



Long Lease

Important Notes

The Tanner Hill is for lease only, not for sale.

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Note: The Residential Properties (First-hand Sales) Ordinance does not apply to this development.

1. Documents

(1) What agreements does an applicant need to sign before becoming a tenant of The Tanner Hill?

The applicant shall enter into the following agreements with Hong Kong Housing Society (“HKHS”):

- (a) a **Lease Agreement** – setting out the terms of the lease; and
- (b) a **Service Agreement** – setting out the types of **Handyman Service** and **Home Care Support Services** (collectively, the “**Services**”) to be provided to the tenant and the fees and terms upon which the Services will be provided. For details of the Services, please refer to **Note 4** below.

2. Execution of the Lease Agreement and the Service Agreement

(1) When shall the tenant sign the Lease Agreement and the Service Agreement?

The tenant shall sign both the Lease Agreement and the Service Agreement within 10 working days from the day of flat selection. The deadline for the tenant’s return of his/her duly signed Lease Agreement and Service Agreement to HKHS will be provided in the confirmation note issued by HKHS upon the tenant’s successful selection of a flat.

Each tenant shall instruct solicitor (other than the solicitor of HKHS) to act for him/her in the transaction and must have received independent legal advice on the Lease Agreement and the Service Agreement before signing the Lease Agreement and the Service Agreement. For further details, please also refer **Note 2(5)** below.

(2) What are the consequences if a tenant fails to sign the Lease Agreement and the Service Agreement after confirmation of selected flat and payment of administration fee?

The lease application process shall cease and the selected residential unit will be released and become available for selection by other applicants.

Under no circumstances will the administration fee paid for the lease application be refunded to the applicant.

(3) What are the consequences if a tenant signs the Lease Agreement but refuses to sign the Service Agreement?

The Service Agreement must be executed together with the Lease Agreement.

HKHS may refuse to sign the Lease Agreement and complete the lease application process with the tenant if such tenant refuses to sign the Service Agreement at the same time. In such circumstances, the consequences referred to in **Note 2(2)** shall apply.

(4) Can a tenant authorises someone else to sign the Lease Agreement and the Service Agreement on his/her behalf?

No. The Lease Agreement and the Service Agreement must be signed in person by the tenant.

(5) Can a tenant sign the Lease Agreement and the Service Agreement without appointing his/her solicitor? What are the consequences if he/she does not appoint his/her solicitor?

HKHS will not agree to the tenant signing the Lease Agreement and the Service Agreement without having appointed his/her own solicitor to act for him/her in the transaction.

HKHS may refuse to sign the Lease Agreement and the Service Agreement and complete the lease application process with the tenant if such tenant is not legally represented in the transaction. In such circumstances, the consequences referred to in **Note 2(2)** shall apply.

(6) Can a tenant change his/her payment option of the Entry Contribution after he/she has signed the Lease Agreement?

No. The tenant is not allowed to change his/her payment option after the Lease Agreement is signed.

(7) Can the tenant change the terms and conditions of the Lease Agreement and/or the Service Agreement?

No. Each tenant shall sign the Lease Agreement and the Service Agreement in their standard forms as prescribed by HKHS.

(8) Is stamp duty payable on the Lease Agreement? If yes, who is liable to pay and what is the amount of stamp duty payable?

Yes, stamp duty is payable on the Lease Agreement and the tenant is solely responsible for paying such stamp duty.

Based on a preliminary confirmation provided by the Collector of Stamp Revenue to HKHS, the Lease Agreement will be charged with ad valorem stamp duty at Scale 2 rate under head 1(1) of the First Schedule to the Stamp Duty Ordinance (Cap. 117), subject always to the final assessment by the Collector of Stamp Revenue.

The stamp duty payable on each counterpart of the Lease Agreement is currently HK\$5.

(9) Is stamp duty payable on the Service Agreement? If yes, who is liable to pay and how to calculate the amount of stamp duty payable?

No stamp duty is payable on the Service Agreement.

(10) What will happen if a tenant passes away during the term of the Lease Agreement?

If one person is named as the tenant, the Lease Agreement shall terminate automatically upon the death of the tenant.

If two persons are named as the tenant,

- (a) upon the death of one tenant, the Lease Agreement will remain effective and be binding on the surviving tenant, who will become the sole tenant under the Lease Agreement; and
- (b) the Lease Agreement shall terminate automatically upon the death of the last surviving tenant.

Upon the termination of the Lease Agreement, HKHS will liaise with the nominated representative or the personal representative of the deceased tenant to handle various matters following termination of the Lease Agreement, such as, the reinstatement and return of the premises to HKHS, refund of Entry Contribution (if any), etc.. For details on the refund of entry contribution, please refer to **Note 3.8** below.

3. Lease Agreement

3.1 Entry Contribution and payment options

(1) What is Entry Contribution and what are the payment options?

Instead of paying a monthly rent, the tenant shall pay a sum of money known as entry contribution (the “**Entry Contribution**”) to HKHS for its granting of the lease of the premises to the tenant.

The tenant may elect to pay the Entry Contribution by one of the following 3 payment options:

(a) One-off Lump Sum Payment:

100% of the Entry Contribution is payable upon signing of the Lease Agreement.

(b) 1-year staged payment*:

(i) 50% of the Entry Contribution is payable upon signing of the Lease Agreement; and

(ii) the remaining 50% of the Entry Contribution is payable no later than 12 months from the commencement date of the lease.

(c) 10-year staged payment**:

(i) 50% of the Entry Contribution is payable upon signing of the Lease Agreement; and

(ii) the remaining 50% of the Entry Contribution is payable by 120 instalments, each payable monthly in advance from the commencement date of the lease, provided that the first 2 instalments are payable upon signing of the Lease Agreement as advance payment.

* The amount of Entry Contribution payable under the 1-year staged payment will be 2.25% above the amount of Entry Contribution payable by way of a one-off lump sum payment.

** The amount of Entry Contribution payable under the 10-year staged payment will be 15.5% above the amount of Entry Contribution payable by way of a one-off lump sum payment.

