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Valuation Report

"10 Lives Cat Centre"
10 Selfs Point Road
New Town, Tasmania 7008

File Ref: 8748145

VALUATION REPORT



“10 Lives Cat Centre”
10 Selfs Point Road
New Town, Tasmania 7008

Prepared For	Hobart City Council
Report Purpose	Market rental assessment purposes
Valuation Date	10 April 2018
Our Reference	8748145

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1.0 Executive Summary

1.1 Instructions

Instructing Party	Samantha Webster, Hobart City Council
Client / Authorised Party	Hobart City Council
Valuation Purpose	Market rental assessment purposes - <i>Please note, this report does not meet Practice Standards for valuations for mortgage/finance purposes and is specifically unsuitable for this purpose.</i>

1.2 Property Details

Property Address	10 Selfs Point Road, New Town, Tasmania 7008
Property Description	The subject property comprises an office and converted garage/shed facility known as "10 Lives Cat Centre" situated in a secondary mixed use area of New Town, approximately 5 kilometres north of the Hobart Central Business District.
Total Site Area	1,687 sqm
Lettable Area	646 sqm
Zoning	Recreation

1.3 Property Profile

Market

Leasing Volumes	There are few lease transactions of comparable premises.
Leasing Demand	Leasing demand for the property is currently soft/weak for properties in secondary commercial locations.

Assumptions & Recommendations:

Verifiable Assumptions	<ul style="list-style-type: none">The instructions and information supplied contain a full disclosure of all information that is relevant.
Assumptions Requiring Further Consultancy	<ul style="list-style-type: none">Nil.

1.4 Valuation

Market Rent

Market Net Rent:

\$30,000 per annum

This valuation is exclusive of GST

Date of Inspection	10 April 2018
Date of Valuation	10 April 2018
Date Issued	20 April 2018
Currency of Valuation	90 days from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.
Pecuniary Interest	We confirm that the valuer does not have any pecuniary interest that would conflict with the proper valuation of the property.

Signatories



Matthew Davis B. Bus (Prop), B. App Fin,
AAPI, CPV
Valuer
API No: 4053
Inspecting Valuer

Important	<i>This Executive Summary must be read in conjunction with the remainder of this report. The Executive Summary is only a synopsis designed to provide a brief overview and must not be acted upon in isolation to the contents of the valuation report.</i>
Third Party Disclaimer	<i>This report has been prepared for the private and confidential use of our client, Hobart City Council for the specified purpose. It should not be reproduced in whole or part without the express written authority of Opteon Property Group Pty Ltd or relied upon by any other party for any purpose and the valuer shall not have any liability to any party who does so. Our warning is registered here, that any party, other than those specifically named in this paragraph should obtain their own valuation before acting in any way in respect of the subject property.</i>
Digital Copies of Reports	<i>Where a report has been provided in digital copy and has not been received directly via our firm, the report contents, especially the valuations and critical assumptions, should be verified by contacting the issuing office to ensure the contents are bona fide. In particular if the reader of this report has suspicions that the report appears to be tampered or altered then we recommend the reader contact the issuing office.</i>
Reliance on Whole Report	<i>This valuation should be read in its entirety, inclusive of any summary and annexures. The valuer and valuation firm does not accept any responsibility where part of this report has been relied upon without reference to the full context of the valuation report.</i>

2.0 Instructions

Instructions have been received to undertake a valuation of the property as per the details below.

Instructing Party	Samantha Webster, Hobart City Council
Property Address	10 Selfs Point Road, New Town, Tasmania 7008
Date of Instructions	5 April 2018
Client / Authorised Party	Hobart City Council
Valuation Purpose	Market rental assessment purposes - <i>Please note, this report does not meet Practice Standards for valuations for mortgage/finance purposes and is specifically not suitable for this purpose.</i>
Specific Instructions	Assessment of the Market Value of the property as at the Date of Valuation.
Documentation Provided	Information we have been provided with and relied upon in undertaking our valuation includes: <ul style="list-style-type: none">• Executed lease;• Confirmation of current passing rent.
Scope of Work	The scope of work undertaken by the valuer in completing the valuation has included: <ul style="list-style-type: none">• Collation of information from relevant parties regarding the subject property;• Undertaking our own research regarding the subject property;• An inspection of the property and measurement of buildings where required;• Undertaking market research of similar properties;• Preparation of valuation calculations; and• Preparation of this report.
Compliance	Our valuation has been prepared with reference to the Australian Property Institute Practice Standards and Guidance Notes.

