

DEED OF SUBLEASE

GENERAL address of the premises:
Pioneer Park, 11 Hastings Street, Washington Valley, Nelson

DATE:

SUBLANDLORD: Nelson Underwater Club Incorporated

SUBTENANT: Senior Net Nelson Incorporated

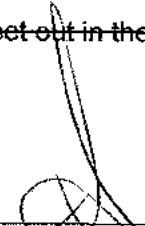
~~**GUARANTOR:**~~

THE SUBLANDLORD subleases to the Subtenant and the Subtenant takes on sublease the premises and the car parks (if any) described in the First Schedule together with the right to use the common areas of the property for the term from the commencement date and at the annual rent (subject to review if applicable) as set out in the First Schedule.

THE SUBLANDLORD AND THE SUBTENANT covenant as set out in the First, Second and Third Schedules.

~~**THE GUARANTOR** covenants with the Sublandlord as set out in the Fourth Schedule.~~

SIGNED by the Sublandlord
in the presence of:



Signature of Sublandlord
ERIC SIMMONS

Print Full Name
Director / Trustee / Authorised Signatory / Attorney*
Delete the options that do not apply
If no option is deleted, the signatory is signing in their personal capacity



Witness Signature

John Easterbrook

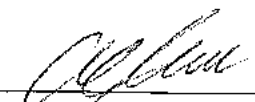
Witness Name

Retired

Witness Occupation

19 Blair Terrace Richmond

Witness Address



Signature of Sublandlord
Anne Simmons

Print Full Name
Director / Trustee / Authorised Signatory / Attorney*
Delete the options that do not apply
If no option is deleted, the signatory is signing in their personal capacity

Note: If signing by a company or as an Attorney – please refer to the notes on page 2

SIGNED by the Subtenant
in the presence of:

H. Carpenter
Signature of Subtenant

Hilary Carpenter
Print Full Name

Director / Trustee / Authorised Signatory / Attorney*
Delete the options that do not apply
If no option is deleted, the signatory is signing in their personal capacity

Witness Signature

Witness Name

Witness Occupation

Witness Address

[Signature]
Signature of Subtenant

ELIZABETH MCKENDRY
Print Full Name

Director / Trustee / Authorised Signatory / Attorney*
Delete the options that do not apply
If no option is deleted, the signatory is signing in their personal capacity

~~**SIGNED** by the Guarantor
in the presence of:~~

Signature of Guarantor

Print Full Name
Director / Trustee / Authorised Signatory / Attorney*
Delete the options that do not apply
If no option is deleted, the signatory is signing in their personal capacity

Witness Signature

Witness Name

Witness Occupation

Witness Address

Signature of Guarantor

Print Full Name
Director / Trustee / Authorised Signatory / Attorney*
Delete the options that do not apply
If no option is deleted, the signatory is signing in their personal capacity

* If this agreement is signed under:

- (i) a Power of Attorney – please attach a **Certificate of non-revocation** (ADLS form code: 4098WFP); or
- (ii) an Enduring Power of Attorney – please attach a **Certificate of non-revocation and non-suspension of the enduring power of attorney** (ADLS form code: 4997WFP).

Also insert the following wording for the Attorney's Signature above:

Signed by [full name of the donor] by his or her Attorney [attorney's signature].

Note: Signing by a company – Companies must sign this document in accordance with section 180 of the Companies Act 1993, to ensure it is binding as a deed. In general, this means:

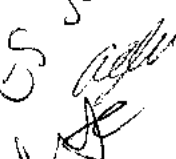
- (a) if there are two or more directors of the company, two directors must sign and no witnessing is necessary;
- (b) if there is only one director of the company, that director signs and the signature must be witnessed.

Other methods of signing may be permitted by the company's constitution or if an attorney has been appointed.

[Handwritten initials/signature]

FIRST SCHEDULE

1. **HEADLANDLORD:** Nelson City Council
2. **PREMISES:** All the downstairs portion of the Property held on Lease from Nelson City Council to the sub-landlord and marked on the plan attached hereto together with the use in common with the Nelson Harriers Club of the areas marked on the said plan together with the fixtures & Chairs and tables at present in the Premises.
3. ~~**CAR PARKS:**~~
4. **TERM:** Three (3) years
5. **COMMENCEMENT DATE:** 1 July 2017
6. **RIGHTS OF RENEWAL:** Four (4) rights of Three (3) years each and One (1) right of Thirty Three (33) months
7. **RENEWAL DATES:** 1 July 2020, 1 July 2023, 1 July 2026, 1 July 2029
8. **FINAL EXPIRY DATE:** 31 March 2032
9. **ANNUAL RENT:** Premises \$6,400.00 ~~plus GST~~ inclusive of GST
(Subject to review if applicable) Car Parks \$ plus GST
TOTAL \$6,400.00 ~~plus GST~~ inclusive of GST
10. **MONTHLY RENT:** \$533.33 ~~plus GST~~ inclusive of GST
11. **RENT PAYMENT DATES:** The 1st day of each month commencing on the 1st day of July 2017
12. **RENT REVIEW DATES:** (Specify review type and insert dates for initial term, renewal dates and renewal terms. Unless dates are specified there will be no reviews. Where there is a conflict in dates, the market rent review date will apply.)
1. ~~Market rent review dates:~~
 2. CPI rent review dates:
Each renewal date
13. **PROPORTION OF OUTGOINGS:** See FTS 12. % which is estimated to be \$ Plus GST (specify appropriate period)
(clause 4)
14. **DEFAULT INTEREST RATE:** 12 % per annum
(clause 5)
15. **BUSINESS USE:** The operation of the sub-lessee as a Club and provider of training and instruction in the use of computers and associated technology and associated meetings and discussion groups.
(clause 7)
16. ~~**LIMITED LIABILITY TRUSTEE:**~~
(clause 6)

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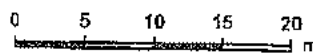
The map is approximate only and must not be used to determine the location or size of any plot or to establish boundaries. To the extent permitted by law, the Nelson City Council, its employees, agents and contractors will not be held liable for any costs, damages or losses suffered as a result of the data or plan and no warranty of any kind is given as to the accuracy or completeness of the information presented by this data. This publication is copyright reserved by Nelson City Council. Copyright infringement subject from the ERS. © 2012/13. COPYRIGHT RESERVED. DT Original reference A3 File Ref: 1274098

