

## ANNEXURE 6

### Schedule of terms (Agreement For Lease)

Item	Description
<b>Premises:</b>	The development will be located on Lot 5 on RP620667 Arthur Street and Lot 1 on RP619033 Centenary Drive, Boyne Island, QLD 4680.
<b>Lessor:</b>	ZENDEV Pty Ltd
<b>Lessor's Solicitor:</b>	To be confirmed
<b>Headlessee:</b>	Gladstone Regional Council
<b>Lessee's Solicitor:</b>	To be confirmed
<b>Sublessee/ Facility Manager</b>	[ ]
<b>Sublessee/ Facility Manager Solicitor</b>	[ ]
<b>Net Lettable Area:</b>	To be confirmed. Subject to survey.
<b>Form of documentation</b>	Agreement to Lease and Lease. A summary of key terms is set out in this section.
<b>Handover Date:</b>	<ul style="list-style-type: none"> <li>Upon practical completion and a final Certificate of Occupancy being issued for the Lessor's Works specified in the 'Construction Costs' panel of this Lease Proposal (<b>Lessor Works</b>) or an earlier date to be mutually agreed by the parties in writing.</li> </ul>
<b>Blackout Period</b>	<ul style="list-style-type: none"> <li>The Lessor will not be obliged to conduct works at the Premises between 15 December of any year until 15 January the following year. If: <ol style="list-style-type: none"> <li>a Blackout Period occurs (in whole or in part) between the Handover Date and the Lease Start date, and</li> <li>defects or further works are identified during that period that are the responsibility of the Lessor, but the Lessor is unable to conduct the further works or remedy the defects,</li> </ol> the Lease Start Date and Rent Commencement Date will be deferred by the period of time from the landlord being notified of the further works/defects until the further works are completed or defects are remedied.</li> </ul>
<b>Lease Start Date and Rent Commencement Date:</b>	<ul style="list-style-type: none"> <li>The day after date after practical completion and a final Certificate of Occupancy being issued for the Lessor's Work.</li> </ul>
<b>Term:</b>	<ul style="list-style-type: none"> <li>Fifty (50) years commencing from the Start Date of the Lease.</li> </ul>
<b>Base Rent:</b>	<ul style="list-style-type: none"> <li>The first year's rent is \$1,500,000 net (excluding outgoings and excluding GST).</li> <li>Rent is paid monthly in advance.</li> </ul>
<b>Lease Options:</b>	<ul style="list-style-type: none"> <li>Two (2) further terms of twenty five (25) years each.</li> <li>The Lessee must elect to exercise the Option, no later than 180 days prior to the expiry date of the Lease.</li> <li>If all of the options are exercised by the Lessee, the Lessor grants to the Lessee a right of first refusal in respect of any further lease after the end of the option periods.</li> <li>If the Lessor intends to sell the Premises, a Right of First Refusal shall be offered to the Lessee to buy.</li> </ul>
<b>Rent Review:</b>	<ul style="list-style-type: none"> <li>The Rent will be increased 4% each year on the anniversary of the Start Date (subject to Market Rent Review section).</li> </ul>

