

# Annexure A

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This and the following pages are Annexure A of the Lease between  
(Lessor) and Police Citizens Youth Clubs NSW Limited ACN  
000 041 056 (Lessee)

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# Reference Schedule

Item No.	Term	Meaning of Term
1	<b>Lessor</b>	
2	<b>Lessee</b>	Police Citizens Youth Clubs NSW Limited ACN 000 041 056 Level 2, 6B Figtree Drive, Sydney Olympic Park NSW 2127
3	<b>Land</b>	
4	<b>Building</b>	
5	<b>Premises</b>	[ ] and all ancillary and associated buildings and surrounding land within the Land
6	<b>Term</b>	[ ] years
7	<b>Commencing Date</b>	
8	<b>Terminating Date</b>	
9	<b>Further Term</b>	Two further terms of 10 years each commencing the day after the Terminating Date of the previous term
10	<b>Rent</b>	\$1 for the entire Term of the Lease
11	<b>Permitted Use</b>	Operating a Police Citizens Youth Club including activities associated with the promotion of youth development, promotion of individual and community participation in sport and the promotion and development of programs to reduce crime, the providing of a centre for community based activities such as sporting events, amateur dance, musical events and other forms of not for profit public entertainment and any other activities required to meet the objectives of the Lessee and any ancillary use associated with this Permitted Use including a café and vending machines for the service of hot and cold food and drinks
12	<b>Public Liability Insurance</b>	\$20,000,000.00

## 1 Definitions and Interpretation

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### 1.1 Definitions

In this Lease, unless the contrary intention appears:

**Authority** means any governmental, statutory, public, local government or other authority or body having jurisdiction over any part of the Land or relating to its use;

**Child Protection Laws** has the meaning given to the term in clause 12.2

**Claims** means all or any claims, proceedings, actions, rights of action, liabilities, damages, losses, remedies, expenses, fines and penalties (including associated expenses and legal costs on a full indemnity basis);

**Community Groups** means incorporated or unincorporated organisations and sporting groups that cater for various groups in providing for the promotion of youth development, promotion or individual and community participation in sport and the conducting and promotion of development programs to reduce crime by and against young people.

**Contaminants or Contamination** means any substance or material (whether solid, liquid or gas) which does or is likely to:

- (a) injure the health and safety of any person;
- (b) injure the health of any flora and fauna;
- (c) breach any Environmental Protection Legislation (be it statute, common law or otherwise);
- (d) having regard to the contamination criteria of soil or ground water identified by the Department of Planning, Industry and Environment or NSW Environmental Protection Agency (or such agencies that replace these offices), require site investigations or remedial action,

and includes all substances of a hazardous nature such as fuels, chemicals, fertilisers, oils and lubricants;

**Control** has the meaning given in s 50AA of the Corporations Act 2001 (Cth).

**Environmental Protection Legislation** means any statute, regulation, code, proclamation, ministerial directive, ordinance, by law, planning policy or subordinate legislation, past, present or future, relating to Contaminants, use of land, human health and safety or protection of the environment;

**GST** means the goods and services tax payable under the GST Legislation;

**GST Legislation** means A New Tax System (Goods and Services Tax) Act 1999 and related Acts and Regulations;

**Institute** means the New South Wales Division of the Australian Property Institute Inc;

**Lessee's Invitees** means the Lessee's employees, agents, contractors, clients, customers, visitors and other persons on the Premises with the consent of the Lessee.

**Lessor's Invitees** means the Lessor's employees, agents, contractors, clients, customers, visitors and other persons with the consent of the Lessor.

**Premises** includes the Building, all plant and equipment (mechanical and otherwise, including fire services) fittings, fixtures, furniture and furnishings of any kind from time to time on the Premises owned or supplied by the Lessor;

**Prescribed Rate** means the rate of 8% per annum, calculated daily and compounded on the last day of each month.

## 1.2 Interpretation

(a) Number, gender and corporation

Words importing the singular number include the plural and vice versa, words importing a person include a corporation and vice versa and each gender includes every other gender.

(b) Jointly and severally

Any provision of this Lease to be performed by two or more persons binds those persons jointly and each of them severally.

(c) Bodies and associations

References to authorities, institutes, associations and bodies, whether statutory or otherwise, will in the event of any such organisation ceasing to exist, being reconstituted, renamed or replaced or the powers or functions or any such organisation being transferred to any other organisation, be considered to refer respectively to the organisation established or constituted in lieu of any such organisation.

(d) Statutes and regulations

Reference to a statute or ordinance includes all regulations under and amendments to that statute or ordinance whether by subsequent statute or otherwise and a statute or ordinance passed in substitution for the statute or ordinance.

(e) Headings

Headings and any marginal notes have been inserted for convenience only and do not in any way limit or govern the construction of the terms of this Lease.

(f) Monthly and yearly

A reference to month and year means respectively calendar month and calendar year.