Nelson Underwater Club

LEASE PLAN



Nelson City Council
 Nelson, New Zealand



Scale 1:500

N



Legend



Nelson Underwater Club Lease Area approx 276 m²

April 2012

File Ref: 1274098

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17. **OUTGOINGS:**
(clause 4)

- (1) Rates or levies payable to any Authority.
- (2) Charges for water, gas, electricity, telecommunications and other utilities or services, including line charges.
- ~~(3) Rubbish collection and recycling charges.~~
- (4) New Zealand Fire Service charges and the maintenance charges in respect of all fire detection and fire fighting equipment.
- (5) Any insurance excess (but not exceeding \$2,000) in respect of a claim and insurance premiums and related valuation fees payable under the Headlease.
- ~~(6) Service contract charges for air conditioning, lifts, other building services and security services.~~
- ~~(7) Cleaning, maintenance and repair charges including charges for repainting, decorative repairs and the maintenance and repair of building services to the extent that such charges do not comprise part of the cost of a service maintenance contract, but excluding charges for structural repairs to the building (minor repairs to the roof of the building shall not be a structural repair), repairs due to defects in design or construction, inherent defects in the building and renewal or replacement of building services.~~
- ~~(8) The provisioning of toilets and other shared facilities.~~
- ~~(9) The cost of maintenance of lawns, gardens and planted areas including plant hire and replacement, and the cost of repair of fences.~~
- ~~(10) Yard and car parking area maintenance and repair charges but excluding charges for repaving or resealing.~~
- ~~(11) Body Corporate charges for any insurance premiums under any insurance policy effected by the Body Corporate and related valuation fees and reasonable management administration expenses.~~
- ~~(12) Management expenses.~~
- ~~(13) The costs incurred and payable by the Headlandlord or the Sublandlord in supplying to the territorial authority a building warrant of fitness and obtaining reports as required by sections 108 and 110 of the Building Act 2004 but excluding the costs of upgrading or other work to make the building comply with the Building Act 2004.~~

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SECOND SCHEDULE

RENT

- 1.1 **Payment:** The Subtenant shall pay the annual rent by equal monthly payments in advance (or as varied pursuant to any rent review) on the rent payment dates. The first monthly payment (together with rent calculated on a daily basis for any period from the commencement date of the term to the first rent payment date) shall be payable on the first rent payment date. All rent shall be paid without any deductions or set-off by direct payment to the Sublandlord or as the Sublandlord may direct.

RENT REVIEW

- 2.1 **Process:** The annual rent is subject to review on the rent review dates using the applicable process set out in the Headlease.

RIGHT OF RENEWAL

- 3.1 **Renewal:** If the Subtenant has given to the Sublandlord written notice to renew this sublease not less than four calendar months before the end of the current term of this sublease and is not at the date of the giving of such notice in breach of this sublease then the Sublandlord will at the Subtenant's cost:
- (1) **Exercise Renewal in Headlease:** exercise any right of renewal contained in the Headlease if required to permit the sublease to be renewed.
 - (2) **Renew Sublease:** grant a new sublease for a further term from the renewal date as follows:
 - (a) If a renewal date is a rent review date the annual rent shall be agreed upon or failing agreement shall be determined in accordance with subclause 2.1.
 - (b) Subject to subclause 3.1(2)(a), the new sublease shall be upon and subject to the covenants and agreements expressed and implied in this sublease except that the term of this sublease plus all further terms shall expire on or before the final expiry date.
 - (c) The annual rent shall be subject to review during the term of the new sublease on the rent review dates.
 - (d) The Sublandlord as a condition of granting a new sublease shall be entitled to have the new sublease guaranteed by any guarantor who has guaranteed this sublease on behalf of the Subtenant who has given notice.

UTILITIES AND OUTGOINGS

- 4.1 **Utility Charges:** The Subtenant must promptly pay to the relevant Authority or supplier all charges for Utilities which are separately metered or charged to the premises.
- 4.2 **Apportionment:** The Subtenant must pay to the Sublandlord on demand a fair and reasonable proportion of the charge for any Utility which is not separately metered or charged to the premises.
- 4.3 **Outgoings:** The Subtenant must pay the proportion of outgoings specified in the First Schedule of the outgoings payable in respect of the property.

INTEREST ON UNPAID MONEY

- 5.1 **Interest:** If the Subtenant defaults in payment of the rent or other moneys payable under this sublease for 10 working days then the Subtenant shall pay on demand interest at the default interest rate on the moneys unpaid from the due date for payment to the date of payment.
- 5.2 **Default Interest Rate:** Unless a contrary intention appears on the First Schedule or elsewhere in this sublease the default interest rate is equivalent to the interest rate charged by the Inland Revenue Department on unpaid tax under the Tax Administration Act 1994 during the period for which the default interest is payable, plus 5 per cent per annum.

LIMITATION OF LIABILITY

- 6.1 **Trustees:** If any person enters into this sublease as trustee of a trust, then:
- (1) **Warranties:** That person warrants that:
 - (a) that person has power to enter into this sublease under the terms of the trust; and
 - (b) that person has properly signed this sublease in accordance with the terms of the trust; and
 - (c) that person has the right to be indemnified from the assets of the trust and that right has not been lost or impaired by any action of that person including entry into this sublease; and
 - (d) all of the persons who are trustees of the trust have approved entry into this sublease.
 - (2) **Limitation:** If that person has no right to or interest in any assets of the trust except in that person's capacity as a trustee of the trust, that person's liability under this sublease will not be personal and unlimited but will be limited to the actual amount recoverable from the assets of the trust from time to time ("the limited amount"). If the right of that person to be indemnified from the trust assets has been lost or impaired as a result of fraud or gross negligence that person's liability will become personal but limited to the extent of that part of the limited amount which cannot be recovered from any other person.
- 6.2 **Limited Liability Trustee:** Notwithstanding subclause 6.1, where a party to this sublease is named in item 16 of the First Schedule as a limited liability trustee, that person's liability will not be personal and unlimited but limited in accordance with subclause 6.1(2).