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<b>Market Rent Review:</b>	<ul style="list-style-type: none"> <li>• At each option renewal, the rent will be determined on current market review basis via negotiation between the two parties.</li> <li>• The outcome of the market rent review is required to be agreed by the parties prior to the option exercise period ending. If the market rent review discussions become delayed, the option exercise period remains open until 30 days after the market rent review is agreed.</li> </ul>
<b>Option to Purchase</b>	<ul style="list-style-type: none"> <li>• The Lessee may elect to exercise its option to purchase the facility from the lessor at pre-determined intervals.               <ol style="list-style-type: none"> <li>1. at project completion</li> <li>2. at end of the first lease year</li> <li>3. at the end of the second lease year</li> </ol> </li> <li>• The Lessee must elect to exercise the Option, no later than 180 days prior to the expiry date of the Lease.</li> <li>• If the Lessor intends to sell the Premises after the 3<sup>rd</sup> lease year, a Right of First Refusal shall be offered to the Lessee to buy.</li> <li>• Sale price to be determined by suitably qualified valuer</li> </ul>
<b>Outgoings/ Operating Expenses:</b>	<ul style="list-style-type: none"> <li>• The Outgoings and Operating Expenses are in addition to the rent and are payable separately by the Lessee. Outgoings / Operating Expenses include:               <ul style="list-style-type: none"> <li>○ statutory rates;</li> <li>○ common area expenses and promotional levies (if applicable);</li> <li>○ Land Tax; and</li> <li>○ Insurance premium (subject to Insurance Section below)</li> </ul> </li> <li>• All outgoings will be assessed on a single property ownership basis</li> <li>• The cost of replacing capital equipment items owned by the Lessor and structural repairs are not operating expenses or outgoings that are recoverable from the Lessee.</li> </ul>
<b>On Premises Car Parking:</b>	<ul style="list-style-type: none"> <li>• The Lessor will provide the number of car parking spaces required under the development approval or required by the Lessee to meet any legislative or local council requirements.</li> </ul>
<b>Repairs and maintenance:</b>	<ul style="list-style-type: none"> <li>• The Lessee is responsible for all general repairs and maintenance, fair wear and tear excepted.</li> <li>• The Lessor is responsible for replacement of unrepairable capital equipment items it owns and structural works and repairs to the Premises including the car park area and air conditioning plant.</li> </ul>
<b>Make good:</b>	<ul style="list-style-type: none"> <li>• At the end of the Lease, the improvements constructed by the Lessee must be removed and the improvements made good at the expense of the Lessee subject to fair wear and tear, if so, requested by the Lessor.</li> </ul>
<b>Landlord's obligation to reinstate:</b>	<ul style="list-style-type: none"> <li>• If the Premises are destroyed so that the Lessee cannot use or access the Premises, the Lessee may give the Lessor a notice terminating the lease within one month.</li> </ul>

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	<ul style="list-style-type: none"> <li>• However, if the Lessee does not give the notice within one month after the date of destruction, the Lessor agrees to promptly reinstate the Premises so that the Premises are fit for the Lessee's use.</li> </ul>
<b>Bank Guarantee:</b>	<ul style="list-style-type: none"> <li>• A twelve (12) month bank guarantee will be provided.</li> <li>• The bank guarantee must have an expiry date and that expiry date may not be more than twelve (12) months after the expiry date of the Lease.</li> <li>• The bank guarantee must be returned to the Lessee upon the earlier of confirmation of compliance with the Lessee's obligations upon the expiry of the lease or 3 months after the expiry of the lease.</li> </ul>
<b>Construction Costs:</b>	<ul style="list-style-type: none"> <li>• The Lessor is to provide the Lessee with a "turnkey" tenancy in accordance with the lessee's design specifications, design standards and the attached Tenancy - Landlord and Tenants Works Schedule. The Lessor is required to conduct the Landlord Works in accordance with the plans approved by the Lessor and the Lessee and in accordance with all applicable building codes, local council requirements, workplace health and safety regulations. If the Lessor is in breach of any of these requirements, the Lessee may take reasonable steps to terminate the Agreement for Lease and/or Lease, without compensation payable to the Lessor, including by serving written notice on the Lessor requiring the Lessee to remedy the breach within a reasonable time according to the severity of the breach.</li> </ul>
<b>Cleaning and security:</b>	<ul style="list-style-type: none"> <li>• The Lessee shall be responsible for the cost of all facility cleaning and security.</li> </ul>
<b>Other Costs:</b>	<ul style="list-style-type: none"> <li>• The Lessee will be responsible for all gas, water, electricity, telephone and other direct service costs it consumes at the property and any GST payable on these items. (Refer to maintenance responsibilities – <b>schedule 1</b>)</li> </ul>
<b>Permitted Use:</b>	<ul style="list-style-type: none"> <li>• Public use Facility – Aquatic Centre and ancillary uses as permitted by law</li> </ul>
<b>Insurance:</b>	<ul style="list-style-type: none"> <li>• \$20 million Public Liability</li> </ul>
<b>GST:</b>	<ul style="list-style-type: none"> <li>• All amounts payable by the Lessee are expressed as GST exclusive amounts. The Lessee must pay GST in addition to all Rent, Operating Expenses and any other amounts payable under the Lease at the prevailing GST rate from time to time.</li> </ul>
<b>Legal Costs:</b>	<ul style="list-style-type: none"> <li>• Both parties are to bear their own legal costs.</li> </ul>
<b>Lessor's Covenant:</b>	<ul style="list-style-type: none"> <li>• Access to the Facility is provided 24hrs 7 days a week to the Lessee.</li> <li>• The Lessor must affect all repairs which are not the Lessee's responsibility within a reasonable time.</li> <li>• The Lessor must pay all rates and taxes not the Lessee's responsibility.</li> </ul>
<b>Lessor Consent:</b>	<ul style="list-style-type: none"> <li>• The Lessor's consent to Lessee's works must not be unreasonably withheld or delayed. Consent is not required for non-structural work.</li> <li>• The Lessee must be permitted to erect signs regarding use and operation inside the Premises without the Lessor's consent.</li> <li>• The Lessee must be permitted to erect signs outside the Premises or visible from outside of the Premises with the Lessor's consent which must not be</li> </ul>