(g) Entire agreement

This Lease constitutes the entire agreement of the parties on everything connected with the subject matter of this Lease and supersedes all prior agreements, understandings and negotiations in relation to those matters.

(h) Business days

Where under the Lease the day on or by which any act, matter or thing is to be done is a Saturday, Sunday or public holiday in the State or place in which the Premises are situated, such act, matter or thing may be done on the next succeeding day which is not a Saturday, Sunday or public holiday.

(i) Include

The word include (in any form) when introducing one or more specific items does not limit the meaning of the general words to those items or to items of a similar kind.

(j) Rule of construction

In the interpretation of this Lease no rule of construction applies to the disadvantage of one party on the basis that that party put forward this Lease.

(k) Severance

If a term of this Lease is or becomes wholly or partly void, voidable, or unenforceable the Lessor may at its option either:

- (i) terminate this Lease;
- (ii) convert this Lease into a tenancy which may be terminated at the will of the Lessor but not of the Lessee; and
- (iii) sever the offending term without affecting the enforceability or validity of the remainder of the Lease.

(l) Defined terms

Each term specified in the Commercial Terms Schedule has the meaning specified for it in the Commercial Terms Schedule. Where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.

(m) Notices etc

Any notices, notification, nomination, request, demand authorisation, approval or consent must be in writing and will be properly executed if signed by an officer, manager or solicitor of the party giving it.

(n) Service

A document may be served by leaving it at or sending it by pre-paid post to the relevant officer or manager at the address of the party set out in this Lease or such other address subsequently notified. A document sent by post will be considered to be delivered at the time when it would be delivered in the ordinary course of post.

(o) Lease ends

A reference to the end of this Lease is a reference to the expiration of the Term or its earlier determination by default or otherwise.

(p) Continuing obligations

The obligations of the parties arising before the end of this Lease continue until they are fulfilled.

(q) Implied covenants

- (i) The covenants, powers and provisions implied in Leases by virtue of ss84, 84A, 85, 133, 133A and 133B of the Conveyancing Act 1919 do not apply to this Lease.
- (ii) The employment in this Lease of words in any of the forms or words contained in the first column of Part II of Schedule IV of the Conveyancing Act 1919 does not imply any covenant under s86 of the Conveyancing Act 1919
- (iii) Any present or future legislation which operates to vary the obligations of the Lessee in connection with this Lease with the result that the Lessor's rights, powers or remedies are adversely affected (including by way of delay or postponement) is excluded, except to the extent that its exclusion is prohibited or rendered ineffective by law

(r) Governing law

This Lease is governed by the law applying in New South Wales and the parties submit to the non-exclusive jurisdiction of the courts of New South Wales.

## **2 Term**

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### **2.1 Term**

The Lessor leases the Premises to the Lessee for the Term.

### **2.2 Exercise of option**

If a Further Term is specified in Item 9 the Lessor must grant to the Lessee, at the Lessee's cost, a new lease for the Further Term if:

- (a) the Lessee gives the Lessor an Option Notice not earlier than 12 months nor later than 6 months before the Terminating Date;
- (b) at the date of the Option Notice and on the Terminating Date, the Lessee is not in breach of this Lease or any Transaction Document of which the Lessee has received written notice from the Lessor;
- (c) the Lessee is not in default under this Lease at the date of service of the Option Notice or at the date of expiration of this Lease or any Transaction Document, for which defaults the Lessor has given written notice to the Lessee; and

### **2.3 New lease for Further Term**

The new lease for the Further Term contains the terms and conditions of this Lease as at the commencement of the Further Term provided that:

- (a) (Rent) the Rent is the Rent payable on the Terminating Date;
- (b) (Term) the Term, is as specified in Item 9 of this Lease;
- (c) (new Lease Particulars) Item 9 (Further Term(s)) and Item 10 (Rent) of the new lease are amended to reflect:
  - (i) the expiry of this Lease;
  - (ii) the Lessee's exercise of the option under this Lease for a Further Term (for clarity, there will be one less option for a Further Term under the new lease than there is under this Lease); and
  - (iii) the provisions (as contemplated in the Lease Particulars of this Lease) of the new lease for the Further Term;
- (d) (cover page) any necessary changes are made to the term details on the cover page;
- (e) (if no further options) if the new lease contains no option for another Further Term upon expiry of the new lease, then:
  - (i) the word in Item 9 (Further Term(s)) of the new lease are deleted and replaced with 'Not applicable'; and
  - (ii) this clause 2.3 is deleted;
- (f) (variations) the new lease includes any variations made to this Lease during the Term; and
- (g) (change in Law) the new lease includes any term required due to any change in Law.

### **2.4 Holding over**

If the Lessee continues to occupy the Premises after the Term with the Lessor's consent then:

- (a) the Lessee occupies the Premises under a monthly tenancy which either party may end by giving one month's notice expiring on any day.

- (b) this tenancy will be on the same terms as this Lease so far as they apply to a periodic tenancy with Rent being the Rent payable immediately before the Terminating Date reviewed as provided in this Lease except that the Lessor may before the Terminating Date or subsequently on not less than one month's notice vary the Rent.