3.2 Lease term

(1) What is a “long” lease and what is the tenant’s interest in the premises?

"Long" lease is long term lease terminable with life (or earlier termination in accordance with other provisions in the Lease Agreement).

The tenant does not own the premises, but only has a leasehold interest in the premises.

(2) Apart from the Lease Agreement and the Service Agreement, what other documents does a tenant need to observe during the term of his/her lease and what are the major points to note?

Apart from the Lease Agreement and the Service Agreement, the tenant shall also observe the provisions in the Estate Management Contribution Deed and the House Rules and other documents (such as the Fitting-out Works Guide for Tenants) from time to time prescribed by HKHS in connection with the tenant’s use and/or occupation of the premise and The Tanner Hill.

Major points to note under the Estate Management Contribution Deed include:

- (a) HKHS will be appointed as the manager for The Tanner Hill (the “Manager”) from the date of the Estate Management Contribution Deed until such appointment is terminated in accordance with the terms of the Estate Management Contribution Deed.
- (b) Each tenant of a residential unit in The Tanner Hill shall contribute towards the management expenses of The Tanner Hill in such manner, amount and proportion as provided in the Estate Management Contribution Deed by reference to the

management shares allocated to his residential unit and the principles provided in the Estate Management Contribution Deed.

(3) When will the lease commence? What happens once the lease commences?

The lease commencement date, to be specified in the Lease Agreement, should be within 2 months from the day of application cum flat selection confirmation and be the later of 15 April 2016 or 15 working days from the day of application cum flat selection confirmation, subject to execution of all the required documents and full settlement of required payments.

Once the lease commences, the management fee, service fee and government rates and all other periodic payments of the premises as referred to in **Note 3.3(2)** below will commence to be payable in accordance with the terms of the Lease Agreement.

3.3 Fees and payments

(1) What fees and payments does a tenant have to make upon signing of the Lease Agreement and the Service Agreement other than the Entry Contribution?

Other than the Entry Contribution, the tenant has to make the following payments to HKHS upon the signing of the Lease Agreement and the Service Agreement by the tenant:

- (a) **Management fee advance payment**, being a sum equivalent to 2 months of the management fee; and
- (b) **Management fee deposit**, being a sum equivalent to 3 months of the management fee;
- (c) **Basic service fee advance payment**, being a sum equivalent to 2 months of the basic service fee;
- (d) **Basic service fee deposit**, being a sum equivalent to 3 months of the basic service Fee;
- (e) **Government rates advance payment**, being a sum equivalent to 2 months of the Government rates (as estimated by HKHS);
- (f) **Stamp duty** payable on the Lease Agreement and its counterpart (as estimated by HKHS) – the actual amount of

stamp duty payable on the Lease Agreement is subject to final assessment by the Collector of Stamp Revenue (for further details, please refer to **Note 2(8)**);

- (g) **Land Registry registration fee** payable on the Lease Agreement; and
- (h) (if at the time of signing of the Lease Agreement, HKHS has approved the tenant's application for his/her spouse and/or live-in full-time domestic helper as a Permitted Occupier of the premises) an **administration fee** for each successful application of Permitted Occupier, which shall be in the following amount(s):
 - (i) Spouse : HK\$5,000 for each application; and
 - (ii) Live-in full-time domestic helper : HK\$500 per employment contract.

(2) What periodic payments does a tenant have to make to HKHS under the Lease Agreement other than the Entry Contribution payable under staged payment options?

Other than the Entry Contribution payable under staged payment options, the tenant has to make the following periodic payments under the Lease Agreement:

- (a) management fee*;
- (b) basic service fee*;
- (c) optional service fee* (only payable upon activation of the No-Motion Response Detection service and during the activation period);
- (d) Government rates; and
- (e) utility charges (payable directly to relevant utilities companies).

In addition to the above periodic payments, the tenant shall pay for all the user-pays services (if any) provided by HKHS upon the tenant's request in such amount as prescribed by HKHS or (as the case may be) the Manager from time to time and any other personal outgoings.

* Subject to review and adjustment by HKHS from time to time.

3.4 Fittings, fixtures and appliances, fit-out, etc.

(1) Will HKHS supply any fittings, fixtures and appliances at the premises?

Yes, HKHS will, subject to the provisions in the Lease Agreement, provide the following fittings, fixtures and appliances at the premises on the lease commencement date:

- (a) general fittings and fixtures as stated in the lease brochure to be issued by HKHS from time to time;
- (b) home care support devices;
- (c) fire services installations; and
- (d) specified appliances (being the exhaust hood, induction hob, microwave oven, refrigerator and built-in washer dryer).

(2) Who is liable for the repair and maintenance of these fittings, fixtures and appliances?

The tenant is solely responsible for the repair and maintenance of all the fixtures, fittings and appliances, window glass panels and window frames, balconies (where form part of the premises) and sewers etc. provided by HKHS.

The repair and maintenance of the home care support devices and the fire services installations shall only be carried out by HKHS and its nominated contractors, and the tenant shall pay or reimburse HKHS for such repair and maintenance cost and expense.

(3) Does the tenant have to return these fittings, fixtures and appliances to HKHS upon termination of the Lease Agreement?

The tenant is required to return the general fittings and fixtures, home care support devices and fire services installations (but not the specified appliances referred to in **Note 3.4(1)(d)** above) to HKHS upon termination of the Lease Agreement.

(4) Can the tenant carry out any fit-out or alteration or other works to the premises?

The tenant may only carry out fit-out or alteration or other works to

the premises upon HKHS' prior approval (via the management office) and in accordance with the terms of the Lease Agreement and the House Rules.

In general, the tenant will not be allowed to make alteration to the internal layout of the premises or to demolish the partitioning wall inside the premises.

(5) What are the dos and don'ts regarding the fitting out and the repair and maintenance of the premises?

