second Owner by :-