

27/04/2019

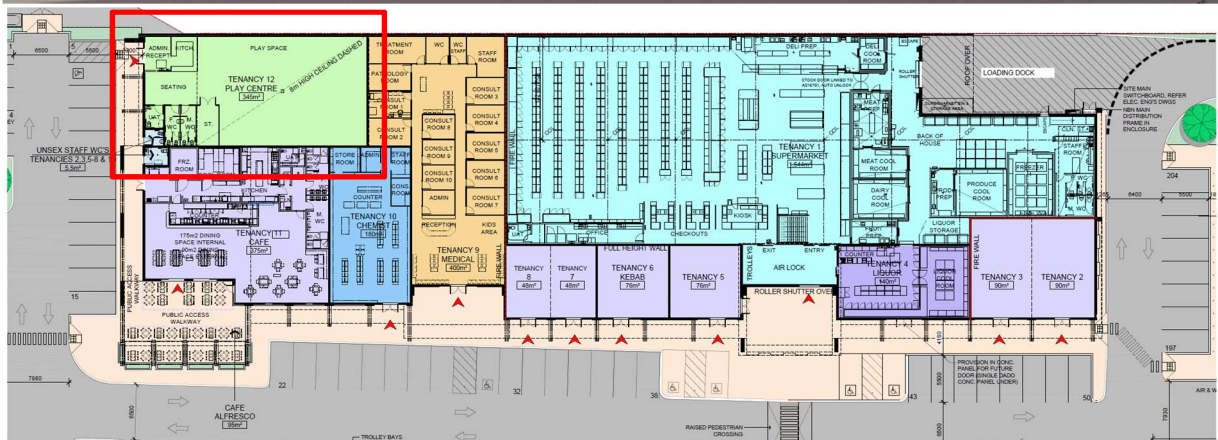
Chief Executive Officer
City of Karratha
Welcome Rd
Karratha WA 6174

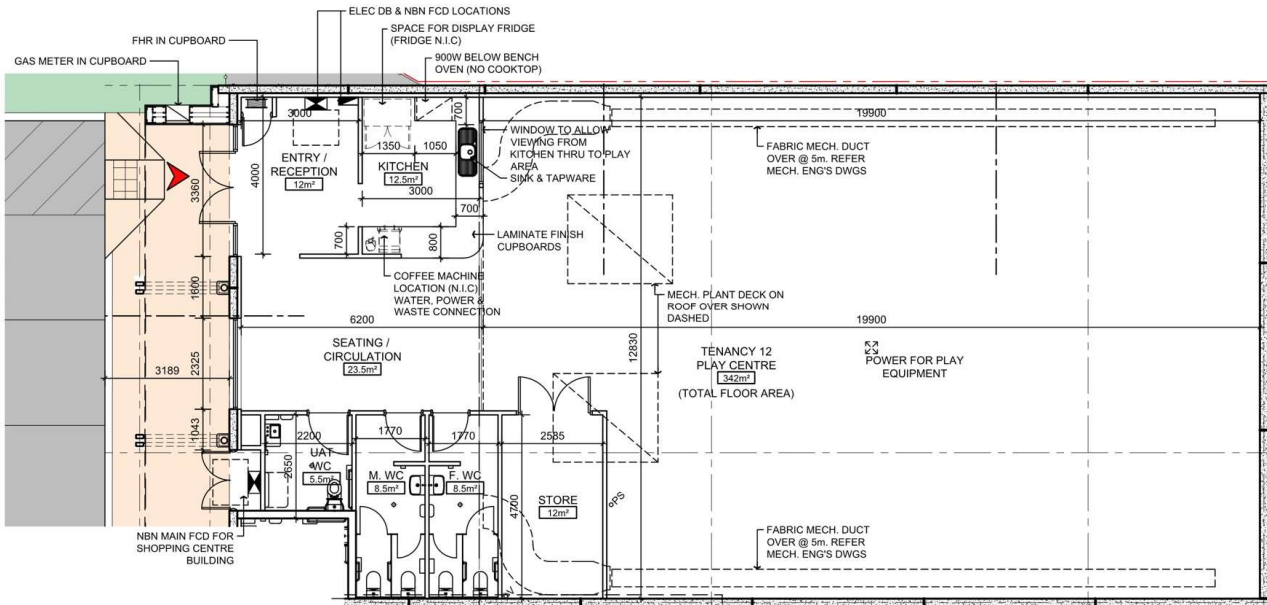
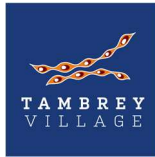
**RE: HEADS OF AGREEMENT – CHILDRENS PLAY CENTRE
TAMBREY VILLAGE SHOPPING CENTRE, KARRATHA**

