

Disclosure statement under section 12 of Retail and Commercial Leases Act 1995

Information for lessees

Please read the following information carefully.

What is a lease?

A lease is a very important document. It is a legally binding contract between the lessor (landlord) and the lessee (tenant). It sets out the rights and obligations of the lessor and the lessee.

A document that binds the lessee to enter into a lease or to take a shop on lease for a renewed term should be treated as if it were the lease.

What should I look for in a lease?

The main features to consider are—

- the term of the lease;
- whether there is an option to renew or extend the lease (and the method of exercising any such option);
- the rent and the basis for rent reviews;
- the amounts that the lessee will have to pay in addition to rent eg fit out costs, maintenance and repair costs and shared operating expenses;
- the consequences of breaching a term of the lease.

Make sure you read the whole document and understand the obligations it will place on you, especially the extra charges in addition to rent that you will have to pay.

If the lease is a sublease, you should seek information about the lessor's rights and obligations under the head lease that are relevant to the lease of the shop.

What information is the lessor required to give me?

The lessor must give you a copy of the proposed lease and this disclosure statement. The disclosure statement must contain the matters set out in section 12 of the Retail and Commercial Leases Act 1995.

What should I do before signing a lease or other binding document?

Do not sign until you understand exactly what your obligations under the lease will be.

Before signing a lease or other binding document, you should obtain independent legal and financial advice.

- You should discuss the lease (or any agreement for a lease) and the disclosure statement with your own lawyer or leasing adviser.
- You should seek advice about the financial commitments under the lease from your own accountant or recognised financial or business adviser.
- You should also seek advice from an association representing the interests of lessees.

Before signing a lease or other binding document, oral representations made by the lessor or the lessor's agent on which you have relied should be reduced to writing and signed by or on behalf of the lessor.

Before signing a lease or other binding document, the lessee should sign an acknowledgment of receipt of the disclosure statement.

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1 - Details of shop

Address:

Lettable area:

The shop may only be used for: [permitted use].

2 - Term of lease

Term of lease: COMMENCING ON [date] AND EXPIRING ON [date].

3 - Renewal or extension of lease (choose applicable)

- There is no right to renew or extend the term of the lease.
- The lease gives a right to renew or extend the term of the lease as follows:
Number (X) x Number (X) years right of renewal

4 - Access to shop

Hours during which the lessee will have access to the shop outside trading hours:

[Day] to [Day] [time] to [time]

Date on which the shop will be available for occupation: [date]

5 - Monetary obligations

The lessee's obligations to pay rent, to pay or reimburse outgoings, to make or reimburse capital expenditure and any other monetary obligations imposed on the lessee are set out in Appendix A.

6 - Retail shopping centre details (choose applicable)

- The shop is in a retail shopping centre within the meaning of the Retail and Commercial Leases Act 1995.
- The shop is not in a retail shopping centre within the meaning of the Retail and Commercial Leases Act 1995.

7 - Consequences of breach

The legal consequences of early termination of the lease by the lessee as set out in the lease as follows:

- Clause [number] [breach term].
- [Add clauses where applicable].

The legal consequences of other breaches as set out in in the lease as follows:

- Clause [number] [breach term].
- [Add clauses where applicable].

8 - Warnings

Oral representations made by the lessor or the lessor's agent on which the lessee has relied should be reduced to writing and signed by or on behalf of the lessor before the lessee enters into the lease.

The lessee should obtain independent legal and financial advice before entering into the lease.

Date:

Signature of lessor:

For and on behalf of **FORESTRY SA**

Name:

Address:

Acknowledgment of receipt

I acknowledge receipt of this disclosure statement including:

[Tick 1 or more boxes as applicable.]

- Appendix A—Monetary obligations under lease
- Appendix B—Retail shopping centre details
- Attachment—Shop fitting or refitting obligations
- Attachment—Fixtures, plant or equipment obligations
- Attachment—Sinking fund obligations
- Attachment—Proposed changes to shopping centre
- Attachment—Current tenant mix
- Attachment—Proposed changes to current tenant mix
- Attachment—Details of tenant association

Date:

Signature:

For and on behalf of **[LESSEE]**

Name:

Address:

Appendix A - Monetary obligations under lease

Part 1 - Rent

1 Base rent

The base rent payable for the shop is or is calculated as follows:

[[NUMBER] DOLLARS AND [NUMBER] CENTS] (\$XX,XXX.XX) per annum
(exclusive of GST)

2 Basis on which base rent may be changed

The base rent may be changed on the following basis:

As per Item [X] in Schedule [X] (Rent Review) [basis of increase (e.g. 3%]
increase will apply on the following dates; [date] and if renewed, [date], [date] and
[date].

3 Other rent

Other rent payable for the shop is or is calculated as follows:

[insert other rent details]

Part 2 - Capital expenditure

4 Permissible obligations (section 13 of Retail and Commercial Leases Act 1995)

- to pay or reimburse the cost of making good damage to the premises arising when the lessee is in possession or entitled to possession of the premises
- to fit or refit the shop as set out in the attachment marked "Shop fitting or refitting obligations"
- to provide fixtures, plant or equipment as set out in the attachment marked "Fixtures, plant or equipment obligations"
- to contribute to a sinking fund to cover major items of repair or maintenance as set out in the attachment marked "Sinking fund obligations"

Part 3 - Outgoings

5 Categories and estimate of annual liability

The lessee will be liable to pay or reimburse outgoings as follows:

Category of outgoings	Estimate of lessee's annual liability
local government rates and charges	
electricity	
gas and oil	
water and sewerage rates and charges	
sewerage disposal and sullage	
energy management systems	
air conditioning/ventilation	
building intelligence and emergency systems	
fire protection	
security	
lifts and escalators	
public address/music	
signs	
public telephones	
insurance	
pest control	
uniforms	
car parking	
child minding	
gardening	
cleaning	
audit fees	
management costs	
maintenance and repairs	
other	
Total	

- The lessee is liable for the full amount of the outgoings.
- The lessee is liable for a proportion of the outgoings calculated according to the following formula:

6 Margin of profit

- The amount the lessee is required to pay towards outgoings does not include a margin of profit for the lessor.
- The amount the lessee is required to pay towards outgoings includes a margin of profit for the lessor as follows:

Part 4 - Other monetary obligations

7 Other

- The lessee will not be liable for any other kinds of monetary obligations.
- The lessee will also be liable for the following kinds of monetary obligations: