



**Vend Property Pty Ltd**  
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14 August 2018

Mr D D'Souza  
Dayton Residential Pty Ltd  
Level 1, 160 Stirling Highway  
Nedlands, WA 6009

**SUBJECT TO LESSOR'S APPROVAL & AGREEMENT FOR LEASE**

Dear Derrick,

**117 Coast Road, Dayton, WA**

Further to our recent discussions, we the Lessee described below ('the Lessee') hereby offer to lease ("Offer") premises at the below mentioned property in accordance with the following terms and conditions.

The details are as follows:

<b>Premises:</b>	Whole of building and land on part of 117 Coast Road, Dayton (refer to attached draft design).
<b>Permitted Use:</b>	The leased premises are to be utilised for the purpose of a child care centre. It shall be the Lessee's responsibility to ensure that such use complies with all relevant planning and zoning requirements.
<b>Lease Term:</b>	Fifteen (15) years.
<b>Option Period(s):</b>	Ten (10) years.
<b>Handover Date:</b>	The day following the date of Practical Completion of the Centre as certified by the Builder selected to complete the centre. (Estimated to be early 2019). The Lessee will not accept Handover in the period of 1 September to 30 November.
<b>Lease Commencement Date:</b>	The date four (4) weeks from the Handover Date.

**Net Rental:**

The net rental will be \$144,000.00 per annum net plus GST plus all outgoings.

Should a Development Approval or Service Approval condition limit the number of children permitted in the centre then the net rental shall be decreased by \$2,400 per child that the DA limit is less than 60 licensed places.

The Service Approval application is to be on the basis of a 60 child centre unless approved otherwise by the Lessor.

**Lessor's Works:**

Please refer to the attached Scope of Lessor's Works. Annexure "A".

**Rent Reviews:**

The Net Rental will be increased Annually upon the anniversary of the Lease Commencement Date in accordance with Fixed 3.0% throughout the Lease Term and Options Period(s).

Notwithstanding the above the Net Rental shall be reviewed to Market at the commencement of the option period(s).

~~The rental will be not less than the immediate preceding~~

~~base rent.~~ The rent review is limited to 10% increase or decrease per review.

**GST**

GST is payable by the Lessee in addition to base rent and other charges. Any amount referred to in this letter is calculated exclusive of GST unless otherwise stated.

**Outgoing Contributions:**

The Lessee shall be responsible for the payment of all normal statutory rates, management fees, and taxes including insurances for the whole of the land and buildings (estimated to be \$18,216.00 per annum for the 2018/2018 year) on provision of the relevant invoices by the Lessor.

For the avoidance of doubt the Lessee shall further be required to pay all normal building, running, maintenance and servicing costs included in the lease which the Lessee shall arrange and manage.

**Deposit/Payments in Advance:**

Within 24 hours of the Lessors acceptance to the commercial terms of the final Offer to Lease, the Lessee shall deposit (being the lease deposit); into the Vend Property Pty Ltd REBA

Trust Account, amount equivalent to one (1) months Base Net Rent and Outgoings Contributions.

The payment shall be:

- (a) Applied as rent in advance if this Offer is accepted and the Agreement for Lease executed.
- (b) Forfeited to the Lessor without prejudice to any other rights and remedies of the Lessor if the Offer is accepted, but through any default by the Lessee the Agreement for Lease and Lease is not executed by the Lessee.

**Guarantee:**

The Lessee shall prior to handover provide the Lessor with an unconditional bank guarantee equal to six (6) month's rent and outgoings (inclusive of GST) in the format as accepted by the Lessor which shall include the following:

- (a) The favouree to be advised;
- (b) The expiry date shall be not less than 6 months after the expiry of the lease.
- (c) The guarantee shall state that it is in connection with a lease granted by the favouree to the Lessee of the Leased Premises.
- (d) In addition to the above Bank Guarantee, a Directors/Personal Guarantee by Stephen Goldsworthy is required for the first three years of the lease. The Directors Guarantee will be enforceable from execution of the Agreement for Lease. Should the Lessee elect an additional unconditional bank guarantee equal to six (6) month's rent and outgoings (inclusive of GST) can be provided in place of the Director Guarantee. Alternatively an alternative Director can be nominated.

