LICENSOR AND LICENSEE

DISCLOSURE STATEMENTS

(Included in the following pages)

School Canteens
## LICENSOR AND LICENSEE DISCLOSURE STATEMENTS
### PART 1 – LICENSOR’S DISCLOSURE STATEMENT
#### ADVICE TO LICENSEES

Before signing the proposed Licence Agreement you should ensure you fully understand the documents. If you have any doubt you should seek independent legal advice. A Disclosure Statement must be given to you at least seven days before you enter into a Licence. Make sure you have these documents before you sign anything.

Note: If there is insufficient space on this form, please attach additional sheets.

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### LICENCE DETAILS

<table>
<thead>
<tr>
<th>Address of premises:</th>
<th>631 Bringelly Rd, Rossmore NSW 2557</th>
<th>Lettable Area (sq m) (see note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>not measured</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Permitted Use of Premises</th>
<th>School Canteen</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Licence Period (see note 1)</th>
<th>Option</th>
<th>Option Periods (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Years</td>
<td>☑ YES</td>
<td>2 x 1 year options</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rent:</th>
<th>$18 per day</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. Rent Reviews</td>
<td>Annually</td>
</tr>
<tr>
<td></td>
<td>- Frequency</td>
<td>Each anniversary of the commencement of the term.</td>
</tr>
<tr>
<td></td>
<td>- Nature</td>
<td>1% increase</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Details of any current legal proceedings in relation to the lawful use of the premises:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not applicable</td>
</tr>
</tbody>
</table>

**Licensor**

**Finishes, fixtures, fittings, equipment and services to be provided by the Licensor:**
As set out in Schedule 2 to the Licence Agreement.

**Licensee has to pay for the finishes, fixtures, fittings, equipment and services to be provided by the Licensor:**
If yes, to what extent:
- ☐ YES
- ☑ NO
Not applicable

**Finishes, fixtures, fittings, equipment and services to be provided by the Licensee:**
Whatever required by the Licensee to operate other than that provided by the Licensor.

**Hours of access to Premises outside trading hours:**
One hour before and one hour after.

**Date on which Premises will be available for occupation by the Licensee:**
On signing the Licence Agreement.

**Licensor’s requirements as to quality and standard of fittings in Premises (see note 3):**
Good quality, thoroughly clean and neat condition.

**Special Conditions:**
Refer to the Licence Agreement.
## ESTIMATED OUTGOINGS TO BE PAID BY THE LICENSEE

<table>
<thead>
<tr>
<th>DETAILS OF OUTGOINGS</th>
<th>ESTIMATE $ per annum</th>
<th>DETAILS OF OUTGOINGS</th>
<th>ESTIMATE $ per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERVICES TO THE PUBLIC</td>
<td></td>
<td>COSTS TO RUN CENTRE</td>
<td></td>
</tr>
<tr>
<td>Car parking</td>
<td></td>
<td>Air conditioning/ventilation</td>
<td></td>
</tr>
<tr>
<td>Child Minding</td>
<td></td>
<td>Building intelligence and emergency systems</td>
<td></td>
</tr>
<tr>
<td>Public address/music</td>
<td></td>
<td>Cleaning (consumables)</td>
<td></td>
</tr>
<tr>
<td>Security</td>
<td></td>
<td>Cleaning (other)</td>
<td></td>
</tr>
<tr>
<td>Signs</td>
<td></td>
<td>Electricity</td>
<td></td>
</tr>
<tr>
<td>Telephones (public)</td>
<td></td>
<td>Energy management systems</td>
<td></td>
</tr>
<tr>
<td>Uniforms</td>
<td></td>
<td>Fire protection</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gardening</td>
<td></td>
</tr>
<tr>
<td>ADMINISTRATION COSTS</td>
<td></td>
<td>Gas and oil</td>
<td></td>
</tr>
<tr>
<td>Audit fees</td>
<td></td>
<td>Insurance</td>
<td></td>
</tr>
<tr>
<td>Management fees (administration cost to run centre)</td>
<td></td>
<td>Lifts and escalators</td>
<td></td>
</tr>
<tr>
<td>Management fees (paid to management company)</td>
<td></td>
<td>Pest control</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Repair and maintenance</td>
<td></td>
</tr>
<tr>
<td>WASTE MANAGEMENT COSTS</td>
<td></td>
<td>Sinking fund for repairs and maintenance</td>
<td></td>
</tr>
<tr>
<td>Sewage disposal and sullage</td>
<td></td>
<td>Strata levies</td>
<td></td>
</tr>
<tr>
<td>Waste disposal and removal maintenance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GOVERNMENT CHARGES</td>
<td></td>
<td>Land tax</td>
<td></td>
</tr>
<tr>
<td>Local Government rates and charges</td>
<td></td>
<td>Water, sewerage and drainage rates and charges</td>
<td></td>
</tr>
<tr>
<td>TOTAL:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Formula for apportionment of outgoings if the Licensee is not liable for the total amount:**
No formula – specific amount nominated.

**Additional outgoings to be borne by Licensee:**
None unless specified in the Licence Agreement.

## DETAILS AS TO INTEREST OF LICENSOR

**Is the Licensor:**
- Owner of the Premises [x]
- Licensee of the Premises [ ]

*(Give details of any rights and obligations of Licensor under that lease that may affect the shop).*
DETAILS AS TO AGREEMENTS OR REPRESENTATIONS

(Give details of any other agreements between licensor and licensee, or representations made by the licensor or licensee including those relating to exclusivity or limitations on competing uses)

DETAILS OF ANY ANTICIPATED DISTURBANCE OF TRADING

(Give details of any disturbance likely to occur during the term of the licence, where known, where this will have a significant adverse effect on trading:

Section 34(3) of the Retail Leases Act 1994 may limit a licensee's claim for compensation if an event disturbing the licensee's trade was brought to the attention of the licensee in writing, before the licence was entered into. A general written statement made to the licensee before the licence is entered into will not be enough to limit liability of the licensor. A statement must specifically describe the nature of the disturbance, including assessment of the likelihood of disturbance taking place (including an indication of the basis on which the assessment was reached) and have regard to its timing, duration and effect during the licence term. The licensee should have to be aware that it is not always possible to predict the timing and the duration of disturbances with certainty.

4 x P&C run meal deal days
4 x School based cake stall days
Various students out on sporting event or excursion – approximately 2 per term

Note 1 Section 16 of the Retail Leases Act 1994 provides for a minimum term of 5 years for a retail shop lease. The 5 year term can be made up of an initial term and any combination of options. If the parties to the licence agree to a term of less than 5 years, the licensee must provide the licensor with a certificate from the licensee's solicitor or conveyancer indicating that:

(a) the licensee's rights under section 16 have been explained to them; and
(b) the licensee has made an informed decision to accept the term of less than 5 years

Making an important decision about the viability of a retail business with a less than 5 year term should form part of the licence negotiation. A pro forma section 16 certificate is available for download from www.retailtenancy.nsw.gov.au It can be provided to the licensor within 6 months of entering into the licence. Without a
section 16 certificate, the licensee has the choice of extending the term of the licence to 5 years.

Note 2 Require only for shops in shopping centres or if the rent and/or outgoings is calculated on a "per square metre basis".

Note 3 If the licensor requires a particular standard of construction for fit out, the licensee is to be provided with a fit out guide, setting out this information, with this disclosure statement.

DECLARATION BY LICENSOR

I acknowledge that all details and statements in this Disclosure Statement are true and correct.

Name of Licensor:

Address of Licensor:

Signature:.....................................................

Date: 26 November, 2010

NOTE: Section 11A of the Retail Leases Act 1994 requires a Licensee’s Disclosure Statement to be provided to the Licensor within 7 days (or any agreed further period) of the Licensee receiving the Licensor’s Disclosure Statement. The Licensee may be liable to a penalty for an offence under that Act if the Licensee’s disclosure statement is not so provided.
APPENDIX TO PART 1

INFORMATION FOR THE LICENSEE TO CONSIDER WHEN ENTERING INTO A RETAIL SHOP LEASE

Before signing the licence:

You should have detailed discussions with the licensor/agent and also seek advice from business associations, your solicitor and your accountant. Also consult your local council about any regulations, permitted use or development applications affecting the shop.

Information on these topics is included in the retail tenancy guide.

Ensure that all agreements arrived at with the licensor are included in the licence. Documentation is critical to avoiding and managing disputes about the licence.

Rent – be clear about the following issues:

What the starting rent is, and on what basis it is calculated.

How the rent will increase during the term.

If you have agreed to pay turnover rent, be clear as to how you will give this information to the licensor.

If there is an option as to part of the licence, find the clauses of the licence that tell you how and when you must exercise the option and that explain how the rent will be set.

Licence establishment - check

That you have read the licence and asked for advice on what it means.

That the description of the premises in the licence is accurate and covers any rights you will have for use of common areas or car parking for you, your staff or visitors.

Whether statements you have relied on in agreeing to the licence have been documented in the licensee's disclosure statement, so as to avoid disagreements later.

Whether you need to provide a security bond or personal guarantee to secure the licence, and how much this will be. If a cash security bond is agreed to, be sure it is lodged under the New South Wales Government's Retail Bond Scheme.