A copy of our instructions is attached to this report.

3.0 Basis of Valuation & Definitions

This valuation has been prepared in accordance with definitions and Valuation Applications of the International Valuation Standards Council (IVSC) and endorsed by the Australian Property Institute.

Market Rent	The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
Face Rent	<i>"The rent shown on a lease document which may include incentives."</i>
Effective Rent	<i>"The actual liability for rent after adjustments for any incentives and costs to the face rent are taken into account."</i>

4.0 Date of Valuation

Valuation Date	10 April 2018
Date of Inspection	10 April 2018
Currency of Valuation	90 days from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

5.0 Location

Location	The property is situated within the a secondary mixed use area of New Town, which is approximately 4 kms north west of the Hobart Central Business District.
Neighbourhood	Properties in the immediate vicinity include a storage yard, TasWater sewage works, Cornelian Bay Cemetery, an oil and gas works/storage facility and sporting fields.
Access	The property is accessed via Self Point Road, a sealed one lane road carrying two way traffic.
Transport & Infrastructure	The property has good access to major arterial roads including the Brooker Highway.

Location Map



Sourced from Google Maps - www.google.com

Specific Location Map



Sourced from Google Maps - www.google.com

6.0 Planning

Local Government Area	Hobart City
Planning Scheme	Hobart Interim Planning Scheme 2015
Current Zoning	Recreation
Overlays	A review of the Local Planning Scheme indicates that the property is not subject to Planning Overlays.
Existing Use	Cat centre
Zoning Effect	The existing use of the property is a discretionary use pursuant to the current zoning.
Heritage Issues	Not applicable

7.0 Site

7.1 Site Details

Site Description	The site comprises an irregular shaped allotment, with a slight slope from the northern boundary down to the southern boundary, albeit the site where the improvements have been constructed has been levelled throughout.
Dimensions	The shape and dimensions of the property are shown on the plan attached to the lease.
Source of Site Area	The site area has been derived from the lease document.
Site Area	1,687 sqm
Identification	The property has been identified by reference to an online cadastral plan.

7.2 Services

Services

Electricity, town water, sewerage and telephone services are connected.

8.0 Improvements

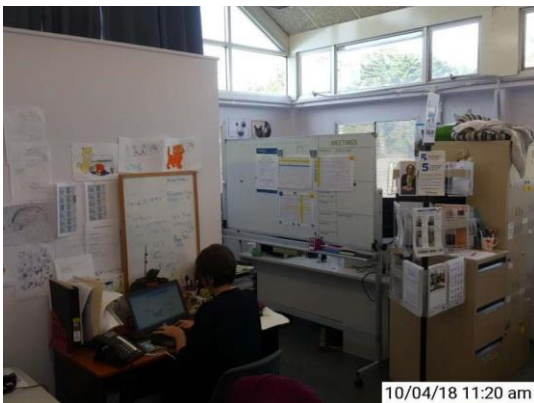
8.1 Office



South Eastern Elevation



Showroom/Reception



Office



Open Plan Office/Store



Store



Kitchenette

Main Building Type	Office
Style	Single storey, freestanding
Accommodation	Reception/showroom with rear kitchenette, open plan office, three partitioned offices, veterinary surgery, open storage area, chemical store, lunch room and unisex and disabled amenities with shower.
Construction:	
Floors	Concrete
Main External Walls	Concrete panels and rough rendered finish
Windows	Aluminium
Roof	Corrugated galvanised iron
Main Interior Linings	Plasterboard
Ceilings	Plasterboard and strawboard ceiling panels
Construction Year	Circa 1970s with more recent refurbishment
Building Services	
Lighting	Fluorescent and incandescent.
Air-conditioning / Ventilation	Building heating and cooling is provided via (tenant owned) reverse cycle air-conditioning units and ceiling fans.
Electrical	The building has standard electrical services.
Fire Services	Fire extinguishers, fire hose reels and emergency exit signs and exits.
Security Systems	A tenant owned security alarm system is installed.
Disability Access	Level access.