### **3 Rent**

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#### **3.1 Rent**

The Lessee must pay to the Lessor without deduction or set off the Rent in one instalment only if demanded.

### **4 Expenses**

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#### **4.1 Lessee's expenses**

The Lessee must pay on time all charges for electricity, gas, water, sewer, drainage, telephone and other services where they are separately metered or supplied to the Premises or any subdivided portion of it.

#### **4.2 Lease costs**

- (a) Each party must pay its own legal costs and disbursements for the preparation and completion of this Lease and any renewal and, where applicable, obtaining the consent of any mortgagee.
- (b) The Lessee must pay all registration fees payable on this Lease.

#### **4.3 Costs of Consent and Litigation**

The Lessee must pay the Lessor's expenses including legal costs and disbursements, architect's fees and consultant's charges reasonably incurred in relation to:

- (a) any request by the Lessee including the surrender of the Lease; and
- (b) any litigation involving the Lessor commenced by or against the Lessee in which no
- (c) judgment or order is recorded against the Lessor.

### **5 Goods and services tax**

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#### **5.1 Payments exclusive of GST**

All payments or other consideration paid or payable under this Lease are exclusive of GST.

#### **5.2 Payment of GST**

In addition to payment for a supply in connection with this Lease on which GST is paid or payable, the Lessee must pay, at the same time and in the same manner, the amount of the GST which is paid or payable in respect of that supply.

#### **5.3 Tax invoice**

- (a) The Lessor will at the request of the Lessee provide the Lessee with a tax invoice as prescribed in the GST Legislation.
- (b) The Lessor will provide the Lessee with a receipt for payment of rent.



#### 5.4 Late payment

If the Lessor becomes subject to penalties or interest resulting from late payment of GST because of the Lessee's failure to comply with this clause, then the Lessee must pay on demand an additional amount equal to the amount of those penalties and interest.

### 6 Use of premises

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#### 6.1 Permitted use

The Lessee must only use the Premises for the Permitted Use.

#### 6.2 Restrictions on use

Unless prior written consent is obtained from the Lessor, the Lessee must not and must not permit the Lessee's Invitees to:

- (a) use the Premises as a residence or for any activity that is dangerous, offensive, noxious or illegal;
- (b) overload the floors or walls of the Premises, the electrical system or any other services to the Premises;
- (c) damage the Premises or the Building;
- (d) use or store in an unsafe manner any inflammable or explosive materials, liquids or gas in the Building;
- (e) do anything that may prejudice, invalidate or increase the premium payable for an insurance policy covering the Premises or the Building;
- (f) make any major alterations or additions in or to the Premises or the Building or make any major alterations to any of the Lessor's fitting in the Premises or the Building without the Lessor's consent ;
- (g) improperly interfere with the fittings, equipment and services (including plumbing, air-conditioning and fire services) serving the Premises or forming part of the Building or otherwise provided by the Lessor;
- (h) smoke, or consume alcohol or non-prescription drugs in the Premises or the Building;
- (i) hold any auction, bankruptcy or fire sale;

Wherever the consent of the Lessor is required by the Lessee in this clause, such consent shall not be unreasonably withheld or delayed.

#### 6.3 Requirements of Authorities

- (a) The Lessee must:
  - (i) comply and ensure the Lessee's Invitees comply with all laws and all notices, orders and directives from any Authority relating to the use or occupation of the Premises;
  - (ii) obtain all consents or licences required by law;
  - (iii) comply with any conditions of consent issued by any Authority; and
  - (iv) keep current any licences or registrations required by law for the use of the Premises by the Lessee.

provided always that the Lessee is not required to effect structural works unless they are directly attributable to the Lessee's occupation of the Premises.

- (b) The Lessee must provide promptly to the Lessor a copy of any consent, licence, registration required by law in respect of the Premises notified to the Lessee.

#### **6.4 Lessee's obligations**

The Lessee must:

- (a) lock all exterior doors and windows when the Premises are not occupied and is responsible for the security of the Premises;
- (b) notify the Lessor of any damage, accident to or defect in the Premises or any circumstances within the Building likely to cause any damage or injury of which the Lessee is aware;
- (c) participate and direct the Lessee's Invitees to participate in emergency evacuation procedures; and
- (d) store and remove all waste and garbage as directed by the Lessor.

### **7 Maintenance and repair**

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#### **7.1 Lessee's obligation to repair**

- (a) The Lessee must keep the Premises (whether comprising the existing or any new Building infrastructure) in good repair and condition from the Commencing Date, however the Lessee will not be required to carry out repairs of a capital or structural nature except when the need for such repairs arises due to the negligence or wilful act or omission of the Lessee or the Lessee's employees or agents.
- (b) The Lessee must keep all additions and alterations to the Premises made by the Lessee in good repair having regard to the condition of those alterations at the Commencing Date.

