Heads of Agreement

[#Premises]

[#Landlord] offers to lease the Premises to the Tenant on the terms set out below.

| **No.** | **Term** | **Particulars** |
| --- | --- | --- |
|  | Landlord | [#Name and ACN]  [#Landlord’s address] |
|  | Landlord’s Lawyer | [#] |
|  | Tenant | [#Name and ACN]  [#Tenant’s address] |
|  | Tenant’s Trading Name | [Usually only relevant for retail premises] |
|  | Tenant’s Lawyer | [#] |
|  | Stakeholder | [#if appropriate] |
|  | Premises | [#] [**Attach** a plan where possible] |
|  | Building/Centre | [#if appropriate] |
|  | Land | [#Real property description] |
|  | Development Approval | The transaction is subject to the Tenant obtaining a satisfactory Development Approval for the Permitted Use within [#] months of the date of the Agreement for Lease.  The Tenant must lodge the Development Approval application within [#] months of the date of the Agreement for Lease.  The Tenant to provide the Landlord with monthly progress reports on the status of the Development Approval process. |
|  | Building Approval | The transaction is subject to the Tenant obtaining a satisfactory building approval for the Tenant’s Works within [#] days of the Development Approval date. |
|  | Handover Date | [#] weeks after the Tenant receives Building Approval. |
|  | Tenant’s Fitout Period | [#] weeks from Handover Date. |
|  | Term | [#] |
|  | Commencement Date | The earlier of:  (a) the day immediately following the end of the Tenant’s Fitout Period; and  (b) commencement of trade/operations by the Tenant,  estimated to be approximately [#]. |
|  | Option Terms | [#] x [#] year Option Terms.  [#] rent review on commencement of all Option Terms. |
|  | Rent | $[#] per annum (exclusive of GST). |
|  | Rent Reviews | [#] on the anniversary of the Commencement Date. |
|  | Turnover Rent | The amount by which [#] % of the Gross Sales exceeds the Rent. |
|  | Landlord’s Contribution | The Landlord will contribute $[#] towards the Tenant’s Fitout Works payable on completion of the Tenant’s Fitout Works and receipt of all the necessary approvals. |
|  | Promotion Fund | $[#] per annum (exclusive of GST)/Not applicable/[#]% of the Rent |
|  | Rent Free Period | [#] months from the Commencement Date. |
|  | Permitted Use | [#]. |
|  | Outgoings | Payable by the Tenant in addition to the Rent, based on the percentage the Premises bears to the lettable area of the Land. |
|  | Consumption Charges | Payable by the Tenant. |
|  | Deposit | $[#] payable on execution of this Heads of Agreement by the Tenant to the Stakeholder. |
|  | Security | [#] months Rent and Outgoings plus GST, payable on [#]. |
|  | Personal Guarantees | The Tenant’s directors are required to personally guarantee the Tenant’s obligations under the Lease. |
|  | Legal fees | Each party is responsible for their own legal fees.  If the Tenant withdraws from the transaction after lease documents have been issued by the Landlord’s lawyer, the Landlord is entitled to deduct its reasonable legal fees from the Deposit. |
|  | Disbursements | The Tenant is responsible for all disbursements in connection with the transaction (i.e. registration fees, survey plan costs). |
|  | Insurance | * Public liability - $20 million per occurrence; * insurance for Tenant’s property for full replacement value; * plate glass insurance; and * any other insurances required by law,   noting the interests of the Landlord and its mortgagee. |
|  | Repair and maintenance | The Tenant is responsible for keeping the Premises in good repair and condition, fair wear and tear and acts of God excepted. |
|  | Tenant’s Works | The Tenant is responsible for fitting out the Premises in the manner required for the Permitted Use and in accordance with the Landlord’s Fitout Guide. |
|  | Landlord’s Works | The Landlord will carry out the following works, at its cost, prior to the Handover Date:  [#] |
|  | GST | All amounts in this Heads of Agreement are exclusive of GST. |
|  | Documents | The [Agreement for Lease and] Lease will be based on the Landlord’s standard documents, tailored to reflect this Heads of Agreement. |
|  | Board Approval | This Heads of Agreement is conditional upon [Landlord/Tenant] Board approval within [#] days of execution. |
|  | Confidentiality | The terms of this offer are strictly confidential and must not be disclosed to a third party without the written consent of the other party.  The information can be shared on a confidential basis with consultants of the Landlord and Tenant. |
|  | Binding Nature | Except for the Confidentiality provisions, the parties do not intend to be bound to this Heads of Agreement until [an Agreement for Lease/ a Lease] is executed by both parties. |
|  | Period of Offer | This offer is open for acceptance until [#]. |

|  |  |  |
| --- | --- | --- |
| **Acceptance by the Landlord**  Executed by [#]  on / / 201 by: |  |  |
|  |  |  |
|  |  |  |
| Director |  | Director/Company Secretary |
|  |  |  |
| Full name of Director |  | Full name of Director/Company Secretary |

|  |  |  |
| --- | --- | --- |
| **Acceptance by the Tenant**  Executed by [#]  on / / 201 by: |  |  |
|  |  |  |
|  |  |  |
| Director |  | Director/Company Secretary |
|  |  |  |
| Full name of Director |  | Full name of Director/Company Secretary |

|  |  |  |
| --- | --- | --- |
| **Acknowledgement of the Deposit by the Stakeholder**  Executed by [#]  on / / 201 by: |  |  |
|  |  |  |
|  |  |  |
| Director |  | Director/Company Secretary |
|  |  |  |
| Full name of Director |  | Full name of Director/Company Secretary |