8.2 Converted Sheds/Garages



Converted Shed/Garage Adjoining Office



Converted Rear Sheds/Garages



Internal Converted Shed/Garage



Garage/Store

Main Building Type	Converted Sheds/Garages
Style	Single storey, conjoined
Accommodation	The converted shed/garage adjoining the office, incorporates six partitioned storage areas, whilst the rear converted sheds/garages comprise further stores and a garage.
Construction:	
Floors	Concrete and gravel
Main External Walls	Corrugated galvanised iron and concrete panels
Windows	Aluminium
Roof	Corrugated galvanised iron
Main Interior Linings	Plasterboard and unlined
Ceilings	Plasterboard and unlined
Construction Year	Circa 1970s with more recent additions and refurbishment
Building Services	
Lighting	Fluorescent and incandescent.
Air-conditioning / Ventilation	The building has natural ventilation only.
Electrical	The building has standard electrical services.
Fire Services	Fire hose reels and emergency exit signs and exits.
Security Systems	A tenant owned security alarm system is installed.
Disability Access	Level access to the converted shed adjoining the main building with step access only to some of the rear stores.

8.3 Plant & Equipment

Included within our valuation is all plant and equipment such as air-conditioning plant and equipment, fire services, or the like which forms an integral part of the property. Our valuation excludes all non-integral plant and equipment, fit-out, furniture and equipment, removable office buildings and personal items/contents.

8.4 Fit-out

Fitout Assumption	For buildings of this type it is normal leasing terms and conditions for the lessee (tenant) to be responsible for tenancy fit-out and our valuation has been assessed on this basis.
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8.5 Building Areas

Source of Areas The building areas have been obtained from on-site measurements.

Accommodation:	Measurement Basis:	Lettable Area:
Office	IPMS 3 – Industrial (Gross Lettable Area)	271 sqm
Converted Sheds/Garages	IPMS 3 – Industrial (Gross Lettable Area)	375 sqm
Total Lettable Area:		646 sqm

Tenancy Configuration The above areas have been calculated based on the current building configuration. If the premises are occupied by multiple occupants or tenancy boundaries are varied, the lettable areas may vary due to the inclusion or exclusion of common areas.

8.6 Other Improvements

Ancillary Improvements Front awning/entry porch, covered external wash area, two transportable offices (disregarded from assessment), asphalt paved driveway, wire mesh with barbed wire above security fencing and gate and adequate on-site car parking.

8.7 Condition and Repairs

Internal Condition Generally appears in good to fair condition.

External Condition Generally appears in fair condition.

Pest Infestation Our inspection of the subject property did not reveal any visible signs of pest infestation.

9.0 Photography



Car Parking



External Wall Cracking

10.0 Occupancy and Lease Details

Occupancy Status Leased to a single tenant.

Leases Sighted We confirm having been provided with signed copy of the relevant Lease.

10.1 Lease Summary

Lessee	The Hobart Cat Centre Inc
Demised Premises	All that land shown situated at Selfs Point Road, New Town, in the City of Hobart in Tasmania, the same as is shown surrounded by red boundary lines on the plan annexed hereto
Commencement Date	1 January 2006
Initial Term	10 yrs
Options	10 yrs
Expiry Date	31 December 2025 (first option exercised)
Commencing Rent	\$10 pa
Current Rent	\$10 pa
Rent Reviews	The rent is fixed for the duration of the term.
Net or Gross	Net
Outgoings	The tenant pays for rates and land tax, cleaning, service and utility charges and internal repairs. Landlord pays for structural repairs and maintenance and building insurance.
Permitted Use	Cat Centre

11.0 General Comments

The property provides an average standard of office accommodation, together with converted sheds/garages and we understand significant improvements have been undertaken by the tenant. Whilst some of this is now in situ improvements and forms part of the lessor’s premises (e.g. concrete floors in converted sheds), we have not reflected those improvements that remain the property of the tenant in our valuation calculations.

Whilst the property is well located for the current use as “10 Lives Cat Centre”, it is situated in a secondary mixed use area with adjoining properties comprising TasWater sewage works (which often produces foul odours), Cornelian Bay Cemetery, an oil and gas works/storage facility and sporting fields, which would limit the appeal of the tenancy to alternative tenants. Accordingly, we have applied a discount to the assessed rent considering the surrounding uses. Notwithstanding the highest and best use of the property is considered to be for alternative industrial uses (subject to Council approvals) and we have prepared our rental assessment on this basis.

The existing operation of the site as the Hobart Cat Centre provides a significant benefit to the community, which we are unable to factor in our valuation calculations. Council may consider leasing the property at a below market rent in order to support/provide for these community benefits.

There are few leases of properties which are directly comparable to the subject property, in particular noting its unique locational characteristics; however we have had regard to the available market evidence. The shortage of available market evidence limits the ability of the valuer to precisely determine the Market Rental Value.

12.0 Market Evidence

12.1 Rental Evidence

Market Rents:

In forming our opinion of the Market Rental Value of the subject property, we have had regard to various lease transactions, which for confidentiality reasons cannot be disclosed however have been retained on our files.

13.0 Valuation Methodology

13.1 Adopted Valuation Method

The most appropriate method of valuation for a property of this nature is by market comparison whereby the subject property is compared with rentals of comparable properties and adjustments made for points of difference.

13.2 Valuation Calculations

Our valuation calculations are summarised as follows:

Market Income Assessment				
Level/Tenancy		Market Rental Rate	Net or Gross	Market Rent
Office	271 sqm	@ \$75	Net	\$20,325
Converted Sheds/Garages	375 sqm	@ \$25	Net	\$9,375
Totals:		@ \$46		\$29,700

13.3 Conclusion

Having regard to the above calculations, and after taking into account both the positive and negative attributes of the property, from an objective and unbiased, yet balanced point of view, we are of the opinion that the Market Rental Value of the property is \$30,000 per annum.

Variance in Market Value

Due to the unique characteristics of the property and limited amount of available, confirmed, comparable market evidence we advise that there is likely to be a greater degree of variation in the price prospective purchasers may offer to pay for the property. This volatility is likewise demonstrated within our valuation calculations which show a comparatively higher degree of variation of possible values.

14.0 Goods & Services Tax

Treatment of GST

All amounts and values expressed in this report are exclusive of GST unless otherwise specified.

Recommendation


If there is any uncertainty as to the treatment of GST then we recommend you seek advice from a qualified accountant regarding the nature of any potential transaction or services supplied, the GST status of the parties involved, and confirmation of any potential GST liability.

15.0 Rental Value

15.1 Market Rental Value Subject to the Existing Lease

The rental of the premises subject to the existing lease, as at 10 April 2018, is:

\$30,000 per annum

Date of Inspection	10 April 2018
Date of Valuation	10 April 2018
Date Issued	20 April 2018
Currency of Valuation	90 days from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.
Signatories	<div> Matthew Davis B. Bus (Prop), B. App Fin, AAPI, CPV Valuer API No: 4053 Inspecting Valuer</div>

Important

This valuation is subject to the definitions, qualifications and disclaimers and other comments contained within this report.

16.0 Assumptions, Conditions & Limitations

Area Disclaimer	<i>In the event actual surveyed areas of the property are different to the areas adopted in this valuation the survey should be referred to the valuer for comment on any valuation implications. We reserve the right to amend our valuation in the event that a formal survey of areas differs from those detailed in this report.</i>
Asbestos Disclaimer	<i>We are not experts in the identification of Asbestos and therefore, in the absence of an environmental consultant's report concerning the presence of any asbestos fibre within the subject property, this valuation is made on the assumption that there is no: asbestos material present; health risk from asbestos within the property; or there is any material expense relating to the repair, management or replacement of asbestos materials in the foreseeable future. Should an expert's report establish that there is an asbestos related health risk or a requirement to undertake asbestos remediation works then we reserve the right to review this valuation.</i>
Building Services Disclaimer	<i>No documentation or certification has been sighted to verify the condition of building services, and we have assumed that all building services are: adequate in specification; in good operational condition; and satisfactorily maintained.</i>
Environmental Disclaimer	<i>This report is not an environmental audit and no advice is given in any way relating to environmental or pollution matters. Any comments given as to environmental or pollution factors in relation to the property are not given in the capacity as an expert. This assessment of value is on basis that the property is free of contamination or environmental issues affecting the property not made known to the valuer. In the event the property is found to contain contamination the matter should be referred to this office for comment. Given contamination issues can have an impact on the Market Value of the property, we reserve the right to review and if necessary vary our valuation if any contamination or other environmental hazard is found to exist.</i>
Full Disclosure Disclaimer	<i>Whilst we have attempted to confirm the veracity of information supplied, the scope of work did not extend to verification of all information supplied or due diligence. Our valuation and report has been prepared on the assumption the instructions and information supplied has been provided in good faith, is not in any way misleading or deceptive, contains a full disclosure of all information that is relevant, there are no undisclosed agreements in place that affect the property and the sale price includes GST. The valuer and valuation firm does not accept any responsibility or liability whatsoever in the event the valuer has been provided with insufficient, false or misleading information.</i>
Geotechnical	<i>We have not sighted a geotechnical engineers' survey of the property. We are not experts in the field of civil or geotechnical engineering and we are therefore unable to comment as to the geotechnical integrity of the ground and soil conditions. It is specifically assumed that there are no adverse geotechnical conditions that compromise the utility of the property for the current or highest and best use. In the event there is found to be adverse ground conditions we recommend the matter be referred to this Company for comment.</i>
Identification	<i>The property has been identified as per details provided within this report. The identification comments are not provided in the capacity of an expert, and a surveyor (not a valuer) would be able to confirm the identification of the property and/or any encroachments by way of undertaking a site survey.</i>
Leases and Rents	<i>This valuation is based on the lease terms and conditions summarised within this report sourced from a review of the available lease documentation and tenancy schedules made available. This valuation is made on the basis that the tenants are paying rent in accordance with the lease agreements and there are no undisclosed rental subsidies, rent free periods or other incentives that have been provided by the lessor. Our valuation assumes there are no material breaches of the essential terms of existing Leases by the existing Lessees and no material rental arrears at the date of Valuation.</i>
Market Change	<i>This valuation is current as at the Date of Valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property or factors that the Valuer could not have reasonably become aware as at the date of the Report). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of 90 days from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation. We recommend the valuation be reviewed at regular intervals.</i>
Market Evidence Information Availability	<p><i>In preparing this valuation we have undertaken those investigations reasonably expected of a professional valuer having regard to normal industry practice so as to obtain the most relevant, available, comparable market evidence. Whilst we believe the market evidence information and any other information provided to be accurate, not all details can and have been formally verified. Due to privacy laws, confidentiality agreements and other circumstances beyond our control, the valuer may not have had access to:</i></p> <ul style="list-style-type: none"> <i>• Personal details of parties involved in transactions (including the relationship of the parties);</i> <i>• Information on recent transactions that are yet to become public knowledge; and</i> <i>• Copies of leases or contracts to confirm rents or prices and to ascertain whether or not rents or prices are inclusive or exclusive of GST.</i>