#### **7.2 Lessee's further obligations**

The Lessee must in addition to the Lessee's obligations under the previous clause:

- (a) keep the Premises tidy, clean and free of all rubbish and debris;
- (b) keep the Premises free from pests including rodents, cockroaches and termites;
- (c) repair or replace any stained, worn or damaged carpet as frequently as the Lessee reasonably determines;
- (d) replace broken or faulty light bulbs and tubes in the Premises; and
- (e) replace broken glass in the Premises.

#### **7.3 No liability for failure of services**

The Lessor will not be under any liability for any loss, injury or damage sustained by the Lessee or any other person at any time as a result of or arising in any way out of the failure of the electricity, telephones, gas, water supply, sewerage, drainage or any other services or facilities provided by the Lessor or enjoyed by the Lessee in conjunction with the Premises or this Lease provided that such failure is not due to the negligent or wilful act, omission or default of the Lessor or the Lessor's Invitees.

## **8 Lessor's obligations**

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### **8.1 Lessor responsibilities**

The Lessor will be responsible for:

- (a) the maintenance of grounds external to the Premises;
- (b) repairs of a capital or structural nature to any buildings or structures on the Premises except where the need for such repairs arises as a result of the negligence or wilful act or omission of the Lessee or the Lessee's employees or agents;
- (c) the external security of the grounds external to the Premises;
- (d) the payment of insurances required under clause 13.1(b);
- (e) the payment of Council and other rates and taxes payable in connection with the Premises;

### **8.2 Lessor indemnities**

The Lessor agrees to indemnify the Lessee and the Lessee's Invitees against any damage, loss, injury or Claims caused by or arising from either directly or indirectly:

- (a) occupation of the Land by the Lessor's Invitees or adjoining land owners.
- (b) a breach of this Lease by the Lessor or the Lessor's Invitees;
- (c) any negligent, unlawful or fraudulent act or omission by the Lessor or the Lessor's Invitees; and
- (d) any Claim by a third party arising from an act or omission of the Lessor or the Lessor's Invitees in connection with this Lease.

## **9 Signage**

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### **9.1 Identity of Lessee**

Despite the following clauses, the Lessor acknowledges the Lessee's requirement that the Lessee may establish and maintain its own identity and independence from the Lessor and the Lessor's activities.

### **9.2 Lessee signage**

The Lessor acknowledges that:

- (a) the Lessee is entitled, at its cost, to have signs on the Premises, approved by the Lessor in the Lessor's capacity as Lessor (which approval must not be unreasonably withheld)
- (b) the locations of those signs are to be agreed between the parties;
- (c) the Lessee will be responsible for making application for all development and building consents in connection with any signs other than for those signs agreed to before the Commencing Date;
- (d) the Lessee is responsible for the erection and maintenance of any signage approved by the Lessor under clause 9.2(a) and any costs incurred including the responsibility for and payment of costs incurred in the removal of the signage and making good any damage that occurs from removing the signage;
- (e) all signage is to be in accordance with the requirements of any consent authorities, all relevant regulations and legislative requirements.

### **9.3 Lessor to pay costs**

The Lessor is required to pay any reasonable costs for signage, or changes to signage, which the Lessor requests and when the signage relates to the Lessor or is for the Lessor's sole benefit.

## **10 Quiet enjoyment and access**

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### **10.1 Quiet enjoyment**

The Lessee may use and occupy the Premises during the Term without interference by or through the Lessor, except as provided by this Lease.

### **10.2 Access by Lessor**

The Lessee must, on receiving reasonable notice, except in an emergency when no notice is required, give the Lessor or anyone authorised in writing by the Lessor access to the Premises at any reasonable time for the purpose of:

- (a) inspecting the condition of the Premises;
- (b) doing anything that the Lessor can or must do under this Lease or must do by law
- (c) assisting in any emergency or for security or safety.

In exercising its rights under this clause 10.2, the Lessor will make reasonable attempts to minimise the effect on the Lessee's use of the premises and conduct of its business, and, if required by the Lessee, in the company or an employee or agent of the Lessee.

## **11 Assignments, subleases, licences and mortgages**

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### **11.1 Assignment**

The Lessee may assign this Lease only with the prior consent of the Lessor which will not be unreasonably withheld or refused or delayed if, before the Lessee assigns:

- (a) the Lessee is not in breach of this Lease;
- (b) the proposed new lessee is shown to the reasonable satisfaction of the Lessor to be respectable, responsible and financially sound;
- (c) on an assignment, the proposed new lessee is shown to the reasonable satisfaction of the Lessor to be capable of adequately carrying on the use permitted under the Lease;
- (d) the proposed new lessee signs a deed in a form required by the Lessor agreeing to
- (e) be bound by this Lease;
- (f) the Lessee pays the Lessor's reasonable costs of giving the consent; and
- (g) the Lessee may not mortgage or charge this Lease or any estate or interest in the leased Premises.