Dear Sir

Following our discussions regarding the proposed children's Indoor play centre at Tambrey Village Shopping Centre Karratha, please find below proposed lease terms and conditions for your consideration. Upon agreement of terms, please sign where indicated and return to this office for the landlord's consideration.

PREMISES: Indoor Play Centre, Tenancy 12, Tambrey Village Shopping Centre





LEASE AREA:

342m²

Based on the Net Lettable area (NLA) method of measurement as published by the Property Council of Australia.

PERMITTED USE:

Indoor play centre

LANDLORD:

Tambrey Developments Pty Ltd

ADDRESS:

9/69 Hay Street, Subiaco 6008

TENANT:

City of Karratha

ADDRESS:

Welcome Rd Karratha

NET RENT:

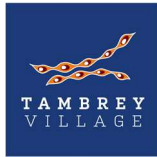
T12 342m² @ \$355/m² \$121,410pa + GST

OUTGOINGS:

Estimated to be \$85/m². The tenant will be responsible for payment of all rates and taxes levied on or in respect of the land by any government authority, including municipal rates, water rates and taxes, and land tax calculated on a single holding basis, together with, but not limited to, all non-premises specific or centre outgoings including reasonable management fees. These will be apportioned on a ratio based on the size of the premises calculated by reference to the total area of all the land of which the premises form part and in accordance with the Retail Shops Act (if applicable)

CONSUMABLES:

The Tenant will be responsible for payment of all consumables associated with the use of the premises. These include electricity, water and telecommunications.



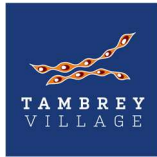
Electricity and water will be separately metered and accounts issued directly to the Tenant by the utility provider or, if separate supply is not available to the premises, sub-meters shall be installed and the Landlord shall invoice the Tenant for their usage at cost price per unit.

<u>LEASE TERM:</u>	10 years
<u>OPTION TERMS:</u>	5 + 5 years
<u>RENT REVIEWS:</u>	3% increases annually with market rent reviews at the commencement of each option period.
<u>HANDOVER DATE:</u>	Proposed August 2020
<u>FITOUT PERIOD:</u>	4 calendar weeks from Handover
<u>LEASE COMMENCEMENT:</u>	Proposed Opening September 2020
<u>RENT COMMENCEMENT:</u>	From Lease commencement
<u>OUTGOINGS COMMENCEMENT:</u>	From Lease Commencement
<u>SPECIAL CONDITIONS:</u>	

LANDLORDS WORKS:

The Landlord will provide the following at the cost of the Landlord:

- Gross floor area of 342m2
- Kitchen, Store, Reception and play floor generally in accordance with provided tenancy layout plans. CoK to markup required layout for Landlord approval
- Painted Walls
- Painted Flush ceilings to kitchen / store / toilets
- Plumbing to kitchen and toilets
- Power to the internal distribution board
- GPO's reticulated throughout, including in floor
- Vinyl flooring to front of house
- Kitchen cabinetry
 - Laminate finish cabinetry
 - 900W below bench oven (no cooktop)
 - Services for a coffee machine (coffee machine part of fit out)
 - Space & power for a display fridge (fridge part of fit out)
- Double Shop front doors
- Smooth concrete floors
- Telephone Point
- Reverse Cycle air-conditioning system



TENANT WORKS:

The tenant will undertake indoor play equipment fit out, soft fall matting, and signage.