Planning Disclaimer	<i>Town planning and zoning information was informally obtained from the relevant local and State Government authorities and is assumed to be correct. Should the addressee require formal confirmation of planning issues then we recommend formal application be made to the relevant authorities to confirm planning details.</i>
Publication of Report	<i>The publication of the valuation or report in whole or any part, or any reference thereto, or the names and professional affiliations of the valuers is prohibited without the prior written approval of the valuer as to the form and context in which it is to appear.</i>
Site Survey Disclaimer	<i>This report is not a site survey and no advice is given in any way relating to survey matters. Any comments given in relation to the property are not given in the capacity as an expert, however, are based on our inspection of the property and review of the Certificate of Title plans. Should the addressee require absolute certainty in relation to the site area, dimensions or possible encroachments we recommend that a surveyor be engaged to provide appropriate advice and a survey of the property if considered necessary. In the event there are any fundamental inconsistencies between any site survey undertaken and site detail adopted in this valuation, the survey should be referred to the valuer for comment on any valuation implications (including amendment of our valuation if considered necessary).</i>
Structural Disclaimer	<i>This report is not a structural survey and no advice is given in any way relating to structural matters. Any opinion given as to the condition of the improvements on the property is not given in the capacity as an expert. A structural report on the building and/or its plant and equipment has not been sighted, and nor have we inspected unexposed or inaccessible portions of the premises. Therefore we cannot comment on the structural integrity, any defects, rot or pest infestation (or damage from pest infestation) of the improvements, any use of asbestos or other materials now considered hazardous or areas of non-compliance with the Building Code of Australia, other than matters which are obvious and which are noted within this report. This valuation assumes the building is structurally sound; that building services are adequate and appropriately maintained; the building complies with applicable Council, building, health, safety and fire regulations, laws, bylaws, rules, licences, permits and directives; and is free of asbestos or other defects, unless specified otherwise. Should an expert's report establish that there is any damage of the varieties noted above then we reserve the right to review this valuation.</i>
Third Party Disclaimer	<i>This report has been prepared for the private and confidential use of our client, Hobart City Council for the specified purpose. It should not be reproduced in whole or part without the express written authority of Opteon Property Group Pty Ltd or relied upon by any other party for any purpose and the valuer shall not have any liability to any party who does so. Our warning is registered here, that any party, other than those specifically named in this paragraph should obtain their own valuation before acting in any way in respect of the subject property.</i>

APPENDIX 1

INSTRUCTIONS

Tracey Maxfield

From: William Reynolds
Sent: Thursday, 5 April 2018 10:09 AM
To: SVAS AU
Cc: Ty Winduss
Subject: FW: 10 Selfs Point Road
Attachments: Hobart Cat Centre - Lease 010106.pdf; Cat Centre letter of request.pdf

Categories: Tracey

Refer below.