Handwritten signatures and initials:
 [Signature]
 [Signature]
 [Signature]

SUBTENANT'S FURTHER COVENANTS

- 7.1 **Headlease:** The Subtenant must comply with all of the Sublandlord's obligations as tenant in the Headlease (other than the covenants for payment of rent and other money in the Headlease) as they relate to the premises which are able to be performed by the Subtenant as if all those obligations were set out in this sublease as obligations binding on the Subtenant.
- 7.2 **Indemnity:** The Subtenant shall indemnify the Sublandlord against all actions, proceedings, calls, liabilities, costs, expenses, claims, demands, damages or losses on account of breach of covenant or otherwise in the Headlease which result from the Subtenant's breach of any of the Subtenant's obligations expressed or implied in this sublease.
- 7.3 **Entry to Premises:** The Subtenant must permit the Sublandlord and the Headlandlord to enter the premises for any purpose that in the Sublandlord's reasonable opinion is necessary to enable the Sublandlord to comply with any of the Sublandlord's obligations expressed or implied in the Headlease, even if this sublease imposes that obligation on the Subtenant.
- 7.4 **Use of Premises:**
- (1) **Business Use:** The Subtenant shall not without the prior written consent of the Sublandlord use or permit the whole or any part of the premises to be used for any use other than the business use. The Sublandlord's consent shall not be unreasonably or arbitrarily withheld or delayed in respect of any proposed use which is:
- not in substantial competition with the business of any other occupant of the property which might be affected by the use; and
 - reasonably suitable for the premises; and
 - compliant with the requirements of the Resource Management Act 1991 or any other statutory provisions relating to resource management.
- If any change in use renders any increased or extra premium payable in respect of any policy or policies of insurance of the Headlandlord or Sublandlord on the premises the Sublandlord as a condition of granting consent may require the Subtenant to pay the increased or extra premium.
- (2) **Building Act:** If any change in use requires compliance with sections 114 and 115 of the Building Act 2004 the Sublandlord, as a condition of granting consent, may require the Subtenant to comply with sections 114 and 115 of the Act and to pay all compliance costs.
- (3) **Retail Shop:** If the premises are a retail shop the Subtenant shall keep the premises open for business during usual trading hours and fully stocked with appropriate merchandise for the efficient conduct of the Subtenant's business.
- 7.5 **Premises Condition Report:** The premises condition report (if completed in the Fifth Schedule) shall be evidence of the condition of the premises at the commencement date of this sublease.
- 7.6 **Notices:** If the Headlandlord leaves on the premises any notice relating to the Headlease, the Subtenant must immediately give a copy of that notice to the Sublandlord.

SUBLANDLORD'S COVENANTS

- 8.1 **Covenants:** Provided the Subtenant is not in breach of any of the Subtenant's material obligations in this sublease, the Sublandlord must:
- Pay Rent:** pay the rent and other money payable under the Headlease when due; and
 - Quiet Enjoyment:** permit the Subtenant to occupy and enjoy the premises during the term without any interruption or disturbance by the Sublandlord or any person claiming under the Sublandlord except as authorised under this sublease or the Headlease; and
 - Rights and Remedies:** use all reasonable endeavours (including exercising all rights and remedies which the Sublandlord may have under the Headlease) to require the Headlandlord to observe and perform the Headlandlord's covenants in the Headlease; and
 - Observe Covenants:** comply with all of the obligations in the Headlease which are binding on the Sublandlord as tenant except in so far as the obligations are to be performed by the Subtenant in subclause 7.1.
- 8.2 **Headlandlord Cancellation:** The Sublandlord must promptly advise the Subtenant if the Headlandlord takes any steps to cancel the Headlease.
- 8.3 **Notices:** If the Headlandlord gives to the Sublandlord or leaves on the premises any notice relating to the premises, the Sublandlord must immediately give a copy of that notice to the Subtenant.

HEADLEASE

- 9.1 **Application of Headlease Terms:** Unless inconsistent with the express terms of this sublease, all the terms of the Headlease apply with the necessary changes to this sublease as if:
- Terms Set Out:** the Headlease terms were set out in this sublease; and
 - Parties Same:** the Landlord and the Tenant under the Headlease were the Sublandlord and the Subtenant under this sublease.
- 9.2 **Sublandlord's Obligations:** If the Sublandlord cannot practically perform any obligation of the Headlandlord under the Headlease for the purposes of this sublease, then the Sublandlord's corresponding obligation under this sublease will be interpreted only as an obligation to take all reasonable steps to require the Headlandlord to carry out the Headlandlord's relevant obligation under the Headlease.
- 9.3 **Consent:** Where under this sublease the Sublandlord's consent is required for anything done or proposed to be done by the Subtenant, then the Headlandlord's prior consent will also be required if that is required under the Headlease.

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DEFINITIONS AND INTERPRETATION

10.1 Definitions: In this sublease unless the context requires a different interpretation:

"**Authority**" means and includes every governmental, local, territorial and statutory authority having jurisdiction or authority over the premises or their use.

"**GST**" means Goods and Services Tax arising pursuant to the Good and Services Tax Act 1985.

"**Headlease**" means the deed of lease attached to this sublease as the Sixth Schedule.

"**Headlandlord**" means the party stated as being the current Headlandlord in the First Schedule and where appropriate the executors, administrators, successors and permitted assigns of the Headlandlord.

"**premises**" includes all the Headlandlord's and Sublandlord's fixtures and fittings situated in the premises.

"**property**" and "**building**" mean the land, building(s) or improvements of the Headlandlord which contain the premises.

"**Utilities**" means all utility and other services connected or supplied to the premises, including water, sewage, drainage, electricity, gas, telecommunications and rubbish collection.

10.2 Parties: References to parties are references to parties to this sublease and include each party's executors, administrators, successors and permitted assignees.

10.3 Plural and Singular: Where the context requires or admits, words importing the singular shall import the plural and vice versa.

10.4 Statutes and Regulations: References to a statute include reference to regulations, order, rules or notices made under that statute and references to a statute or regulation include references to all amendments to that statute or regulation whether by subsequent statute or otherwise.

10.5 Schedule Terms: Whenever words appear in this sublease that also appear in the First Schedule then those words shall mean and include the details supplied after them in the First Schedule.