Dos:

In general, the tenant shall:

- (a) keep and maintain his/her premises, the fittings and fixtures and the specified appliances therein in good, clean and tenantable condition;
- (b) inform HKHS (via the management office of The Tanner Hill) of any damage or defective condition of his/her premises, the fixtures and fittings or the specified appliances therein as soon as the tenant becomes aware of it, and make good all defects and want of repair to his/her premises, the fixtures and fittings and the specified appliances therein; and
- (c) when applying for HKHS' approval to any fit-out or alteration or other works to the premises,
 - (i) satisfy HKHS that the tenant has (1) obtained all requisite approvals and permits; (2) taken out insurance policies with sufficient insurance coverage; and (3) fulfilled the requirements and guidelines of HKHS and the Manager applicable to the proposed works;
 - (ii) prepare and submit to HKHS detailed drawings and specifications of the works and other information as HKHS may require;
 - (iii) pay to HKHS (1) an application fee for HKHS' expenses for checking and approving the tenant's proposals and inspection of the tenant's works; (2) a debris removal fee; and (3) a deposit as security for the reinstatement of the

premises; and

- (iv) pay to HKHS all other fees, costs and expenses (if any) charged and/or incurred by HKHS in connection with the tenant's fit-out or alteration or other works to the premises.

Don'ts:

The tenant shall not:

- (a) carry out any works to any part of the premises (whether structural or otherwise) that would affect the conduits, pipes, services and facilities involved in the provision of the Home Care Support Services and/or the Handyman Service to The Tanner Hill and/or (as the case may be) affect the fire services installations at the Premises; and
- (b) carry out any fit-out or alteration or other works to the premises without HKHS' prior approval.

3.5 Permitted Occupier

(1) What is a Permitted Occupier?

A Permitted Occupier is a person other than the tenant who is permitted by HKHS to stay in the premises on such conditions imposed by HKHS.

Other than the tenant(s) and his/her/their Permitted Occupier(s), no other person may stay in the premises.

(2) How many Permitted Occupier will be allowed in each premises?

The maximum number of Permitted Occupier is one for studio units and three for other types of units.

(3) Who can be a Permitted Occupier?

The tenant may apply for the following persons to be a Permitted Occupier* of the premises:

- (a) The spouse of the tenant who is aged at least 50;
- (b) The spouse of the tenant who is newly married to the tenant after the date of the Lease Agreement and aged less than 50;

- (c) A live-in full-time domestic helper;
- (d) A direct family member** of the tenant for addressing temporary care needs of the tenant; and
- (e) Person of any relationship to the tenant for addressing the temporary social needs of the tenant (for a maximum non-renewable period of 1 month).

* Subject to settlement of administrative fee and the approval of HKHS and the satisfaction of all the conditions upon which such approval is granted.

** "Direct family member" means a spouse, parent, child, grandchild, brother or sister of the tenant.

Application for Permitted Occupier could be made anytime after the lease is commenced except the two listed in (a) and (c) above which application could be submitted during application period.

(4) How to apply for HKHS' approval for a person to become a Permitted Occupier?

Application shall be made by the tenant:

- (a) by submitting to HKHS the relevant application form obtainable at the management office of The Tanner Hill (and/or any other place(s) as prescribed by HKHS from time to time) together with all requisite supporting documents; and
- (b) by paying the relevant administrative fee to HKHS.

The tenant shall also comply with other procedures and conditions as prescribed by HKHS from time to time.

(5) Can the tenant's spouse be a Permitted Occupier if he/she is younger than 50?

If the tenant's spouse is younger than 50 and is married to the tenant before the date of the Lease Agreement, the spouse cannot be a Permitted Occupier.

However, if the tenant's spouse is younger than 50 and is married to the tenant after the date of the Lease Agreement, the tenant may

apply for HKHS' approval to his/her spouse as a Permitted Occupier, which approval will only be granted at the discretion of HKHS.

(6) Can a Permitted Occupier use the facilities of the Elderly HUB and the Residents Club of The Tanner Hill?

Except for a live-in full-time domestic helper, Permitted Occupiers may use the facilities of the Elderly HUB and the Residents Club of The Tanner Hill as guest(s) of the tenant upon payment of the prescribed fees and their compliance with the relevant rules and regulations.

3.6 Property management

(1) Does the tenant have the right to appoint another service provider?

No. Only HKHS and its appointed person or entity have the right to provide property management services.

(2) Can tenants set up a Tenants' Committee?

Yes. After 18 months from the date when the first lease in respect of The Tanner Hill has been executed, or when residents from at least 50% of the total number of residential units then leased out by HKHS have consented to the formation of a Tenants' Committee, whichever is the later, HKHS or the Manager shall as soon as practicable convene the first Tenants' meeting for the purpose of setting up the Tenants' Committee.

(3) What are the function and objective of the Tenants' Committee?

The Tenants' Committee shall represent the residents of The Tanner Hill in their dealings with HKHS or the Manager concerning the management of The Tanner Hill.

The objective of the Tenants' Committee is for HKHS, the Manager and the Service Operator (as referred to in **Note 4(1)** below) to receive feedbacks from the residents and to consult the residents on matters concerning The Tanner Hill.

3.7 Lease management

(1) Where 2 persons are named as tenant, can one of the tenants terminate the Lease Agreement?

No. HKHS will not act upon the decision of one of the joint tenants to terminate the Lease Agreement. Any notice to terminate the Lease Agreement early must be duly signed by the two tenants.

(2) Can a tenant add an additional tenant to the Lease Agreement after it is signed? Does the tenant have to make any payment for such addition?

If only one person is named as the tenant and the subject premises are not a studio unit, such tenant may apply for HKHS' approval to include his/her spouse who is aged 60 or above as at the date of application as an additional tenant to the Lease Agreement. This arrangement shall not apply to studio units because for studio units, only one tenant is allowed.