Please logon this as a new job.

Correct address is 10 SELFS POINT RD NEW TOWN TAS 7008

Ty to allocate to a valuer.

Thank you,

Kind regards,

William Reynolds | B.Bus (L.Ec), FAPI CPV
Director - Professional Standards



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Solutions with Excellence

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Please consider the environment before printing

From: Webster, Samantha [<mailto:webstersa@hobartcity.com.au>]
Sent: Thursday, 29 March 2018 12:04 PM
To: William Reynolds
Subject: 12 Selfs Point Road

Hi Will

Can you please undertake a rental assessment for the Council owned property at 12 Selfs Point Road Cornelian Bay.

The demised premises is currently leased by the Hobart Cats Centre known as the *Ten Lives Cat Centre*. I have attached the current lease. The lease includes a plan of the demised area of 1678 metres squared. The rent is a nominal rent as the Ten Lives Cat Centre operates on a not for profit basis and provides a service to the community.

The Cat Centre exercised its 2016 option to continue the lease until 31 December 2025.

The Manager of the Cat Centre Mr Noel Hunt has requested, on behalf of the Ten Lives Board, an extension of the lease for a further five (5) plus five (5) year basis. The Cat Centre is considering investing a substantial amount of money to develop 12 Selfs Point Road. The extension to the current lease period would provide the tenant with some certainty going into the future. I am essentially asking for a rental assessment for the ten years following the end of the current lease.

Under the terms of the current lease the tenant is responsible for all out goings, and to maintain and keep in good and sufficient repair the interior and exterior condition of the demised premises, including any fences or gates.

The contact details for the Cat Centre can be found on the attached letter. Should you have any queries please feel free to contact me. I would appreciate an indication of when the valuation will be available given that the Easter break is imminent.

Regards
Sam

Samantha Webster LL.B
Legal Services Officer | Legal & Governance



City of HOBART

16 Elizabeth Street, Hobart, Tasmania, Australia, 7000 | hobartcity.com.au
Telephone (03) 6238 2821

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APPENDIX 2

LEASE (SIGNED & DATED)

THIS LEASE is made the 7th day of February 2006

BETWEEN:

THE HOBART CITY COUNCIL ABN 39 055 343 428 a body corporate incorporated pursuant to the provisions of the *Local Government Act 1993* ("the Council") of the one part;

and

THE HOBART CAT CENTRE INCORPORATED ABN 78 883 186 467 of Strickland Avenue, South Hobart in Tasmania ("the Lessee") of the other part.

NOW THIS AGREEMENT WITNESSETH:

1. IN CONSIDERATION of the rent and the Lessee's covenants hereinafter reserved and contained the Council hereby demises unto the Lessee ALL THAT land shown situated at Selfs point Road, New Town, in the City of Hobart in Tasmania, the same as is shown surrounded by red boundary lines on the plan annexed hereto ("the demised premises") TO HOLD the same unto the Lessee for a term of ten (10) years from the 1st day of January, 2006 ('the initial term') TOGETHER WITH an option for a further period of ten (10) years ('the option term') PROVIDED THAT such option is to be exercised in accordance with the provisions of clause 5 (g) hereof PAYING AND YIELDING therefore during the said initial term the nominal sum of ten dollars (\$10.00) per annum payable yearly in advance to the Council's Director Financial Services such payment to be made on the date of commencement hereof and thereafter on the same day in each succeeding year for so long as this agreement continues PROVIDED THAT the rent shall be reviewed to market by a registered value at the commencement of the option term and thereafter reviewed on an annual basis in accordance with movements in the Consumer Price Index (City of Hobart) for the preceding twelve months

2. INTERPRETATION

In this lease and any agreement entered into pursuant to this lease and unless a contrary intention appears:-

- (a) "the Council" means the Council its successors and the assigns and where applicable in the particular context the servants and agents of the Council;
- (b) "the Lessee" means the Lessee its successors legal personal representatives and permitted assigns and where applicable in the context the servants and agents of the Lessee;
- (c) words importing the masculine import the feminine or neuter and vice versa;
- (d) words importing persons shall include companies and vice versa;
- (e) words importing the singular import the plural and vice versa;
- (f) covenants on the part of two or more persons bind them severally and jointly.