Note: This Deed of Sublease is intended to be used with the current ADLS Deed of Lease. If another edition of the ADLS Deed of Lease, a modified ADLS Deed of Lease or a non-ADLS Deed of Lease version is used then consequential changes may be required to the Deed of Sublease. Further consequential amendments may be required if the form of Deed of Sublease is used for a sublease of part of premises leased under the ADLS Deed of Lease.

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**THIRD SCHEDULE
FURTHER TERMS (if any)**

See attached

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FURTHER TERMS OF SALE- DEED OF SUBLEASE

11. Notwithstanding the provisions of Clause 7 of the Head Lease, the subtenant shall have the right to hire out the Premises or a portion thereof for casual functions such as seminars or luncheons at the subtenant's sole discretion provided that suitable insurance and supervision are in place.

12. The subtenant agrees that they will pay 70% of insurance and rates and 100% of all power used. They will also be responsible for 50% of any line rental charges.

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FOURTH SCHEDULE

GUARANTEE

IN CONSIDERATION of the Sublandlord entering into this sublease at the Guarantor's request the Guarantor:

- (a) Guarantees payment of the rent and the performance by the Subtenant of the covenants in the sublease.
- (b) Indemnifies the Sublandlord against any loss the Sublandlord might suffer should the sublease be lawfully disclaimed or abandoned by any liquidator, receiver or other person.

THE GUARANTOR covenants with the Sublandlord that:

- 1. No release delay or other indulgence given by the Sublandlord to the Subtenant or to the Subtenant's successors or assigns or any other thing by which the Guarantor would have been released had the Guarantor been merely a surety shall release prejudice or affect the liability of the Guarantor as a guarantor or as indemnifier.
- 2. As between the Guarantor and the Sublandlord the Guarantor may for all purposes be treated as the Subtenant and the Sublandlord shall be under no obligation to take proceedings against the Subtenant before taking proceedings against the Guarantor.
- 3. The guarantee and indemnity is for the benefit of and may be enforced by any person entitled for the time being to receive the rent.
- 4. An assignment of the sublease and any rent review in accordance with the sublease shall not release the Guarantor from liability.
- 5. Should there be more than one Guarantor their liability under this guarantee and indemnity shall be joint and several.
- ~~6. The guarantee and indemnity shall extend to any holding over by the Subtenant.~~

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FIFTH SCHEDULE
PREMISES CONDITION REPORT
(Subclause 7.5)

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SIXTH SCHEDULE

HEADLEASE

(Subclause 9)

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2016
2016

Deed of Lease

BETWEEN

NELSON CITY COUNCIL

(Lessor)

AND

**NELSON UNDERWATER CLUB
INCORPORATED**

(Lessee)

Deed made the

14 day of August

2018

Between

- (1) **NELSON CITY COUNCIL**, a local authority having its offices at 110 Trafalgar Street, Nelson (**Lessor**); and
- (2) **NELSON UNDERWATER CLUB INCORPORATED**, an incorporated society (225419) having its registered office at 5 Gracefield Street, Wakatu, Nelson (**Lessee**).

Whereas

- A** The Lessor is the owner of the land described in the First Schedule of this Lease as the Land.
- B** The Lessor leases to the Lessee and the Lessee takes on lease that part of the Land described in the First Schedule as the Property on the terms and conditions of this Lease.
- C** Leasing land or buildings held by the Lessor for community or recreational purposes is a privilege. The Lessor encourages the sharing of facilities by community groups wherever possible.

This deed witnesses

The Lessor and Lessee covenant as follows:

1. Interpretation

1.1 In this Lease the following terms will have the following meanings:

Commencement Date	means the date provided in the First Schedule as the Commencement Date;
Expiry Date	means the date provided in the First Schedule as the Expiry Date;
Goods and Services Tax	means all that tax from time to time payable under the Goods and Services Tax Act 1985;
Land	means the land described in the First Schedule as the Land;
Lease	means this deed of lease and includes any schedules annexed as part of this deed, and any variations and renewals of this Lease agreed by the parties, in writing;
Lessee	means Nelson Underwater Club Incorporated and includes its permitted assigns;



Lessee's Improvements	means the Lessee's improvements described in the First Schedule;
Lessor	means the Lessor and includes the Lessor's successors and assigns;
Permitted Use	means the permitted use described in the First Schedule;
Person	includes an individual, the Crown, a corporation sole, and any body of persons whether corporate or unincorporated;
Persons under the control of the Lessee	means all employees, contractors, agents, members and invitees of the Lessee;
Property	means the property described in the First Schedule; and
Working day	means any day of the week other than: <ul style="list-style-type: none"> (a) Saturday, Sunday, Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's Birthday, and Labour Day; and (b) If Waitangi Day or Anzac Day falls on a Saturday or a Sunday, the following Monday; and (c) A day in the period commencing with 24 December in any year and ending with 5 January in the following year; and (d) Nelson Anniversary Day.

1.2 In this Lease:

- (a) where words appear in this Lease and also in the First Schedule then the words shall mean and include the details provided after those words in the First Schedule;
- (b) words importing the singular shall include the plural and vice versa, and words importing the masculine, feminine or neuter shall include all three;
- (c) any schedules to this Lease shall have the same effect as if set out in the body of this Lease;
- (d) clause headings are inserted for reference only and shall not affect the interpretation of this Lease;
- (e) to **perform** a covenant includes to keep observe and fulfil that covenant;



- (f) words and expressions defined are indicated by capital letters for convenience. The absence of a capital letter shall not alone imply that the word or expression is used with a different meaning from that given by its definition;
- (g) references in this Lease to **month** or **monthly** shall mean calendar month and calendar monthly respectively;
- (h) references to statutes, regulations, rules, and bylaws of central or local government, or provisions thereof, includes that legislation as amended from time to time and legislation in substitution therefor

2. Lease of Property

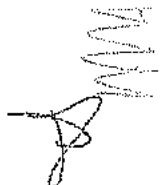
- 2.1 The Lessor leases to the Lessee and the Lessee takes on lease the Property upon the terms and conditions of this Lease.
- 2.2 The Lessor and the Lessee agree that the Lessee's Improvements are owned by the Lessee.

3. Term

- 3.1 The term of this Lease shall commence on the Commencement Date described in the First Schedule and, subject to earlier termination in accordance with this Lease, shall be for the term described in the First Schedule.
- 3.2 If the Lessee, with the written consent of the Lessor, continues to occupy the Property beyond the expiry of this Lease, the lease may be terminated by 20 Working days' notice in writing given at any time by either party to the other. Otherwise, the lease shall be on the same terms and conditions as this Lease.