### **11.2 Sublease and licence**

The Lessee may grant subleases or licences of part of the Premises to any third party without the consent of the Lessor provided:

- (a) that the sublease or licence is for the Permitted Use or an ancillary use associated with the Permitted Use;
- (b) the term of the sublease or licence does not extend beyond the Term; and

- (c) the sublease or licence terminates automatically upon expiry or sooner determination of this Lease.
- (d) The Lessee notifies the Lessor of the proposed licence or sub-lease prior to it being entered.

### 11.3 Change of control of Lessee

If the Lessee is a corporation (other than a corporation listed on any stock exchange in Australia) and there is a proposed Change of Control, the assignment provisions of this Lease apply as if the Lessee proposes to assign this Lease.

## 12 Licence arrangements

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### 12.1 Community Groups

- (a) The Lessor agrees that the Lessee may grant Community Groups the right to hire or licence the Premises throughout the Term and provided that the Lessee complies with this clause, no consent will be required from the Lessor.
- (b) The Lessee must ensure that all Community Groups:
  - (i) indemnify the Lessor in respect of any claim that may arise out of that Community Group's use or occupation of the Premises and must indemnify the Lessor against all actions, suits, claims, debts, obligations and other liabilities relating to that Community Group's use or occupation of the Premises during the Term and any holding over period unless such claim, action, suit, obligation or other liability is caused or contributed to by the Lessor's Invitees the Lessor's and/or the Lessee's negligent act, omission or default.
  - (ii) obtain adequate insurance cover for:
    - (A) public liability for at least \$10,000,000 for each accident or event or for such higher amount as the Lessor may reasonably notify noting the Lessor's interest under the policy;
    - (B) the Lessee's property in the Premises for its full insurable value; and
    - (C) where applicable, the licensee's property in the Premises for its full insurable value,

and must produce evidence of this insurance within 21 days of a request from the Lessor.
- (c) The Lessee must ensure as far as practicably possible that all Community Groups and individual licensees of the Premises act in a responsible and orderly manner and do not act in a way which would constitute a breach of this Lease.
- (d) The Lessee agrees that any licence granted or other arrangement entered into with a Community Group must be consistent with the terms of this Lease and must include at a minimum the following:
  - (i) commercially acceptable terms based on agreed industry benchmarks for similar premises in similar regional areas and with similar licensees;
  - (ii) hours of use of the Premises;
  - (iii) area to be hired/licensed;
  - (iv) term of the licence (which must not exceed 1 year);

- (v) a requirement for compliance by the Community Group with policies of the Lessee;
- (vi) a requirement for the Community Group to comply with all Laws and in a manner that is consistent with this Lease; and
- (vii) ability for the Lessee to terminate the licence for:
  - (A) non-compliance;
  - (B) low participation by the Community Group over the period specified in the licence; and
  - (C) in the event that this Lease is terminated or otherwise expires.
- (e) The Lessor and Lessee agree that the terms to be included in any licence may by agreement be altered, modified or deleted if it becomes necessary in the circumstances.

## 12.2 Child Protection Obligations

The Lessor acknowledges:

- (a) a large number of the Lessee's members who attend the Premises and who may participate in activities conducted by the Lessee are children and young people;
- (b) the Lessee has obligations to ensure that it complies with the child care and protection laws including the *Child Protection (Working with Children) Act 2012 (NSW)*, *Children and Young Persons (Care and Protection) Act 1998 (NSW)* and the *Advocate for Children and Young People Act 2014 (NSW)* and any successors to those Acts (Child Protection Laws);
- (c) to the extent that the Lessor and the Lessor's Invitees have direct contact with the Lessee's members, the Lessee reserves the right to require the Lessor and the Lessor's Invitees to comply with Child Protection Laws. This includes but is not limited to warranting that the Lessor and the Lessor's Invitees on the Land:
  - (i) have provided a Prohibited Persons Declaration (in the form recommended by the NSW Commission for Children and Young People) in accordance with Child Protection Laws; d
  - (ii) have been the subject of employment checks (including employment screening checks and all other working with children checks) and criminal checks as required by Child Protection Laws; and
  - (iii) the checks in (i) and (ii) do not disclose that any of those persons is a prohibited person or any matter that prevents or limits any such person undertaking child related employment.
- (d) The Lessor agrees to:
  - (i) provide the Lessee with evidence that any of the checks in this clause have been undertaken whenever requested by the Lessee; and
  - (ii) advise the Lessee if any circumstances change which might prevent or limit the Lessor or the Lessor's Invitees from undertaking child related employment.
- (e) The Lessee agrees that the information provided to it under this clause 12.2 will only be used for purpose of verifying that these checks have been completed and whether any further action needs to be taken. Where appropriate, the Lessor must obtain consent from the Lessor's Invitees, preferably at the time of conducting the checks, after which the Lessee must be provided with evidence from the Lessor that these checks have been undertaken on the Lessor's Invitees.