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	<p>unreasonably withheld or delayed provided that the Lessee obtains all necessary permits from the relevant authorities.</p> <ul style="list-style-type: none"> <li>The Lessor's consent to signage will not be unreasonably withheld or delayed, taking into consideration the location, style, size and wording of signs.</li> </ul>
<b>Operating Hours:</b>	<ul style="list-style-type: none"> <li>Operating hours are set by the Lessee and are expected to fall between 5:00am to 9:30pm Monday to Sunday.</li> <li>After-hours access is available 24 hours a day, seven days a week for authorised staff. Operating hours may change at the Lessee's discretion.</li> <li>Operating hours may change at the Lessee's discretion.</li> </ul>
<b>Conditions precedent:</b>	<p>The agreement for lease is conditional upon satisfaction of the following conditions:</p> <ul style="list-style-type: none"> <li>Approval from the Lessor's and Lessee's Boards of Management before the Agreement for Lease is signed;</li> <li>The Lessor and Lessee agreeing on the scope of the Lessor's Works and Lessee's Works before the Agreement for Lease is signed;</li> <li>The Lessor obtaining development approvals for the Premises, the Lessor's Works and Lessee's Works in a form acceptable to the Lessor by the sunset date of 30 June 2023;</li> <li>Development approvals in relation to the Premises, Lessor's Works and Lessee's Works being substantially the same as the plans to be agreed between the Lessor and Lessee and annexed to the Agreement for Lease. The Lessee (acting reasonably) being satisfied of operational requirements contained in the Lessor's development approval, such as but not limited to: <ul style="list-style-type: none"> <li>trading hours;</li> <li>Facility inclusions and specifications</li> <li>restrictions on the use of external spaces in the Premises; and</li> <li>noise restrictions.</li> </ul> </li> <li>The Lessee must use all reasonable efforts to obtain board approval within a timely manner.</li> </ul>
<b>Confidentiality:</b>	<ul style="list-style-type: none"> <li>The terms and conditions of this proposal are strictly confidential and must not be disclosed by either party to a third party without prior consent from the other party. The information can be shared on a confidential basis with the professional consultants of the Lessee and Lessor. Once the AFL and Lease are signed, the Lessor accepts that the documents may be required to be made publicly accessible.</li> </ul>