As a condition to HKHS' approval of the tenant's application, the tenant shall pay to HKHS:

- (a) an administrative fee;
- (b) any stamp duty payable on the addendum for effecting the addition and its counterpart;
- (c) all other costs and expenses incurred by HKHS in connection with the tenant's application; and
- (d) based on current policies of HKHS, if the additional tenant is younger than the tenant, additional amount of Entry Contribution as determined by HKHS with reference to the difference between (i) the then prevailing amount of Entry Contribution payable based on the age of the additional tenant; and (ii) the amount of Entry Contribution under the existing Lease Agreement. For the avoidance of doubts:
 - (i) if the additional tenant is older than or is of the same age as the tenant, no additional Entry Contribution is payable; and
 - (ii) if the tenant has elected to pay the Entry Contribution by staged payment, appropriate adjustment shall be made to

the remaining instalment(s) of Entry Contribution payable under the Lease Agreement based on the increased amount of the Entry Contribution payable as a result of the addition.

In addition to making the above payments, the tenant shall also satisfy and complete all other procedures and terms and conditions which HKHS may prescribe from time to time to implement the addition of a tenant to the Lease Agreement.

(3) Can a tenant apply to transfer to another premises in The Tanner Hill after the Lease Agreement is signed?

Yes, but such proposed transfer to another premises shall be subject to:

- (a) HKHS' approval;
- (b) the tenant's payment of all stamp duty in respect of such transfer and (where applicable) any additional Entry Contribution in accordance to the following provisions; and
- (c) the tenant's satisfaction and completion all documents, procedures and terms and conditions which HKHS may prescribe from time to time to implement such transfer of premises.

Upon HKHS' approval to the tenant's application to the transfer of premises,

- (a) such transfer will be effected by way of the tenant surrendering the existing premises (the "Existing Unit") and all his/her rights and interests under the lease of the existing premises (the "Existing Lease") followed by HKHS granting a new lease (the "New Lease") over the new premises (the "New Unit") to the tenant; and
- (b) HKHS shall facilitate and assist such transfer of premises, which shall always be subject to the availability of suitable premises in The Tanner Hill and any priority and other arrangements prescribed by HKHS from time to time.

Based on current policies of HKHS, as a result of the transfer of premises, there will be the following adjustment in the amount of the Entry Contribution payable by the tenant:

- (a) When the New Unit is a larger unit (i.e., the area of the New Unit is larger than the Existing Unit):
- (i) If the New EC* is more than the Existing Lease EC Refund**, the tenant shall pay to HKHS the difference between the New EC* and the Existing Lease EC Refund** as top-up Entry Contribution.
 - (ii) If the New EC* is less than the Existing Lease EC Refund**, HKHS shall pay to the tenant the net surplus amount of Entry Contribution after HKHS has deducted from the difference between the New EC* and the Existing Lease EC Refund** all payments which the tenant is liable to pay to HKHS due to the transfer of premises.
- (b) When the New Unit is a smaller unit (i.e., the area of the New Unit is less than the Existing Unit):
- (i) If the New EC* is more than the Existing Lease EC Refund**, HKHS will agree to waive the tenant's payment of the top-up Entry Contribution on the condition that, when determining the amount of the EC Refund payable upon termination of the New Lease, the parties shall assume that the New Lease commences on the commencement date of the Existing Lease.
 - (ii) If the New EC* is less than the Existing Lease EC Refund**, HKHS shall pay to the tenant the net surplus amount of Entry Contribution after HKHS has deducted from the difference between the New EC* and the Existing Lease EC Refund** all payments which the tenant is liable to pay to HKHS due to the transfer of premises.

Payment of the top-up Entry Contribution or (as the case may be) the net surplus of the Entry Contribution will be made at such time and in such manner as prescribed by HKHS.

* "New EC" means the amount of Entry Contribution payable for the granting of the New Lease as determined by HKHS by reference to the age of the tenant or (in case of joint tenants) the younger tenant.

** “Existing Lease EC Refund” means the amount of Entry Contribution to be refunded to the tenant upon termination of the Existing Lease (as calculated in accordance with **Note 3.8(3)** below).

(4) Can a tenant sub-let or assign his/her interest in the Lease Agreement?

No.

(5) Can a tenant be away from the premises for a period of time, say a few months?

Yes. However, the tenant shall continue to pay the management fee, service fee and (where applicable) any instalment of Entry Contribution payable in respect of the premises during the tenant’s temporary absence.

(6) If a tenant shall be temporarily away from his/her premises, what should he/she do?

If a tenant plans to be away for a consecutive period of more than 28 days, he/she shall give prior notice to HKHS so that HKHS can make necessary arrangements regarding provision of the services at the premises.

The tenant shall also note that:

- (a) if no entrance door movement is detected continuously for 24 hours, the Entrance Door Tracking Service may trigger alert to the control room inducing the Service Operator to enter the premises; and
- (b) if no motion is detected continuously for 8 hours, the No-Motion Response Detection Service (if activated) may trigger alert to the control room inducing the Service Operator to enter the premises.

So, tenants are recommended to give prior written notice of his absence to HKHS and the Service Operator if he/she will be away from the premises for a continuous period of at least 24 hours or (upon activation of the No-Motion Response Detection Service) 8 hours.

3.8 Termination and EC refund

(1) Under what circumstances will the Lease Agreement be terminated?

The Lease Agreement may be terminated:

- (a) by the tenant, by providing 3 months' notice in writing to HKHS ;
- (b) by the landlord, under one of the following circumstances:
 - (i) any amount payable under the Lease Agreement or the Service Agreement being unpaid for 28 days after becoming due;
 - (ii) breach of the Lease Agreement or the House Rules, where notice of breach has been served on the tenant and the tenant fails to remedy the breach within a reasonable period of time; or
 - (iii) the tenant has provided false information in his/her application for the grant of the Lease Agreement or for Permitted Occupier(s); or
- (c) automatically:
 - (i) on the date of the death of the tenant (or if two persons are named as tenant, the date of the death of the last surviving tenant);
 - (ii) upon the destruction of the premises due to fire, water, storm, wind, typhoon or any calamity beyond the control of HKHS;
 - (iii) upon the happening of any event that makes it unlawful or illegal for the tenant (or any one of the tenants) to continue to stay or reside in the premises; or
 - (iv) upon termination of the Conditions of Exchange in respect of the land on which The Tanner Hill is erected and held from the Government due to whatever reasons.