- (f) The Lessor acknowledges that;
  - (i) the Lessee may require the Lessor and any Lessor Invitee to wear or carry an identification card issued by the Lessee when on the Premises; and
  - (ii) the Lessee reserves the right to exclude the Lessor or the Lessor's Invitees from the Premises where the Lessor has not complied with its obligations under this clause 12.2;
  - (iii) Notwithstanding any other provision of this clause, the provisions of this clause shall be limited to employees and invitees of the Lessor who have direct contact with children in their capacity as employees or volunteers.

## **13 Insurance, release and indemnity**

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### **13.1 Insurance**

- (a) The Lessee must take out and maintain throughout the Term:
  - (i) a public liability insurance policy for not less than twenty million dollars (\$20,000,000) per single event and the Lessee will produce at any time when required by the Lessor the last renewal for payment of such premium;
  - (ii) a professional indemnity insurance policy with a reputable insurer approved by the Lessor for not less than ten million dollars (\$10,000,000) per single event and the Lessee will produce at any time when required by the Lessor the last renewal for payment of such premium;
  - (iii) workers compensation insurance as required by law; and
  - (iv) in respect to any construction works carried out during the Term, a contractors works policy (or procure that the contractor take out and maintain) for the value of the works under construction;

The Lessee shall when reasonably requested by the Lessor, increase the amount of cover provided by any insurance policy effected pursuant to this clause to an amount directed by the Lessor.

- (b) The Lessor must take out and maintain throughout the Term;
  - (i) an insurance policy for the buildings on the Premises for their full reinstatement value and provide evidence of insurance to the Lessee if requested;
  - (ii) a public liability insurance policy with a reputable insurer approved by the Lessee for not less than twenty million dollars (\$20,000,000) per single event and the Lessor will produce at any time when required by the Lessee the last renewal for payment of such premium;
  - (iii) a professional indemnity insurance policy with a reputable insurer approved by the Lessee for not less than ten million dollars (\$10,000,000) per single event and the Lessor will produce at any time when required by the Lessee the last renewal for payment of such premium; and
  - (iv) workers compensation insurance as required by law

### **13.2 Insurance terms**

All insurance policies must:

- (a) be with a reputable insurer acceptable to the Lessor;
- (b) be for such amounts and cover such risks as detailed in clause 13.1; and

- (c) in respect to the Lessee's insurance required under clause 13.1(a), note the interests of the Lessor as landlord of the Premises;
- (d) in respect to the Lessor's insurance required under clause 13.1(a)(ii), note the interests of the Lessee as tenant of the Premises.

If any loss or damage arises from any cause covered by the Lessee's insurance, the Lessee must immediately apply for the insurance money and expend it to promptly rectify the loss or damage.

### **13.3 Assumption of risk by Lessee**

- (a) The Lessee occupies the Premises and carries out building work in the Premises at its own risk. All property of the Lessee in the Premises is at the sole risk of the Lessee.

### **13.4 Lessee's release and indemnity**

- (a) The Lessee cannot make a Claim against the Lessor and releases the Lessor from and indemnifies them against all Claims for damages, loss, injury or death which:
  - (i) arise from the wrongful or negligent use of the Premises by the Lessee or the Lessee's Invitees;
  - (ii) occurs in connection with any building work undertaken by the Lessee for the Premises; and
  - (iii) arise from the misuse of the services on the Premises by the Lessee
 except to the extent that it is caused by the wilful act or omission or negligence of the Lessor, its employees, agents or contractors.
- (b) This clause will not apply in the case of Claims for damages, loss, injury or death occurring outside the Premises except to the extent caused by the wilful act or omission or negligence of the Lessee.

### **13.5 Indemnity continues after expiration of lease**

The obligations of the Lessee under this clause continue after the expiration or other determination of this Lease in respect of any act, deed, matter or thing happening before such expiration or determination for the period limited by the Statute of Limitations

### **13.6 To pay all extra premiums**

The Lessee will from time to time, as and when required by notice in writing from the Lessor, pay all extra premiums and stamp duties payable by the Lessor on account of extra risk caused by the use to which the Premises are put by the Lessee.

### **13.7 Work health and safety**

The Lessee must comply with all professional, licensing and legislative requirements in relation to work health and safety and all rules, regulations, policies or guidelines issued by WorkCover, the Lessee's insurer or any relevant authority in respect of any activity undertaken on the Premises by the Lessee.

### **13.8 Lessor's release and indemnity**

- (a) The Lessor cannot make a Claim against the Lessor and releases the Lessee from and indemnifies them against all Claims for damages, loss, injury or death which:
  - (i) arise from the wrongful or negligent use of the Premises by the Lessor or the Lessor's Invitees;
  - (ii) occurs in connection with any building work undertaken by the Lessor for the Premises; and



(iii) arise from the misuse of the services on the Premises by the Lessor

except to the extent that it is caused by the wilful act or omission or negligence of the Lessee, its employees, agents or contractors.

- (b) This clause will not apply in the case of Claims for damages, loss, injury or death occurring outside the Premises except to the extent caused by the wilful act or omission or negligence of the Lessor.