What expenses you will have to meet to fit out the shop ready for trading, and whether you will have to meet any of the costs incurred by the licensor in preparing the shop for you to occupy.

The premises – you will need to be sure that:

The location of buildings suit the proposed use you will make of the premises and to check whether you have to renovate to enable the shop to operate.

The hours you can access the shop and open it to trade, as allowed by the licensor and the Council, will be sufficient to allow you to trade profitably.

You have, or could readily obtain, all the permits and licences required to operate the type of
business you have chosen, and that the Council zoning for the premises does not restrict you from operating this type of business.

You have a condition report or photos to document the state of the premises when taking possession, to prevent or address disputes at the end of the licence. Agreements about the equipment should also be documented.

Outgoings and expenses – you need to understand:

The expenses you will have to meet as outgoings, and how they may change over the term of the licence. These were set out in the licensor's disclosure statement.

The information that the licensor will provide and your rights to receive estimates to allow you to plan for these expenses.

The insurance costs you will have to meet, including any contribution to the licensor's insurance.

When you want to sell the business

If you want to sell your business, you need to be aware of the process set out in the Retail Leases Act 1994 for assigning the licence. The licensee becomes the assignor of the licence, a potential new licensee becomes the assignee. In brief, these are the steps:

1. get an updated copy of the licensor's disclosure statement. If an update of the disclosure statement has not been issued during the term of your licence, request one in writing from the licensor. If it is not provided within 14 days, provide the latest version of the disclosure statement you have to the assignee (or if none exists, this requirement does not apply to you);

2. give a copy of the assignor's disclosure statement to the assignee (and to the licensor at least 7 clear days before the assignment if you want to be protected from ongoing liability under the licence);

3. gather, from the assignee, the following information to provide to the licensor:
   
   (a) the assignee's name and contact details;
   
   (b) documentation to indicate the assignee's financial standing;
   
   (c) business experience of the assignee;
   
   (d) written records of statements made by the assignor or licensor which influence the assignee in deciding to enter the assignment;

4. provide information in point 3 to the licensor in writing, by:
   
   (a) delivering it personally; or
   
   (b) leaving it at or posting it to the last known residential or business address of the licensor; or
   
   (c) in any other manner referred to in section 81A of the Act;
5. the licensor must respond to the request for assignment of the licence within 28 days from the time all the required information is received, or the assignment is deemed to have taken place;

6. the reasons the licensor can refuse a request for assignment of licence are:
   (a) if the use of the premises is to change;
   (b) if the assignee (new licensee) has inadequate retail skills compared to the assignor (current licensee);
   (c) if the assignee has inferior financial resources to the proposed assignor;
   (d) if the licensee has not complied with the procedure for obtaining consent to the assignment, as set out in section 41 of the Act;
   (e) if a shop is airside premises at Sydney (Kingsford Smith) Airport and the licensor exercises the right to withhold consent to the assignment under section 80E of the Act.

**General**

Check with your accountant the most tax effective way to structure the payment of rent, fit-out costs and GST.

Make sure that all negotiated agreements are written into the licence.

Inspect the property and take notes or photographs prior to moving in.

Section 11A of the Retail Leases Act requires a licensee's disclosure statement to be provided to the licensor within 7 days (or any agreed further period) of the licensee receiving the licensor's disclosure statement. The licensee may be liable to a penalty for an offence under the Act if the licensee's disclosure statement is not provided.
PART 2 - LICENSEE’S DISCLOSURE STATEMENT

ADVICE TO LICENSOR

1. The Licensee acknowledges that the attached Part 1 Licensor’s Disclosure Statement was received from the Licensor prior to entering into the Licence.

2. The Licensor has made available to the Licensee a copy of the proposed retail shop Licence and a copy of a Retail Tenancy Guide as prescribed by or identified in the Regulations.

3. The Licensee has sought/not sought independent advice in respect of the commercial terms contained in the Licensor’s Disclosure Statement and the obligations contained in the proposed retail shop licence.

4. The Licensee believes that the Licensee will be able to fulfil the obligations contained in the Licence, including the payment of the proposed rent, outgoings and other amounts, based on the Licensee’s own business projections for the business.

5. In entering into the retail shop Licence, the Licensee has relied on the following statements or representations made by the Licensor or the Licensor agents.

NOTE: Matters such as agreements or representations relating to exclusivity or limitations on competing uses, sales or customer traffic should be detailed.

Should more space be required please detail on another page.

6. Apart from the statements or representations set out above, no other promises, representations, warranties or undertakings (other than those contained in the Licence) have been made by the Licensor to the Licensee in respect of the premises or the business to be carried out on the premises.

Signed by or for and on behalf of the Licensee.

Signature:............................................................

Name of Licensee:

Address of Licensee: ..........................................

Date: .............................................................