(2) What are the consequences of early termination of the Lease Agreement?

- (a) The tenant (or his/her beneficiary or personal representatives) shall:
- (i) collect and clear out any asset or property remaining in or left by the tenant on the premises;
 - (ii) return the premises together with the fittings and fixtures to HKHS in their original condition (fair wear and tear excepted);
 - (iii) deliver to HKHS all keys giving access to all parts of the premises; and
 - (iv) remove all alterations, fixtures, fittings, additions or other works made by the tenant to any part of the premises and reinstate the premises to the satisfaction of HKHS and repair and make good any defect or damage to the premises caused by the removal of the same.
- (b) Subject to settlement of any outstanding claims by the tenant and HKHS' right to make deductions from the deposits in accordance with the terms of the Lease Agreement and the Service Agreement, HKHS will refund the following sums to the tenant or (as the case may be) his/her personal representative:
- (i) the management fee deposit;
 - (ii) the service fee deposit; and
 - (iii) a portion of the Entry Contribution (the **"EC Refund"**) (please refer to **Note 3.8(3)** below for details on calculation of the amount of EC Refund).

For further details of the refund arrangement, please refer to **Note 3.8(4)** below.

(3) How to calculate the EC Refund?

EC Refund is a sum equivalent to the stipulated percentage (as set out in the refund schedule attached to the Lease Agreement) (the **"Stipulated Percentage"**) of the Entry Contribution (the

“**Gross Refund**”) less the amount of the outstanding payments (if any) payable by the tenant to HKHS, the Service Operator and the Manager as at the date of termination of the Lease Agreement (including any unpaid Entry Contribution payable under a staged payment option).

Accordingly, the EC Refund shall be calculated in accordance with the following formula:

$$\text{EC Refund} = (\text{Stipulated Percentage} \times \text{Entry Contribution}) - \text{Outstanding Payments}$$

The applicable Stipulated Percentage (please refer **Appendix I**) (and hence, the amount of the EC Refund) depends on the length of time from the lease commencement date to the termination date (the “**Lease Period**”); accordingly, subject to the terms of the Lease Agreement,

- (a) the Stipulated Percentage is fixed at 80% if the Lease Period equals to or is shorter than 24 months;
- (b) the Stipulated Percentage is fixed at 5% if the Lease Period equals to or is longer than 120 months; and
- (c) if the Lease Period is between 25 months and 119 months, the applicable Stipulated Percentage for each monthly period comprising the Lease Period is specified in the refund schedule.

For the purpose of determining the Stipulated Percentage (and hence, the amount of EC Refund), a period of days less than a calendar month will be treated as one month.

(4) When and to whom the refund will be made?

The EC Refund and the refund of the deposits referred to in **Note 3.8(2)** shall be made to:

- (a) the tenant, within 30 days from termination of the Lease Agreement or (as the case may be) the Service Agreement or from re-entry by HKHS, whichever is the later; or
- (b) (in the event of a deceased tenant) the personal representative of the deceased tenant, within 30 days from the presentation of supporting documents showing to the satisfaction of HKHS his

appointment as the personal representative of the deceased tenant entitled to receive the refund.

In the event of a deceased tenant, if the refund is not claimed by the personal representative of the deceased tenant within 5 years of the date of death of the deceased tenant, HKHS may apply to the Official Administrator (or other relevant statutory body) for paying the refund to the Official Administrator. If the Official Receiver refuses to receive or deal with the refund within 5 years of HKHS' application, HKHS may donate the refund to a charitable organisation in Hong Kong, and the personal representative of the deceased tenant shall have no further right to the refund.

3.9 RCHE Cost Subsidy

(1) What is RCHE Cost Subsidy?

RCHE Cost Subsidy is a subsidy provided by HKHS to the tenant for the sole purpose of funding such tenant's actual expenses of staying at a Care Facility if at the time of termination of the Lease Agreement, the tenant has been transferred to a Care Facility (the meaning of "Care Facility" is set out in **Note 3.9(4)** below).

Payment of the RCHE Cost Subsidy is subject to the satisfaction of all the conditions for payment under the Lease Agreement and will only be made in accordance with the terms of the Lease Agreement.

(2) Under what conditions will HKHS pay the RCHE Cost Subsidy?

HKHS will pay the RCHE Cost Subsidy if all the following conditions are satisfied:

- (a) the total Entry Contribution has been fully paid up (under whatever payment option);
- (b) the amount of Gross Refund refundable to the tenant is less than 10% of the total Entry Contribution;
- (c) the tenant has been transferred to a Care Facility; and
- (d) the tenant has delivered vacant possession of his/her premises to HKHS in such state and condition to HKHS' satisfaction.

(3) How to calculate the amount of the RCHE Cost Subsidy and how it is payable to the tenant?

The amount of the RCHE Cost Subsidy will be a sum up to a maximum of 5% of the Entry Contribution (so that the amount of the Gross Refund and the maximum amount of the RCHE Cost Subsidy payable shall make up to an amount equal to 10% of the Entry Contribution).

The tenant or his/her nominated representative shall present to HKHS the original receipts from the operator of the Care Facility for reimbursement. HKHS shall reimburse the tenant the amount paid under the receipts until the RCHE Cost Subsidy is exhausted (i.e. up to a maximum of 5% of the Entry Contribution).

(4) What does “Care Facility” mean?

A “Care Facility” is a residential care home for the elderly in Hong Kong, licensed and registered under the Residential Care Home (Elderly Persons) Ordinance (Cap. 459).

(5) Where two persons are named as the tenant, if both tenants are transferred to a Care Facility and are both entitled to the RCHE Cost Subsidy, how the RCHE Cost Subsidy will be apportioned between the two tenants?