4. Rent and Outgoings

- 4.1 The Lessee shall pay annual rental to the Lessor at the rate and in the manner provided in the First Schedule (or as varied as a result of a rent review).
- 4.2 The Lessee shall also pay the outgoings described in the First Schedule. If any such outgoings are not separately assessed or levied in respect of the Property then the Lessee shall pay such fair proportion thereof as shall be agreed upon or failing agreement, determined by arbitration.
- 4.3 The Lessee shall pay the Lessee's Outgoings direct to the service provider concerned where the contract for such services is between the Lessee and the service provider. Where the contract for services is between the Lessor and the service provider, the Lessee shall pay the relevant Lessee's Outgoings to the Lessor, as invoiced by the Lessor to the Lessee, by the 20th day of the month following the date of the invoice.
- 4.4 Rental and other monies payable by the Lessee under this Lease shall be paid without deduction or set off

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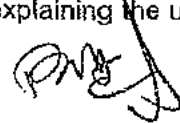
- 4.5 The Lessor may review the annual rent payable as from the Rental Review Dates described in the First Schedule.
- 4.6 Upon review, the rental payable by the Lessee under this Lease shall be calculated in accordance with the Lessor's policy, as at the date of review, on rental paid by sports clubs/ community groups who lease land from the Lessor PROVIDED THAT in no event shall the new annual rental ever be less than the annual rental payable for the immediately preceding rental period.
- 4.7 Any review of rental pursuant to this clause shall take effect from the relevant Rental Review Date whether the Lessor gave the Lessee notice of the new rental before or after the Rental Review Date.
- 4.8 The Lessee and the Lessor shall (if required by the Lessor) complete a deed at the expense of the Lessee recording the new rental.
- 4.9 If at any of the Rental Review Dates there is in force any statute restricting the Lessor's right to increase the rental the Lessor may, at any time after such restriction is removed, relaxed or modified, on giving not less than one months notice in writing to the Lessee, review the rental of the Property at the date of such removal, relaxation or modification. Subsequent reviews of rental shall occur on the dates provided in the First Schedule notwithstanding any review pursuant to this clause. The Lessor may recover any resulting increase in the rental with effect from such date of removal, relaxation or modification.

5. Goods and Services Tax

- 5.1 The Lessee shall pay to the Lessor, or as the Lessor shall direct, the Goods and Services Tax payable by the Lessor in respect of the rental and other payments payable by the Lessee under this Lease. The tax in respect of the rental shall be payable on each occasion when any rental payment falls due for payment and in respect of any other payment shall be payable upon demand.
- 5.2 If the Lessee shall default in payment of rental or other monies payable hereunder and the Lessor becomes liable to pay additional Goods and Services Tax, penalty, or other sum as a result of the default, then the Lessee shall on demand pay to the Lessor the additional amount.

6. Permitted Use

- 6.1 The Lessee shall use the Property solely for the purposes of the Permitted Use described in the First Schedule.
- 6.2 The Lessee shall not change the use of the Property from the Permitted Use.
- 6.3 The Lease of the Property includes the right for the Lessee and Persons under the control of the Lessee to pass over and across the Land on foot and in a vehicle for the purpose of accessing the Property.
- 6.4 If at any time the Lessor is of the opinion that the Property is not being used or is not being sufficiently used for the Permitted Use, the Lessor, after making such enquiries as the Lessor thinks fit and giving the Lessee an opportunity of explaining the usage


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of the Property, may terminate this Lease without prejudice to the other rights and remedies of the Lessor for any prior breach by the Lessee of the provisions of this Lease.

7. Assignment/Subletting

7.1 The Lessee shall not assign, sublet, mortgage, grant a licence to occupy, charge or part with possession of the Property or any part of the Property or this Lease or any estate or interest in this Lease to any Person without the prior written consent of the Lessor which shall not be unreasonably withheld to an assignment or sublease to a respectable, responsible, solvent and suitable assignee or sublessee ('the Transferee'). Before giving consent and as a condition precedent the Lessor may require performance and satisfaction of the following conditions:

- (a) The Lessee shall demonstrate to the satisfaction of the Lessor that the proposed Transferee is responsible and of sound financial standing and intends to use the Property for the Permitted Use;
- (b) All rental and other moneys payable by the Lessee under this Lease, up to the date of the proposed assignment or sublease, have been paid;
- (c) There is not any existing unremedied breach of any of the terms of this Lease;
- (d) In the case of an assignment, the execution by the Transferee of a covenant with the Lessor, in a form acceptable to the Lessor, that the Transferee will be bound by and perform the covenants in this Lease to be observed and performed by the Lessee but the execution of such covenant shall not release the Lessee from the Lessee's obligations under this Lease;
- (e) All costs incurred by the Lessor (whether or not the proposed assignment or sublease proceeds to completion) have been paid by the Lessee;
- (f) In the case of an assignment where the proposed Transferee is a company the Lessor may require the directors and the controlling shareholders of such company to enter into a deed guaranteeing the performance by that company of the terms of this Lease, such guarantee to be in a form acceptable to the Lessor and the costs incurred by the Lessor in the preparation, negotiation, execution and perusal of such guarantee shall be paid by the Lessee;
- (g) In the case of a sublease the Lessor may stipulate that the sublease contains a condition that it not be assigned or the area be further sublet without the prior written consent of the Lessor and the terms of this clause 7.1 shall apply to such consent.

7.2 For the purposes of clause 7.1, if the Lessee is a company, 'assign' includes any change in the legal or beneficial ownership of its shares or issue of new capital whereby in either case there is a change in the effective management or control of the Lessee.

7.3 For the purposes of clause 7.1, if the Lessee is an incorporated society, 'assign' includes any change of the membership of the society or of the rules of the society



having the effect of altering the effective management or control of the Lessee PROVIDED THAT nothing in this clause shall apply to a change of officers of the Lessee where such change is the result of an election held in accordance with the rules of the Lessee.

- 7.4 Any sublease shall not release the Lessee from its responsibilities, obligations and liability under this Lease and the Lessee shall be liable for any acts, omissions or delay of any sublessee, its agents, contractors and employees as fully as if they were an act omission or delay of the Lessee.