3. THE LESSEE hereby covenants with the Council as follows:-

- (a) to pay the rental if demanded at the time and in the manner aforesaid.
- (b) to pay all service rates and outgoings including power and light, telephone, excess water charges (if demanded) and State Government land tax charges (if any) in respect of the demised premises.
- (c) (i) to use the demised premises for the purposes of a cat centre; and

(ii) to comply with the conditions included on Council Planning Permit number PLN – 05 - 0087- 01.
- (d) not to erect any buildings or structures or to alter any improvements existing at the date of this agreement without having obtained the prior written consent of the Council.
- (e) to maintain and keep in good and sufficient repair the interior and exterior condition of the demised premises, including any fences or gates (fair wear and tear excepted).
- (f) not to assign, underlet or part with the possession of the demised premises or any part thereof without the prior written consent of the Council

- (g) not to do or permit to be done upon the demised premises anything as to unreasonably cause nuisance, annoyance, damage or inconvenience to the owners or occupiers of other properties in the neighbourhood.
- (h) to permit the Council or its agents to enter upon the demised premises at all reasonable times to inspect the condition thereof and for all other reasonable purposes and upon reasonable notice being given by the Council to repair in accordance with the terms and conditions thereof.
- (i) not to affix or permit to be affixed upon any part of the exterior of the demised premises or of the external walls thereof any placard, poster, signboard or other advertisement except such as shall have been previously approved in writing by the Council.
- (j) to yield up the demised premises with the fixtures and additions thereto at the expiration or sooner determination of this lease in good and tenantable repair and condition in all respects (fair wear and tear excepted) and clean and free from rubbish and the Lessees shall remove all signs names advertisement or notices painted displayed fixed or exhibited upon to or within the demised premises and make good any damage or disfigurement caused thereby.
- (k) not to permit or suffer any person to smoke any cigarettes, cigars or like substances in any buildings located on the demised premises.
- (l) to pay a penalty of two (2) percent per annum above the Tascorp ten year borrowing rate as at 1 July in each year for the non payment of rent on the due dates.
- (m) to pay all stamp duty payable on and the Council's reasonable administrative costs for the preparation of this Agreement.
- (n) to indemnify and keep indemnified the Council against any liability or expenditure whatsoever or howsoever arising in connection with the Lessee's use and enjoyment of the demised premises.

- (o) to insure the demised premises in the joint names of the Lessee and the Council to the full insurable value thereof and pay all premiums necessary for that purpose on or before the due date thereof and whenever required to produce to the Council or its agent the policy of insurance and the receipt for the current year's premium.
- (p) to take out and maintain for the duration of this agreement a public liability insurance cover noting the Council's interest as Principal thereon and unless the Council otherwise agrees in writing such policy is to provide cover to an extent of at least ten million dollars (\$10,000,000.00).
- (q) that in respect of any payment (whether rent or otherwise) which is required to be made by the Lessee by the terms of this agreement whether to the Council or otherwise to also pay any tax in the nature of a consumption tax, goods and services tax, value added tax or similar tax required by law to be paid in addition to or in respect of as a consequence of that payment.
- (r) to duly and punctually comply with all Acts, both Federal and State, and any By-laws of the Council which may in any way affect the demised premises and to keep the Council indemnified in respect of all such matters.

4. THE COUNCIL hereby covenants with the Lessee as follows:-

- (a) that the Lessee paying the rent hereby reserved and observing and performing the several covenants and stipulations herein on its part contained shall peaceably hold and enjoy the demised premises during the said term without interruption by the Council or any person rightfully claiming through under or in trust for the Council.
- (b) To reimburse the Lessee the insurance premium costs incurred in obtaining the necessary insurance cover required by clause 3(o) hereof.
- (c) where the consent of the Council is required, not to unreasonably delay or withhold such consent or approval.