The RCHE Cost Subsidy will be paid by HKHS based on the order of submission of receipts by the two tenants to HKHS until the total RCHE Cost Subsidy payable to both tenants (i.e. up to a maximum of 5% of the Entry Contribution) are exhausted.

If there are insufficient RCHE Cost Subsidy to cover the total amount claimed under two separate sets of receipts from the respective tenants received by HKHS at the same time, the RCHE Cost Subsidy (which will not exceed 5% of the Entry Contribution) shall be split equally between the tenants for partial reimbursement of each set of the receipts.

3.10 Independent Living

(1) What does “independent living unit” mean?

The residential units in The Tanner Hill are designed as an

independent living unit for functionally independent person who is capable of managing and directing his/her own life and possesses self-care abilities. Any provision of home care services to the tenant at the independent living unit is subject to the availability of resources, appropriateness of third party service providers and other circumstances, and HKHS assumes no responsibility to monitor, supervise, assess or provide guidance in relation to the tenant's health care needs. As and when the tenant begins to encounter difficulty in activities of daily living, the tenant shall make or find suitable health care arrangements to be provided to the tenant in the premises, or consider transferring to a Care Facility capable of providing the required level of care to the tenant.

3.11 Others

(1) Can a tenant keep pets in the premises?

Yes, subject to the tenant's prior registration with HKHS and compliance with the House Rules and the Lease Agreement.

Pet weighs more than 20 kg will not be recommended. Where more than one person (or animal that weighs 20 kg or more) is present on the premises, and at least one person (or animal) is active and in motion, the No-Motion Sensor may not detect a lack of movement in relation to particular person(s) and the Entrance Door Contact Tracking Device will not be able to detect a lack of entry/ exit in relation to particular persons(s).

(2) Is smoking allowed at The Tanner Hill?

Smoking is prohibited in the common areas of The Tanner Hill.

It is also not recommended to smoke inside the premises as this may trigger the smoke detector.

(3) Can any non-tenant stay overnight in the premises for free?

No person other than the tenant and his/her Permitted Occupier may stay in the premises overnight.

(4) Is guarantor required to opt for the staged payment option?

No guarantor is required under any type of payment option.

If the tenant elects to pay the Entry Contribution by 10-year staged payment, all monthly instalments (except for the first two instalments payable upon signing of the Lease Agreement) shall be paid by auto-pay arrangement.

(5) Is payment of the monthly basic service fee mandatory?

Yes, each tenant is required to settle the basic service fee monthly in advance throughout the term of the Lease Agreement.

4. Service Agreement

(1) Who is the Service Operator?

HKHS or any person or entity selected and appointed by HKHS at its sole discretion to provide the services under the Service Agreement.

(2) What is the term of the Service Agreement?

The term of the Service Agreement is the same as that for the Lease Agreement (i.e. from the commencement date of the Lease Agreement to the termination date of the Lease Agreement).

(3) What services will be provided to the tenants of The Tanner Hill?

- (a) The following services will be provided to the tenants of The Tanner Hill:
- (i) Home Care Support Services, including:
 - (1) Emergency Call Response System;
 - (2) Entrance Door Contact Tracking (activation required);
 - (3) Health Data Collection and Monitoring (activation required);
 - (4) Annual Visit by Allied Health Professional;
 - (5) No-Motion Response Detection (activation required); and
 - (ii) Handyman Service, which includes minor repair and maintenance works to the plumbing, electricity, carpentry and ironmongeries on the premises.
- (b) The basic service fee will cover the following services:

- (i) items (1) to (4) of the Home Care Support Services; and
 - (ii) up to 2 hours of Handyman Service per month per tenant, subject to a minimum time charge of 30 minutes for each service call. Cost of spare parts to be borne by the tenant.
- (c) No-Motion Response Detection is an optional service. In addition to the basic service fee, upon activation of the No-Motion Response Detection Service, the tenant has to pay an Optional Service Fee during the activation period.

(4) Can we de-activate the services?

The following services can be de-activated and re-activated at the election of the tenant:

- (a) Entrance Door Contact Tracking;
- (b) Health Data Collection and Monitoring; and
- (c) No-Motion Response Detection.

(5) Will there be any adjustment in the service fee if the tenant de-activates the services or does not use the services?

There will not be any adjustment in the basic service fee upon deactivation of any of the services or if the tenant chooses not to activate the No-Motion Response Detection Service or if the tenant does not use the services.

No Optional Service Fee is payable if the No-Motion Response Detection Service is not activated or (if activated) upon its deactivation.

(6) Can the Service Operator use or disclose the health data of the tenants collected in the course of provision of the services?

The Service Operator shall only use the health data of the tenants for the provision of the Home Care Support Services under the Service Agreement, unless the tenant has expressly consented to other usage.

Subject to authorisation by the tenant, the Service Operator may disclose the health data of such tenant to a third party only to such extent and in such manner as authorised by the tenant.

(7) Can the tenants assume that they are insured with the provision of the services?

No. The Service Operator is not an insurer and the provision of services is subject to limitation of liabilities in the Service Agreement.

Each tenant shall arrange its own insurance with appropriate coverage, including but not limited to medical, accident, disability and critical illness insurance.

5. Charges and Miscellaneous

(1) When will the facilities like wellness centre, TCM clinic, restaurant and refreshment corner commence operation?

These facilities are outsourced to professional operators and are scheduled for operation commencement from latter half of 2016.

(2) When will the skilled care facilities commence operation?

The skilled care facilities are operated by Hong Kong Housing Society. Day care and rehabilitation center are scheduled for operation commencement in April 2016 while the RCHE will commence operation in late 2016 subject to license issuance.

(3) What happens if a tenant were to become mentally incapacitated during the term of the Lease Agreement?