**Special Conditions:**

The offer to lease is subject to:

1. Lessor's final approval.
2. The Lessor obtaining a Development Approval on conditions acceptable to the Lessor.
3. Final plans, scope of works, Agreement to Lease and Lease to be at the absolute satisfaction of both parties.

4. The Lessee providing relevant financial information to the satisfaction of the Lessor, including the most recent company profit and loss statement and a statement of assets and liabilities.
5. Execution of Agreement to Lease and formal Lease including a detailed scope of Lessor's Works.
6. The Lessor receiving satisfactory pricing (in the Lessor's absolute discretion) by the Lessor's nominated Builder of the Lessee's design brief (Lessor's works).
7. The Lessor to provide three (3) months net rent free and four (4) months half net rent from lease commencement.
8. The Lessor Works is to include a provisional sum of ~~\$100,000~~ <sup>\$150,000</sup> plus GST to be used exclusively for the construction/furnishing of the outside play space. Should the agreed outside play space specification cost more or less than the specified amount then the annual rental shall be increased/reduced by 1/15<sup>th</sup> of the cost saving.



**Lessor:**

Dayton Residential Pty Ltd  
Level 1, 160 Stirling Highway  
Nedlands, WA 6009  
ABN: 47 413 458 763

**Lessee:**

Buttercups Childcare Pty Ltd  
ABN: 21 604 967 017  
19 Inversion Boulevard  
Hammond Park WA 6164

**Trading Name:**

Buttercups Early Learning & Kindy.

**Western Australian  
Planning Commission:**

~~If the Lease is granted this Offer requires the consent of the Western Australian Planning Commission then this Offer and the Lease granted by this Offer is in all respects subject to and conditional upon the Western Australian Planning Commission consenting to this Offer (and the Lease) within four (4) months after the date hereof. The Lessor shall apply for such consent within a reasonable time after the date of this offer and the Lessor shall use all reasonable endeavours to obtain such consent and shall keep the Lessee informed as to the progress of it for the consent.~~



**Legal Costs:**

The Lessee is responsible for the payment of the Lessor's solicitors' reasonable professional costs of and in relation to the preparation of the Agreement for Lease and Lease documentation capped at \$2,500.00 plus GST. In addition the Lessee will also be responsible for any relevant Stamp Duties, Registration Fees and all other legal costs and outlays.

Should you require further information at this stage, please contact the undersigned.

Yours sincerely  
Vend Property Pty Ltd  
ABN: 20 138 547 510

A handwritten signature in black ink, appearing to be "PD" followed by a long, horizontal flourish.

Paul Davison  
Manager



**Lessee Acceptance:**

I/We hereby declare the above information to be true and accurate in all respects and we acknowledge that this application is subject to the Lessor's approval and that the Lessee will be required to execute the Lessor's standard Agreement for Lease and Lease.

Signed  on behalf of Buttercups Childcare Pty Ltd.

Dated 19 / 8 / 2018

**Lessor Acceptance:**

I/We the Lessor in executing hereunder confirms acceptance of the terms and conditions outlined herein and acknowledge that leasing fees agreed shall be due and payable by us immediately upon obtaining the signed Agreement for Lease and Lease, whichever the earlier and receipt of any relevant deposit.

Signed  on behalf of Dayton Residential Pty Ltd

Dated 14 / 8 / 2018.

#### **Annexure "A"**

Scope of Works:

This offer is subject to the following conditions:-

1. The Lessor to provide the design brief/specification attached to this offer being the full design brief required by the Lessee for the premises, internal layout and internal fit out.
2. The Lessor to provide any civil works required for the outdoor play area.
3. The Lessee is to provide the outside play area specification and plans for inclusion within the Agreement for Lease.