## **14 Right of First Refusal**

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### **14.1 Right of First Refusal**

- (a) While PCYC is Lessee under this Lease and either:
- (i) the Lessor intends to sell the Premises by private treaty or auction, or
  - (ii) the Lessor proposes to transfer its assets generally,
- before proceeding to any sale or transfer the Lessor must first offer to sell the Premises to PCYC.
- (b) On receipt of the Lessor's offer under (a) the Lessor and PCYC agree to enter into bona fide negotiations regarding the basis of the sale of the Premises to PCYC.
- (c) If the Lessor and PCYC are unable to agree on the basis of the sale of the Premises to PCYC within one month from commencement of negotiations the Lessor may sell the Premises to a third party, but on terms to a purchaser no more favourable than those offered to PCYC.
- (d) If the Lessor proposes to sell the Premises to a third party (the Purchaser), the Lessee may at its election require the Lessor to terminate this lease.

## **15 Damage and abatement**

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### **15.1 Rent abatement**

If the Premises are damaged and as a result the Lessee cannot use or gain access to the whole or a significant part of the Premises then from the date the Lessee notifies the Lessor of the damage:

- (a) a proportionate part of the Rent and other money payable to the Lessor under this Lease abates according to the nature and extent of the damage until the damage is reinstated;
- (b) the Lessor has three months to notify the Lessee that it will reinstate the Premises and if that notice is not given or the Lessor fails to carry out the reinstatement works within a reasonable time after the notice is given, then the Lessee may by not less than one month's notice to the Lessor terminate this Lease; and
- (c) the Lessee's obligations to repair are suspended in respect of the part of the Premises damaged until the damage is reinstated.

This clause does not apply to damage caused or substantially contributed to by the Lessee or the Lessee's Invitees or where the insurer for any insurance policy covering the Premises properly refuses indemnity or substantially reduces the sum payable under the policy because of any act or default of the Lessee or the Lessee's Invitees.

## **15.2 Lessor may reinstate or terminate**

- (a) Nothing in this Lease obliges the Lessor to reinstate the Premises or the means of access to them. When reinstating the Premises, the Lessor is entitled to change its design, fittings and dimensions, but if it does so, it must ensure any such design, fittings and dimensions does not detrimentally impact on the Lessee's use and operation of the Premises.
- (b) If the Lessor or Lessee considers the damage to the Premises renders it impractical to reinstate the Premises the Lessor may by giving not less than one month's notice to the Lessee terminate the Lease.

## **15.3 Termination**

Termination under this clause does not affect either party's accrued rights before termination or a party's right (if any) to claim damages in respect of the termination of this Lease when the other party's wrongful act or omission has caused or contributed to the damage giving rise to the termination.

## **15.4 Dispute resolution**

A dispute in respect of the abatement amount under this Part must be determined by a valuer nominated by the President of the Institute at the request of either party. The valuer must be engaged by the party requesting nomination and must be instructed to make his determination within 21 days after his appointment. The valuer appointed under this clause must:

- (a) act as an expert and not as an arbitrator;
- (b) give a written determination with reasons;
- (c) have substantial experience in assessing buildings of a similar type in comparable locations to the Premises; and
- (d) be a full member of not less than five years standing of the Institute and hold a licence to practice as valuer for the kind of premises demised by this Lease and be active in this market at the time of his appointment.

The cost of the determination must be paid by the parties equally unless otherwise decided by the valuer.

## **16 Default**

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### **16.1 Default by Lessee**

The Lessee will be in default under this Lease if:

- (a) the Lessee has repudiated this Lease;
- (b) the Lessee fails to comply with any obligation of the Lessee under this Lease within 21 days after the Lessor gives the Lessee notice requiring compliance; and
- (c) the Lessee:
  - (i) being a corporation - resolves to or enters into any arrangement for the benefit of creditors, resolves to or is wound up or internally reconstructed, takes any step to obtain protection or is granted protection from its creditors, becomes an externally administered body corporate, becomes insolvent or anything analogous or having a substantially similar effect occurs; and
  - (ii) being an individual - enters into an assignment or arrangement for the benefit of creditors, becomes bankrupt or dies,

and then the Lessor may enter and take possession of the Premises or by notice to the Lessee terminate the Lease.

#### **16.2 Default by Lessor**

The Lessor will be in default under this Lease if:

- (a) the Lessor has repudiated this Lease; and
- (b) the Lessor fails to comply with any obligation of the Lessor under this Lease within 21 days of the Lessee giving written notice to the Lessor requiring compliance.

#### **16.3 Damages**

The essential terms of this Lease include the Lessee's obligations:

- (a) to insure the Premises;
- (b) concerning the use of the Premises;
- (c) to repair and maintain the Premises; and
- (d) relating to the assignment of or dealing with the Lease.

#### **16.4 Liquidated damages**

If this Lease is terminated by the Lessor for the default of the Lessee then the Lessor may elect to recover liquidated damages.