8. Lessee's Obligations

- 8.1 The Lessee shall at the Lessee's expense keep and maintain the Property in good order, repair and condition. For the avoidance of doubt, the Property includes the interior and exterior of all buildings and other structures on the Property, including the Lessee's Improvements. The Lessee is responsible for structural repairs to all buildings and other structures on the Property.

- 8.2 Without limiting clause 8.1, the Lessee shall punctually at the Lessee's expense:

- (a) Regularly clean and keep unobstructed the spouting, gutters and stormwater systems;
- (b) Clean and wash the buildings on the Property;
- (c) Ensure that all waste is placed daily in suitable receptacles and any rubbish is removed from the Property as required;
- (d) Make good any damage to any part of the Property (including buildings and other structures on the Property) caused by the Lessee or Persons under the control of the Lessee;
- (e) Replace all broken windows;
- (f) Take any steps necessary to control any pest infestation occurring in or emanating from within the Property;
- (g) Replace all damaged or non-operative light bulbs, tubes and fittings within the Property;
- (h) Repair, or where the Lessor considers it appropriate replace, all heating, lighting, electrical, or plumbing fixtures and fittings installed on, under or above the Property, that serve the Property;
- (i) Keep in good order, repair and condition all stormwater and sewer drains serving all buildings and other structures for the time being erected upon the Property and any connections from such drains to public drains;
- (j) If called upon by the Lessor, paint in a proper and workmanlike manner the whole or part of the interior and exterior of the buildings and other structures on the Property within a reasonable time of being asked to do so by the Lessor;



- (k) Comply with any notices or orders which may be given by any competent authority in respect of the Property and any buildings or other structures on the Property, or their use by the Lessee, and shall keep the Lessor indemnified in respect of all such matters;
- (l) Keep the Property tidy at the Lessee's expense;
- (m) Faithfully observe all fire restrictions imposed by competent authorities in the area surrounding the Property and will not burn on the Property without the Lessor's consent in writing being first obtained;
- (n) Keep any grass on the Property regularly mowed and the grounds in a tidy condition;
- (o) Prevent the growth or spread of gorse, broom, sweetbriar and other noxious weeds and plants upon the Property;
- (p) Keep the Property free from vermin;
- (q) Cut and trim all live fences and hedges upon the Property and keep open all creeks, drains, ditches, and watercourses upon the Property; and
- (r) Ensure that all landscape improvements made to the Property, whether of a hard or soft nature, are maintained in good order, repair and condition.

8.3 The Lessee shall not:

- (a) Plant any tree or shrub on the Property without the prior consent in writing of the Lessor;
- (b) Cut down, damage, remove or in any way interfere with any trees or shrubs on the Property, or in the vicinity of the Property, without the prior written consent of the Lessor; or
- (c) Bring upon, or permit to be brought upon, the Property any vehicle, plant, machinery or other equipment which is not reasonably necessary or proper for the Permitted Use.

8.4 The Lessee shall not erect or allow to be erected any building or other structure on the Property, or make or allow to be made any alterations or additions to any building or other structure on the Property (including the Lessee's Improvements) without the prior written consent of the Lessor (which consent shall not be unreasonably withheld) and the consent of any other person that the Lessor, at its discretion, considers is required by law.

8.5 In seeking approval under sub-clause 8.4 the Lessee shall submit plans and specifications of the proposed work. The Lessor may require as a condition of approval that:

- (a) The work be supervised by a person nominated by the Lessor;


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- (b) The work be carried out by contractors or tradesmen and constructed out of such materials as are approved in writing by the Lessor;
- (c) The Lessee pays all costs incurred by the Lessor in considering the proposed works and in their supervision including the fees of architects or other building consultants employed by the Lessor where, in the opinion of the Lessor, inadequate or sub-standard documentation has been provided by the Lessee;
- (d) The Lessee obtains all consents, approvals and permits necessary to enable the proposed work to be lawfully effected and on request produces to the Lessor copies of them; and
- (e) Upon completion of the work the Lessee produces to the Lessor any certificates of compliance issued by the relevant authorities.

8.6 Nothing in this Lease shall be deemed to amount to a consent, approval or permission by the Lessor in its capacity as a consent authority or other similar capacity under the Resource Management Act 1991, Building Act 2004, Sale and Supply of Alcohol Act 2012 or any other Act, regulation or bylaw which relates to the Property, or the use of the Property, or a representation or warranty that any consent, approval or permission shall issue. It is the sole responsibility of the Lessee to satisfy itself as to the requirements of the local authority's Resource Management Plan and to obtain all necessary consents, approvals, and permits in respect of the Lessee's use of the Property.

8.7 The Lessee shall not during the currency of this Lease call upon the Lessor to erect or repair, or contribute towards the cost of erection or repair of, any dividing fence or boundary wall between the Property and any adjoining land for the time being vested in the Lessor.

8.8 If the Lessor is required by law to pay for any improvement, alteration or addition to the Property the Lessor may charge in addition to the rental an annual sum equal to the Improvements Rental Percentage provided in the First Schedule of the amount paid by the Lessor. The said sum is payable whenever the rental is payable and shall commence from the next rental payment date after the date such expenditure or parts of such expenditure is made. If the Lessor is obliged to expend an amount which in the reasonable opinion of the Lessor is unreasonable the Lessor may, upon the giving of one months notice in writing to the Lessee, determine this Lease.

9. Insurance and indemnity

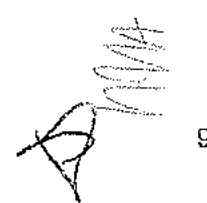
9.1 The Lessee shall insure and keep insured the Property against destruction or damage by fire, explosion, flood, lightning, volcanic activity, earthquake, storm, water damage and malicious damage, and such other risks as the Lessor may from time to time require, under a policy of full replacement and reinstatement (including loss damage or destruction of windows or other glass). The Lessee shall, if requested, provide evidence to the Lessor that premiums have been paid and that such insurance has been effected. For the avoidance of doubt the Property includes the Lessee's Improvements.