To ensure that a tenant's financial commitment under the Lease Agreement and other related documents to HKHS will continue to be honoured notwithstanding that he has become mentally incapacitated, it is recommended that the tenant consider appointing an attorney to act in relation to his property and financial affairs by an enduring power of attorney ("**EPOA**") given under the Enduring Powers of Attorney Ordinance (Cap. 501). Where an EPOA is given, then such enduring power will not be revoked by any subsequent mental incapacity of the donor. Tenants of The Tanner Hill are welcome to obtain via our customer service counters at The Tanner Hill a sample template of EPOA which takes into account the special context of The Tanner Hill for further adoption by his appointed attorney.

If a tenant has become mentally incapacitated but HKHS is unaware of, or is unable to verify that there is in existence any prior, and enduring, arrangement made by him whereby the financial commitment of the tenant will continue to be taken care of by a third party, then HKHS will be guided by the prevailing laws and regulations of Hong Kong in considering what steps should be taken.

Currently, under the provisions of the Mental Health Ordinance (Cap. 136), if a person shall be incapable, by reason of mental incapacity, of managing and administering his property and affairs, the Court may, on the application of any relative of such person or of the Director of Social Welfare, appoint a committee of the estate of such person to do all such things regarding the property and affairs of such person as the Court may order or direct. Further, the Guardianship Board may, on receipt of a guardianship application made by any relative of such person or by the Director of Social Welfare, by order appoint a guardian to take care of such person.

(4) How much is the monthly management fee?

Currently, overall average for management fee is \$4.1 per square foot of saleable area and the management fee payable per month by any particular unit shall be subject to the allocated management shares which shall be specified in the Estate Management Contribution Deed available for inspection in the leasing office and the exact amount payable will be available via the Entry Contribution Calculator at www.thetannerhill.hkhs.com. The management fee is subject to review and adjustment from time to time.

(5) How much is the monthly service fee?

Currently, the basic service fee is HK\$800 per tenant per month which is subject to review and adjustment from time to time.

(6) Who will be responsible to pay the government rent?

Hong Kong Housing Society (the landlord) will be responsible for the payment of government rent in respect of the lot (including all residential units in the development).

(7) Who is the manager appointed under the latest estate management contribution deed?

Hong Kong Housing Society.

6. Personal Data Collection

(1) Purpose of personal data collection

(a) Hong Kong Housing Society collects, uses and maintains data in respect of the individuals identified below for any one or more of the following purposes from time to time:

(i) For an applicant / a proposed Permitted Occupier: Processing and assessment of application; flat selection and confirmation; communication with the applicant or the proposed Permitted Occupier (or both); conducting statistical research and analysis; conducting surveys on the quality of services, properties and property management or development or other products provided by Hong Kong Housing Society; marketing services, properties, property developments and products and other subjects; investigating and handling complaints; making disclosures where required by any law, court order, direction, code or guideline applicable in or outside Hong Kong, and for all other incidental or associated purposes relating to any of the above purposes and any other purposes as the applicant or the proposed Permitted Occupier may agree. If an applicant is successful in his/her application / a proposed Permitted Occupier is approved by the Hong Kong Housing Society, data collected during the application process can also be transferred and used for the purposes described below. Unless indicated otherwise, all information and data required by Hong Kong Housing Society in the application form and process is compulsory and is required for processing and assessment of application purposes. Failure to supply such information and data may result in HKHS not being able to process and/or HKHS rejecting the application; and

(ii) For a tenant / a Permitted Occupier: Preparation, execution,

maintenance and enforcement of the lease agreement, service agreement and other agreements (whether made between HKHS and a tenant or otherwise) relating to the leasing of the residential units in The Tanner Hill; handing over of the leased residential unit and incidental arrangements; handling of the tenant's application for services, products, memberships or benefits provided at The Tanner Hill or by HKHS; processing of any payment by the tenant (including (without limitation) the entry contribution, the deposit, the management fee deposit, the management fee, the service fee deposit and the service fee); maintenance, administration and enforcement of the lease agreement, service agreement and other agreements as mentioned above; tenancy/property management and security; communication with the tenant or the Permitted Occupier (or both); conducting statistical research and analysis; conducting surveys on the quality of services, properties and property management or development or other products provided by Hong Kong Housing Society; marketing services, properties, property developments and products and other subjects; investigating and handling complaints; making disclosures where required by any law, court order, direction, code or guideline applicable in or outside Hong Kong, and for all other incidental or associated purposes relating to any of the above purposes and any other purposes as the tenant or the Permitted Occupier may agree. Unless indicated otherwise, provision of all information and data requested by HKHS from a tenant or a Permitted Occupier is compulsory and is required for the leasing of the residential units at The Tanner Hill. Failure to supply such information and data may result in HKHS not being able to fulfill its property development objectives or to perform and discharge its agreements and obligations (whether as landlord or manager or service provider or otherwise) or to provide a tenant / a Permitted Occupier with the services or products that he/she may require.

(2) Disclosure and transfer of personal data

- (a) Personal data collected may be transferred, disclosed and exchanged to any of the following parties (whether within or outside the Hong Kong Special Administrative Region) in connection with any of the purposes mentioned in **Note 6(1)** above:
- (i) any agent, contractor or third party service provider who provides administrative, telecommunications, computer, cashier and other services to or support the functions of Hong Kong Housing Society including (without limitation) application and balloting system; such agent, contractor or third party are subject to confidentiality obligations to the Hong Kong Housing Society that any personal data transferred to it will be used for the purposes mentioned above only, and will not be transferred by it to any other third party without seeking express consent from the Hong Kong Housing Society;
 - (ii) any person under a duty of confidentiality to Hong Kong Housing Society including (without limitation) the accountants, legal advisers and other professional advisers of Hong Kong Housing Society;
 - (iii) any person involved in the relevant lease transaction; and
 - (iv) any person to whom Hong Kong Housing Society is required to make any transfer, disclosure or exchange of data under any law, court order, direction, code or guideline applicable in or outside Hong Kong.

(3) Personal Data Retention

- (a) For the purposes of data collection, all personal data of the individuals identified in **Note 6(1)** above will be kept only for as long as is necessary to fulfill the purposes mentioned above. Hong Kong Housing Society collects, uses and retains personal data pursuant to the Personal Data (Privacy) Ordinance (Cap. 486) and the relevant rules, regulations and law in Hong Kong. All personal data will be destroyed after the purposes are fulfilled.

