

**Proposed Lease RMYS  
Agreement to Key Terms**

<b>Term</b>	<b>Description</b>
<b>Term</b>	21 Years. Negotiations for a further new lease are to be aligned with negotiations for the existing seabed lease with State Government (which expires 28 February 2035).
<b>Rent</b>	The Rent at commencement will be \$40,000 per annum. Market rent for ground rental was valued at \$40,000. Ground rent is proposed to reflect the extensive tenure and investment of the Tenant on the site which has resulted in the existing buildings.
<b>Annual Rent Reviews</b>	The Rent will be varied by the movement in CPI on each anniversary of the lease commencement.
<b>Outgoings</b>	RMYS will be responsible for all municipal and government taxes, rates, levies and charges. RMYS will also be responsible for all utility costs. RMYS will keep insured on a replacement or reinstatement basis all buildings and improvements on the leased Land as well as maintain a public liability policy of insurance for not less than \$20 million.
<b>Community Benefits</b>	<p>RMYS will report annually on community benefits conducted in the previous year and to be conducted in the forthcoming year.</p> <p>Community benefits to include:</p> <ul style="list-style-type: none"> <li>• Three Community Purpose Reservation days to be made available to the landlord at cost to be allocated through negotiation with the club to minimize the impact on peak periods.</li> <li>• Provide social sailing opportunity for all community members, throughout the year, at minimal cost to the participants such as a yearly Discover Sailing Day, where a sailing experience is available free of charge to all members of the community.</li> <li>• Conduct interclub, interstate and national sailing championships sailing regattas which are open to all, and which promote good health, leadership, discipline and inclusiveness</li> <li>• Provide sailing lessons to local schools as part of their sports and leadership curriculum. Host Victorian school team racing championship each year.</li> <li>• Provide sailing lessons, powerboat handling, and other marine courses that are available to the community through RMYS' Sail Training Academy.</li> <li>• Slipway and boatyard available for use by all boat owners in the community to service their boats.</li> </ul>

<b>Environmental Sustainability</b>	<p>RMYS will over the term of the lease improve the efficiency of water and energy usage. In particular, RMYS agrees to:</p> <ul style="list-style-type: none"> <li>• Reduce or minimise greenhouse gas emissions;</li> <li>• Maximise the use of renewable or recyclable materials;</li> <li>• Reduce waste from operations; and</li> <li>• Implement best-practice stormwater management.</li> </ul> <p>RMYS will report annually on initiatives implemented.</p>
<b>Repairs, Maintenance and Insurance</b>	<p>RYMS will be responsible for all required repairs and maintenance (including repairs and maintenance of a capital and structural nature and essential safety services) throughout the term of the lease and ensure that the building or structure is in good order at lease expiry.</p>
<b>Asset Management Plan</b>	<p>RMYS agrees to undertake a Works Program and a Maintenance Program as part of the Lease</p> <p>The Asset Management Plan is intended to detail all of Works and Maintenance Programs that the tenant proposes to undertake during the term of the Lease in order for the asset to meet sailing demand from RMYS members and the community and further, on return of the Land and Improvements to the Crown at the end of the lease term its buildings or structures be in good condition.</p> <p>The Parties acknowledge that the scope of the Asset Management Plan is indicative and will be subject to, sailing demands from RMYS members and the community, and change and agreement between the parties from time to time. Accordingly, whilst an initial Asset Management Plan has been agreed between the parties, the tenant will submit an updated comprehensive Asset Management Plan for the remaining lease term on the fourth anniversary of the Lease and every 5 years thereafter.</p>
<b>Initial Works Program</b>	<p>Subject to the provisions in this clause RMYS commits to undertaking the Initial Works Program (as agreed between the parties) over the first 5 years of the lease term. The Initial Works Program forms part of the Asset Management Plan. This will include an expenditure of not less than \$1M (un-escalated) based on the agreed scope.</p> <p>The lease will also include appropriate provisions for:</p> <ul style="list-style-type: none"> <li>• The construction of a new building for a sail training academy within the site including fencing of the car park within the lease area to be used for boat storage.</li> <li>• Renewal of the perimeter fencing to improve amenity</li> <li>• RMYS to reschedule the works due to changes in circumstances (including RMYS financial circumstances);</li> <li>• Sustainability initiatives</li> <li>• Council review and approval of proposed works;</li> <li>• Adequate information being provided by RYMS to enable Council to make an assessment as to whether the works will be completed (and by when);</li> <li>• The ability for RYMS to change the scope (with approval by Council, such approval not to be unreasonably withheld) should priorities change;</li> <li>• Force majeure events; and</li> <li>• Default provisions should RMYS not comply with the provisions of this clause (including providing adequate cure periods to RMYS should a default occur).</li> </ul>

<b>Ownership of Improvements</b>	During the lease term RMYS continues to be the owner of all buildings or structures on the Land. At Lease expiry all buildings or structures will revert to the Crown
<b>Sail Training Academy</b>	<p>RMYS plan to develop a replacement facility for Junior Sailing Club within the footprint of the existing car park and lease area with no encroachment outside the leased area.</p> <p>Council and RMYS agree to work together to apply for Sports and Recreation Victoria Grants aligned with Council and Club objectives.</p> <p>Council agrees to support an application by RMYS for planning and building permits relating to the Sail Training Academy within the footprint of the existing car park and lease area.</p>
<b>Termination of 2004 Agreement</b>	The Parties agree that in negotiating and agreeing a new Lease proposed in this Terms Sheet it is intended that any provisions of existing agreements that are still relevant are included in this terms sheet. Accordingly, the 2004 Westbeach Agreement between the Parties (and any other agreements between the parties, apart from the existing seabed lease expiring on 28 February 2035) will be terminated upon execution of the new Lease documentation by the Parties. As such, the new Lease Agreement will become the only agreement between the parties.
<b>Annual Reporting</b>	<p>RMYS will provide a report to Council annually which will include:</p> <ul style="list-style-type: none"> <li>• Financials</li> <li>• Progress on the initial works program</li> <li>• Progress on the asset management plan</li> <li>• Community benefits</li> <li>• Sustainability initiatives</li> </ul>
<b>Retail Leases Act</b>	<p>RMYS acknowledges and agrees that:</p> <ol style="list-style-type: none"> <li>(1) the Term of the Lease will be greater than 15 years;</li> <li>(2) the Lease will impose obligations on RMYS to carry out substantial work in the premises within the meaning of the ministerial determination under section 5(1)(c) of the <i>Retail Leases Act 2003 (Vic)</i> dated 20 August 2004 and published in the Victorian Government Gazette No S184 23 August 2004.</li> <li>(3) RMYS will not be permitted to remove the buildings or structures at the end of the Lease and shall become the property of Council.</li> <li>(4) RMYS must not do, permit anything to be done, or fail to do anything which would result in the <i>Retail Leases Act 2003</i> applying to the Lease.</li> </ol>
<b>Council and Ministerial Approval</b>	<p>The Parties acknowledge and agree that the terms of agreement in this Terms Sheet are conditional upon:</p> <ol style="list-style-type: none"> <li>(1) formal Council approval; and</li> <li>(2) Ministerial approval under the <i>Crown Land (Reserves) Act 1978</i>.</li> </ol>