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- 9.2 The Lessee acknowledges that the Lessor has not insured the Property against damage or destruction by fire, flood, explosion, lightning, storm, earthquake or volcanic activity.
- 9.3 The Lessee shall not, and covenants that Persons under the control of the Lessee shall not, do anything upon the Property whereby any insurance effected by the Lessor may be rendered void or voidable or (except with the Lessor's prior written approval) whereby the premium payable in respect of insurance effected by the Lessor shall be liable to increase. The Lessee shall upon demand pay all extra premiums payable as a result of any breach of this clause.
- 9.4 The Lessee agrees to occupy and use the Property at the Lessee's risk and releases to the full extent permitted by law the Lessor, its employees, and agents from all claims and demands of any kind and from all liability which may arise in respect of any damage or injury occurring to any person or property at the Property.
- 9.5 To the extent permitted by law, the Lessee shall indemnify and keep the Lessor indemnified against all liability, claims, actions, losses, damages, fines, penalties, costs and expenses of any nature which the Lessor may suffer or incur or for which the Lessor may become liable directly or indirectly as a result of:
- (a) Any act or omission of the Lessee or Persons under the control of the Lessee;
 - (b) Damage to property or injury to any person at or in the vicinity of the Property wholly or partly caused by any act or omission by the Lessee or Persons under the control of the Lessee;
 - (c) Damage to property or injury to any person caused by the use of the Property by the Lessee or Persons under the control of the Lessee;
 - (d) Damage to property or injury to any person caused by the condition of the Property such as may be attributable to the Lessee; or
 - (e) Any injury to any person as a result of the failure by the Lessee to comply with its obligations under clause 19.1 of this Lease.
- 9.6 The Lessee at the Lessee's expense shall effect and keep current in respect of the Property and the Lessee's use of the Property a policy of public liability insurance for an amount not less than that provided in the First Schedule, or such other amount from time to time reasonably required by the Lessor, for any one event, or series of events, with a substantial reputable insurance office or company first approved in writing by the Lessor (such approval not to be unreasonably or arbitrarily withheld). The Lessee shall, if requested by the Lessor, provide evidence to the Lessor that premiums have been paid and that such insurance has been effected.

10. Use of Property


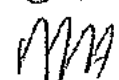
- 10.1 The Lessee shall not:

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- (a) Store or use any flammable, dangerous or hazardous substances upon the Property except such substances (if any) that are reasonably required to carry out the Permitted Use; or
- (b) Do or permit to be done on the Property anything which in the opinion of the Lessor may become a nuisance, disturbance or obstruction or cause damage, whether to the Lessor or to other tenants or users of the Property or the Land, or to neighbouring owners or occupiers, nor do or suffer, permit or allow to be done any act matter or thing which shall annoy or disturb or in any way interfere with the quiet enjoyment of the Lessor or the occupiers of any lands adjoining the Property; or
- (c) Place or permit to be placed any television or radio antenna, or dish aerial, on any part of the Property without the prior written consent of the Lessor; or
- (d) Carry on or permit or suffer or allow to be carried on in or upon the Property any noisy, noxious or offensive activity, trade or business; or
- (e) Affix, paint or exhibit or permit to be affixed, painted or exhibited any name, sign, name-plate, signboard or advertisement of any description on the Property except on the following conditions:
 - (i) That such signs be previously approved by writing by the Lessor;
 - (ii) That such signs be secured in a substantial and proper manner; and
 - (iii) That upon expiry or termination of this Lease, the Lessee will at the Lessee's expense remove all names, signs, name-plates, signboards and advertisements, and make good any damage caused by reason of the affixing, painting, exhibiting or removal thereof.

11. Entry by Lessor

- 11.1 The Lessor and its employees, contractors, agents and invitees may enter upon the Property with all necessary materials and equipment at all reasonable times and on reasonable notice (but at any time and without notice in the case of an emergency):
- (a) To view the state of the Property and the condition thereof;
 - (b) To carry out repairs or other works on the Property;
 - (c) For the purposes of complying with any laws; and
 - (d) To check the Lessee's compliance with the terms and conditions of this Lease.
- 11.2 The Lessor may elect at any time on reasonable notice to remedy any default by the Lessee under this Lease and whenever the Lessor so elects all costs and expenses incurred by the Lessor (including legal costs and expenses) in remedying such default shall be paid by the Lessee to the Lessor immediately on demand.


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12. Default by Lessee

12.1 If at any time:

- (a) The rental or any part of the rental payable by the Lessee pursuant to this Lease shall be in arrears and unpaid for the space of 10 Working days after any of the days appointed for payment of the rental and the breach has not been remedied within the period specified in a notice given by the Lessor in accordance with section 245 Property Law Act 2007; or
- (b) There is a breach of one or more of the covenants in this Lease and the breach has not been remedied within the period specified in a notice given by the Lessor in accordance with section 246 Property Law Act 2007; or
- (c) The Lessee (if an individual) shall be declared bankrupt or insolvent according to law; or
- (d) Any assignment shall be made of the Lessee's property for the benefit of the Lessee's creditors or if the Lessee shall compound with the Lessee's creditors; or
- (e) The interests of the Lessee in or under this Lease or in the Property shall be attached or taken in execution or under any legal process; or
- (f) The Lessee shall have a resolution passed or an order made by the Court for the liquidation of the Lessee (except for the purposes of a reconstruction of the Lessee approved by the Lessor), or if the Lessee is placed in receivership or under official or statutory management,

the Lessor may terminate this Lease. Upon such event this Lease shall cease and determine but without releasing the Lessee from liability in respect of any breach of any express or implied covenant.

12.2 Any breach of any of the following covenants or clauses by the Lessee shall be a breach of an essential term of this Lease:

- (a) The covenant to pay rental and other moneys due to the Lessor throughout the term;
- (b) Clauses 6.1 and 6.2;
- (c) Clauses 7.1 and 7.2;
- (d) Clauses 8.1 to 8.8;
- (e) Clause 10.1; and
- (f) Clauses 19.1 to 19.4.

12.3 The Lessee shall compensate the Lessor for any breach of an essential term of this Lease and the Lessor is entitled to recover damages from the Lessee in respect of such breaches. The Lessor's entitlement under this clause is in addition to any other

remedy or entitlement to which the Lessor is entitled (including the right to terminate this Lease).