#### **16.5 Lessor may rectify**

The Lessor may remedy at any time, without notice, any breach of this Lease by the Lessee as the agent of the Lessee and at the risk of the Lessee. The Lessee must pay all reasonable costs incurred by the Lessor in remedying a default.

#### **16.6 Interest on overdue payments**

The Lessee must pay interest on any money due to the Lessor but not paid on the due date from the date payment was due at the Prescribed Rate.

### **17 End of Lease**

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#### **17.1 Lessee's right to remove fittings**

- (a) During the last twenty eight (28) days of the Term, and provided it is not in breach of this Lease, the Lessee may remove from the Premises all fixtures, fittings, floor coverings, signs, notices and wall hangings which have been;
  - (i) erected or installed by the Lessee, or
  - (ii) purchased from any previous Lessee with the consent of the Lessor,other than fittings the cost of which has been paid for or subsidised by the Lessor.
- (b) The Lessee must not remove any fixtures, fittings, floor coverings, signs, notices and wall hangings from the Premises if such removal cannot be effected without causing substantial damage or loss of functionality to the Premises, and must repair any damage caused to the Premises by the removal of any items under this clause.

### **17.2 Lessee's obligation to remove fittings**

- (a) Within seven (7) days after the date this Lease ends, the Lessee must remove from the Premises any, fittings, floor coverings, signs or notices or contents of every description that it has previously installed but only if the Lessor requires such removal.
- (b) The Lessee will repair any damage caused to the Premises by or as a result of the removal of any items under 17.2(a).

### **17.3 Abandoned Property**

Anything not removed within 1 month after the end of this Lease becomes the property of the Lessor who may keep it or remove and dispose of it and recover from the Lessee the cost of removal, making good and disposal.

### **17.4 Failure of Lessee**

If the Lessee fails to comply with its obligations under this clause (in which respect time is of the essence) the Lessor may at the Lessee's expense payable on demand perform these obligations. Despite the termination of this Lease and vacation of the Premises the Lessee's obligations to pay rent will continue until the Lessee has properly complied with its obligations under this clause or the failure has been rectified by the Lessor.

### **17.5 Yielding up of Premises**

- (a) Except for the Lessee's obligations under clause 17.2, the Lessor and Lessee acknowledge that the Lessee is not required to make good the Premises at the expiry or termination of the Lease and shall yield up the Premises including all additions and alterations made by the Lessee during the Term in the condition they are as at the Terminating Date.
- (b) Except for those items the Lessee elects to remove under clause 17.1 and except for those items the Lessor directs to be removed under clause 17.2, the Lessor must accept the Premises in an "as is where is" condition upon expiry or termination of the Term and assume all responsibility for the Premises including all additions and alterations made by the Lessee during the Term and all fixtures and fittings left within the Premises upon expiry or termination of the Term.

## **18 Dispute Resolution**

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### **18.1 Mediation**

The parties agree that they will:

- (a) Use their best endeavours to resolve any dispute arising out of, or in relation to, this agreement amicably in good faith, in the best interests of the parties, as swiftly as possible:
- (b) firstly by discussion between the lowest levels of management of the respective parties
- (c) if not resolved, by progressive levels of management up to discussion between the chief executive officers of the respective parties
- (d) Not proceed to arbitration or litigation to resolve any dispute until the procedures set out in this clause have been exhausted

### **18.2 Procedure**

The procedure will be:

- (a) the party claiming that a dispute has arisen, must give written notice to the other parties to

- (b) the dispute specifying the nature of the dispute
- (c) on receipt of the notice under paragraph (a), the parties to the dispute must within 7 days of receipt of the notice seek to resolve the dispute
- (d) if the dispute is not resolved within 7 days or within any further period as the parties agree then the dispute is to be referred to Australian Commercial Disputes Centre (ACDC)
- (e) the mediation will be conducted in accordance with ACDC Mediation Guidelines which set out the procedures to be adopted, the process of selection of the mediator and the costs involved.

**Executed** as a deed

**Executed by**  
ACN \_\_\_\_\_ in accordance with  
section 127 of the *Corporations Act 2001* (Cth):

\_\_\_\_\_  
Director

\_\_\_\_\_  
\*Director/\*Company Secretary

\_\_\_\_\_  
Name of Director  
BLOCK LETTERS

\_\_\_\_\_  
Name of \*Director/\*Company Secretary  
BLOCK LETTERS  
\*please strike out as appropriate

I certify that I am an eligible witness and that  
an Authorised Officer of the Lessor signed this  
Dealing in my presence:

Certified correct for the purposes of the Real  
Property Act 1900 by the authorised officer  
named below:

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Signature of Authorised Officer

\_\_\_\_\_  
Witness full Name (please print)

\_\_\_\_\_  
Authorised Officer's Name

\_\_\_\_\_  
Address of Witness

\_\_\_\_\_  
Authority

\_\_\_\_\_  
Position

\_\_\_\_\_  
Signing on behalf of **POLICE CITIZENS  
YOUTH CLUBS NSW LIMITED** (ACN 000 041  
056)