(4) Access to personal data

- (a) Each of the individuals identified in **Note 6(1)** above has the right of access to, obtaining and correction of his/her/their personal data in accordance with the terms of the Personal Data (Privacy) Ordinance (Cap.486). Any data access request or data correction request shall be made in writing under Hong Kong Housing Society's prescribed form addressing to: Personal Data Privacy Officer, Hong Kong Housing Society (marked confidential) 29/F World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong.
- (b) In accordance with the terms of the Personal Data (Privacy) Ordinance (Cap.486), Hong Kong Housing Society has the right to charge a reasonable fee for the processing of any data access request.

(5) Enquiry

- (a) Any enquiry regarding request for access to or correction of personal data can be made to Personal Data Privacy Officer, Hong Kong Housing Society
 - (i) Address: Hong Kong Housing Society (marked confidential) 29/F, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong
 - (ii) Email: enquiry@thetannerhill.hkhs.com

7. Remarks

- (1) In the event of any discrepancy between the English and Chinese versions of this Important Notes, the English version shall prevail.
- (2) Subject to the provisions of the land grant in respect of the land on which The Tanner Hill is erected and held from the Government, HKHS reserves the right to underlet, part with the possession of or otherwise dispose of the residential units of The Tanner Hill upon whatever terms and arrangements other than those specified in the application form as HKHS shall think fit. No applicant or tenant shall have no claim, right or action whatsoever against HKHS for or in respect thereof.

- (3) This Important Notes is for reference only and shall not be legally binding on HKHS. All information provided in this Important Notes are based on the existing terms, policies, principles and guidelines upon which HKHS will lease the residential units in The Tanner Hill by way of a “long lease”. HKHS reserves the right to amend the terms and conditions and its policies, principles and guidelines relating to the leasing of the residential units in the Tanner Hill and the information set out in this Important Notes without notice.
- (4) This Important Notes only sets out the salient terms upon which HKHS will lease the residential units in The Tanner Hill by way of a “long lease”. Please refer to the Lease Agreement, the Service Agreement, the Estate Management Contribution Deed, the House Rules and any other documents and materials (collectively, the “lease documentation”) to be released by HKHS from time to time for details, and if any applicant consider necessary, he/she should seek independent legal advice on the lease documentation before submitting his/her lease application. Forms of the Lease Agreement, the Service Agreement the Estate Management Contribution Deed and the House Rules are available for inspection at The Tanner Hill Leasing Office. In the event of any discrepancy between this Important Notes and the leasing documentation, the terms of the lease documentation shall prevail over this Important Notes.
- (5) HKHS shall not be regarded as having made any warranties or representations about the accuracy and completeness of this Important Notes, and HKHS will not bear any responsibility for any loss or damages suffered by any person arising from his/her/their reliance on all or any part of the contents herein.

Appendix I – Refund Schedule

Year	Number of Month(s) in the Relevant Period	Stipulated Percentage
Year 1	1	80.00%
	2	80.00%
	3	80.00%
	4	80.00%
	5	80.00%
	6	80.00%
	7	80.00%
	8	80.00%
	9	80.00%
	10	80.00%
	11	80.00%
	12	80.00%
Year 2	13	80.00%
	14	80.00%
	15	80.00%
	16	80.00%
	17	80.00%
	18	80.00%
	19	80.00%
	20	80.00%
	21	80.00%
	22	80.00%
	23	80.00%
	24	80.00%
Year 3	25	79.22%
	26	78.44%
	27	77.66%
	28	76.88%
	29	76.09%
	30	75.31%
	31	74.53%
	32	73.75%
	33	72.97%
	34	72.19%
	35	71.41%
	36	70.63%

Appendix I – Refund Schedule (Cont'd)

Year	Number of Month(s) in the Relevant Period	Stipulated Percentage
Year 4	37	69.84%
	38	69.06%
	39	68.28%
	40	67.50%
	41	66.72%
	42	65.94%
	43	65.16%
	44	64.38%
	45	63.59%
	46	62.81%
	47	62.03%
Year 5	48	61.25%
	49	60.47%
	50	59.69%
	51	58.91%
	52	58.13%
	53	57.34%
	54	56.56%
	55	55.78%
	56	55.00%
	57	54.22%
	58	53.44%
Year 6	59	52.66%
	60	51.88%
	61	51.09%
	62	50.31%
	63	49.53%
	64	48.75%
	65	47.97%
	66	47.19%
	67	46.41%
	68	45.63%
	69	44.84%
70	44.06%	
71	43.28%	
72	42.50%	

Appendix I – Refund Schedule (Cont'd)

Year	Number of Month(s) in the Relevant Period	Stipulated Percentage
Year 7	73	41.72%
	74	40.94%
	75	40.16%
	76	39.38%
	77	38.59%
	78	37.81%
	79	37.03%
	80	36.25%
	81	35.47%
	82	34.69%
	83	33.91%
Year 8	84	33.13%
	85	32.34%
	86	31.56%
	87	30.78%
	88	30.00%
	89	29.22%
	90	28.44%
	91	27.66%
	92	26.88%
	93	26.09%
	94	25.31%
Year 9	95	24.53%
	96	23.75%
	97	22.97%
	98	22.19%
	99	21.41%
	100	20.63%
	101	19.84%
	102	19.06%
	103	18.28%
	104	17.50%
	105	16.72%
106	15.94%	
107	15.16%	
108	14.38%	

Appendix I – Refund Schedule (Cont'd)

Year	Number of Month(s) in the Relevant Period	Stipulated Percentage
Year 10	109	13.59%
	110	12.81%
	111	12.03%
	112	11.25%
	113	10.47%
	114	9.69%
	115	8.91%
	116	8.13%
	117	7.34%
	118	6.56%
	119	5.78%
	120 or more	5.00%