The Tenant is responsible for approvals necessary for construction of its internal fit out. All works carried out in relation to their fit out, must be completed by insured licensed tradespeople and to be of a professional standard.

HOURS OF OPERATION:

The developer places no restrictions on trading times other than the prevailing legislation for the permitted use.

**SUB-LETTING AND
ASSIGNMENT:**

The Tenant must not sub-let or assign the Lease without the Landlord's prior approval.

**TENANT'S
INSURANCE:**

The Tenant shall maintain public liability cover and insure all tenant improvements under a global insurance policy as reasonably required by the Landlord.

LANDLORD'S INSURANCE:

The Landlord shall keep current insurance over all land improvements and Public Liability Insurance for \$20 million. The Landlord's policy insurance must be taken out with a reputable insurer. The cost of such insurance shall be an outgoing and payable by the tenant in the manner described above.

LEGAL FEES:

The Landlord's costs associated with the preparation and negotiation of legal documentation are to be in accordance with prevailing legislation. The Tenant must pay its costs of its solicitors reviewing and otherwise in respect of the documentation.

LEGAL DOCUMENTATION:

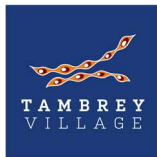
Following acceptance of terms by both parties, an Agreement for Lease shall be provided by the landlord's solicitor for execution by both parties.

GST:

All dollar amounts stated in this offer are exclusive of the Goods and Services Tax.

CONDITIONS PRECEDENT TO LEASE:

1. The Parties will enter into an Agreement for Lease (AFL) covering all aspects of approvals, construction due diligence and handover that must be satisfied and a lease document will be attached to the AFL which will commence on fulfilment of all conditions for the AFL.
2. The Landlord shall prepare the Development Application incorporating plans for the premises to be agreed with the Tenant, and shall do all things necessary to lodge the application at the Landlord's expense as soon as practicable. The Tenant shall do all things necessary to assist in the preparation and lodgement of the application.
3. Upon receipt of Development Approval, the Landlord shall provide the Tenant with a copy of the approved plans and any development conditions for the Tenant's acceptance. Should any required alteration to the plans or imposition of a condition prove onerous to the Landlord or unsuitable to the Tenant's use of the premises and the parties are unable to resolve the issue at a reasonable cost (acting reasonably), either party may terminate the AFL. Otherwise the parties shall sign-off on the plans and conditions of the DA.



4. Upon fulfilment of Condition 2, the Landlord shall do all things necessary, at their expense, to apply for building licenses in respect of their works. The Tenant shall do all things necessary to assist in the preparation and lodgement of the applications. The parties shall sign-off on the plans and conditions of the building license.
5. The Parties shall proceed with and complete construction in a timely manner.
6. The Agreement is subject to WAPC and FIRB approvals which shall be prepared and submitted immediately upon execution of the AFL.

The above does not constitute a binding agreement and is subject to the Landlord's final approval.

I trust the above is to your satisfaction if you have any further queries or wish to discuss the above matter further please do not hesitate to contact me.

Regards

A handwritten signature in blue ink, appearing to read "Doug Cooksey".

Doug Cooksey
Director
Cooksey Property Group Pty Ltd
0403 795 138

City of Karratha Acceptance

Signed:

Name:

Position:

Dated:

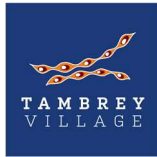
Tambrey Developments Acceptance

Signed:

Name:

Position:

Dated:



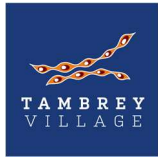
Cooksey Property Group

9/69 Hay St

Subiaco 6008

Phone 0403 795 138

doug@cookseypropertygroup.com



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