5. PROVIDED ALWAYS AND IT IS EXPRESSLY AGREED as follows:-

- (a) If the rent hereby reserved or any part thereof shall be in arrears or unpaid for thirty days (when formally demanded) or if the Lessee at any time fails or neglects to observe perform or comply with any of the terms or conditions of this Lease or if the Lessee or other persons in whom for the time being the term hereby created shall be vested shall become bankrupt or enter into any composition with his creditors or executes a deed or arrangement or if a company shall go into liquidation or suffers any distress or execution to be levied on its goods then and in any such case it shall be lawful for the Council at any time thereafter to re-enter into and upon the demised premises or any part thereof in the name of the whole and thereupon the lease shall absolutely determine without prejudice to any right of action or remedy of the Council in respect of any antecedent breach of the Lessee's covenant herein contained.
- (b) That any notice required to be given under this agreement shall be sufficiently given to the Lessee if posted by ordinary mail to the Secretary, Hobart Cat Centre, Selfs Point Road, New Town and shall be sufficiently given to the Council if signed by the Secretary of the Lessee and posted to the 'General Manager', Town Hall, Macquarie Street, Hobart.
- (c) Nothing in this agreement shall effect the rights and obligations of the Council in its capacity as the Municipal Authority for the City of Hobart and having jurisdiction in respect to the demised premises to make such orders and regulations in respect to the demised premises as from time to time it may be required to do in its capacity as the Municipal Authority.
- (d) Any difference between the Council and the Lessee involving these presents or anything herein contained or the construction hereof or the rights duties or liabilities of either party in relation to the said land the matter in dispute shall be referred to arbitration in accordance with the provisions of the *Commercial Arbitration Act*, 1986.
- (e) That in case the demised premises or any part thereof shall at any time during the term of this agreement be burnt down or damaged by fire or otherwise so as to

render the same wholly or partially unfit for use then so long as the Council's policy of insurance has not been vitiated by any act or omission of the Lessee or the Lessee's servants or agents then the rent hereby reserved or a fair and just proportion thereof according to the nature and extent of the damage sustained shall be suspended or deducted by the Lessee until the premises so burnt down or damaged shall have been rebuilt and again made fit for use and habitation and for the carrying on of business in a proper manner.

- (f) In the event of the Lessee holding over at the expiration or sooner determination of the term hereby created with the consent of the Council the Lessee shall become a monthly tenant only of the Council at a monthly rental equivalent to a monthly proportion of the total annual rental payable by the Lessee hereunder at the expiration or sooner determination of the term hereby created and otherwise on the same terms, conditions and covenants as those herein contained so far as applicable.
- (g) The Council will on the written request of the Lessee made at least six (6) months prior to the date of expiration of the term of this agreement and at the expense of the Lessee grant to the Lessee a lease of the demised premises for the further term of ten (10) years from the expiration of the term of this agreement PROVIDED THAT there is not, at the time of the request and at the date of the expiry of the initial term of this agreement, any existing breach or non observance of any of the covenants on the part of the Lessee of which reasonable notice to remedy has been given to the Lessee, such lease to be under the same terms and conditions as are contained in this agreement, except that the lease for the option term shall not contain this covenant for renewal.

IN WITNESS whereof the hands and seals of the parties hereto were hereunto affixed the day and year first hereinbefore written.

THE COMMON SEAL of
T THE HOBART CITY COUNCIL was
E hereunto affixed in the presence of

h

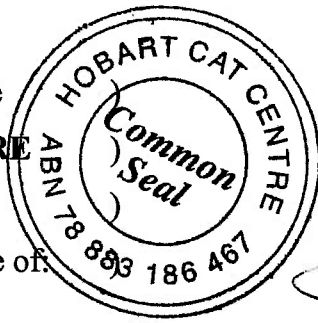

LORD MAYOR

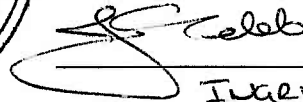

DIRECTOR EXECUTIVE
MANAGEMENT

LORD MAYOR



DIRECTOR EXECUTIVE MANAGEMENT

THE COMMON SEAL of the
THE HOBART CAT CENTRE
INCORPORATED was
hereunto affixed in the presence of:





INGRID TEBB
PRESIDENT

  _____
TREASURER

81P17



ATTACHMENT C

SELS POINT
WASTEWATER TREATMENT
PLANT

CT 140744/1
HCC OWNER

1
1678m²

SELS POINT ROAD

SURVEYED	DM	SCALES	HOBART CITY COUNCIL		F -931-61
DRAWN	DM	1:400			
DESIGNED			PROPOSED LEASE SELS POINT CAT CENTRE SELS POINT ROAD		AMENDMENT No.
SUPERVISED					
Geocomp File	114580.*	DATUM	 HOBART CITY COUNCIL	MICROFILMED	
AutoCAD File	114580.dwg	STATE			
APPROVED MANAGER SURVEYING SERVICES			HCC OWNER CT 140744/1		DATE 4/11/2005
					SURVEYING SERVICES