- 12.4 In respect of the obligation referred to in clause 12.2 (a) acceptance by the Lessor of arrears or of any late payment of rental shall not be a waiver of the essentiality of the Lessee's obligation to pay rental in respect of those arrears or late payment, or the Lessee's continuing obligation to pay rental throughout the term of this Lease.
- 12.5 In the event the Lessee's conduct (whether acts or omissions) constitutes a repudiation of this Lease (or of the Lessee's obligations under this Lease), or constitutes a breach of this Lease, the Lessee shall compensate the Lessor for the loss or damage suffered by reason of the repudiation or breach.
- 12.6 The Lessor shall be entitled to recover damages against the Lessee in respect of repudiation or breach for the damage suffered by the Lessor during the term of this Lease.
- 12.7 The Lessor's entitlement to recover damages shall not be affected or limited by any of the following:
- (a) The Lessee abandons or vacates the Property;
 - (b) The Lessor elects to re-enter or to terminate the Lease;
 - (c) The Lessor accepts the Lessee's repudiation;
 - (d) The parties' conduct constitutes a surrender by operation of law.
- 12.8 The Lessor shall be entitled to recover damages against the Lessee in respect of the entire term including the periods before and after the Lessee has vacated the Property.
- 12.9 **Default Interest:** Upon default by the Lessee in payment of rent, or other monies payable hereunder, the Lessor may charge default interest, as described in the First Schedule, on such money due and owing from the due date for payment to the date of full repayment.
- 12.10 Upon the expiration or earlier determination of this Lease, the Lessor may remove from the Property any chattels in the possession of the Lessee or any Person under the control of the Lessee and place them outside the Property without being responsible or liable for any resultant loss or damage.
13. **Quiet Enjoyment**
- 13.1 The Lessee paying the Annual Rent hereby reserved and observing and performing the Lessee's obligations under this Lease shall peaceably possess and enjoy the Property without any undue interruption or disturbance from the Lessor.
14. **Lessee to pay Lessor's Costs**
- 14.1 In addition to the rental and other monies reserved by this Lease the Lessee shall pay

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- (a) An administration fee of \$300.00 plus GST to the Lessor on the signing of this Deed;
- (b) The Lessor's legal costs in connection with the preparation, negotiation, execution and stamping of this Lease in excess of \$500.00 plus GST (the Lessor paying the first \$500.00 plus GST);
- (c) The Lessor's legal and administration costs in connection with any variation and renewal of this Lease (including any stamp duty), and the Lessor considering any request by the Lessee for the consent of the Lessor under this Lease;
- (d) The Lessor's costs in obtaining any consents or approvals associated with this Lease; and
- (e) All costs, charges and expenses for which the Lessor shall become liable in consequence of or in connection with any breach or default by the Lessee of this Lease.

15. Notices

- 15.1 Any notice or other document required to be given or served under this Lease may (in addition to any other method permitted by law):
 - (a) In the case of the Lessee be given or served by registered post or by delivery to the Lessee at the address of the Lessee stated in the First Schedule; and
 - (b) In the case of the Lessor be given or served by registered post or by delivery to the Lessor's principal place of business at 110 Trafalgar Street, Nelson or such address as may be notified in writing to the Lessee from time to time.
- 15.2 Any notice or other document shall be deemed to have been served on the other party two Working days after the date of posting.
- 15.3 In the case of any notice or document required to be served or given by the Lessor the same may be signed on behalf of the Lessor by the Chief Executive of the Lessor, any authorised officer of the Lessor, or by the Lessor's solicitors.

16. No warranty

- 16.1 No representation or warranty express or implied has been given by the Lessor that the Property is or will remain suitable or adequate for any of the purposes of the Lessee. To the extent permitted by law all implied warranties as to suitability are expressly excluded.

17. Arbitration

- 17.1 If any dispute or difference shall arise between the parties as to:
 - (a) The meaning or application of any part of this Lease; or

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- (b) The performance or exercise by either party of any obligations or rights under this Lease;

and the dispute or difference (Issue) is not resolved by the parties within ten (10) Working days from the date one party receives notice from the other party giving details of the Issue and requesting negotiation then the Issue shall be determined at the request of either party by a single arbitrator to be agreed upon between the Lessor and the Lessee.

- 17.2 The party wishing to have an issue arbitrated (**Notifying Party**) shall notify the other party (**Receiving Party**) of the name of the arbitrator nominated by the Notifying Party. If the Receiving Party fails to nominate its arbitrator within 21 days of receiving notice from the Notifying Party then the Notifying Party may by notice in writing to the Receiving Party have the Issue determined solely by the Notifying Party's arbitrator.
- 17.3 Subject to clause 17.2, if the parties are unable to agree on the arbitrator then the arbitrator shall be appointed, at the request of any one party by the President for the time being of the Nelson branch of the New Zealand Law Society.
- 17.4 If any arbitrator appointed pursuant to clauses 17.1, 17.2 or 17.3 refuses or fails to act in pursuance of the arbitration within a reasonable time of their appointment then either the Lessor or the Lessee may (provided the defaulting arbitrator has first been given in writing a reasonable time in which to act) request the President of the Nelson branch of the New Zealand Law Society to appoint a replacement arbitrator.
- 17.5 Time shall be of the essence under this section 17.
- 17.6 Either party may appeal to the High Court on any question of law arising out of the award.
- 17.7 This section 17 shall survive the expiration or earlier determination of this Lease.
- 17.8 Any referral to arbitration under this section 17 shall be a submission to arbitration in New Zealand under the Arbitration Act 1996 which Act shall, to the extent not inconsistent with anything in this section, apply to any such submission.

18. No Compensation

- 18.1 If the Lessor has requested during the term of this Lease that the Lessee surrender this Lease and the Lessee agrees to a surrender, or, if upon the expiry of this lease by effluxion of time, the Lessor does not offer the Lessee a further lease of the Property on similar terms and conditions as are contained in this lease, then the Lessor will pay to the Lessee the value of the Lessee's building, the value to be determined by agreement between the parties or, if no agreements can be reached within 10 working days of the expiry or surrender, determined by arbitration under clause 17.1

19. Lessee's Improvements

- 19.1 At the expiry or earlier termination of this Lease the Lessee may remove from the Property the Lessee's Improvements described in the First Schedule to this Lease



and shall, at the Lessee's cost, make good any resulting damage to the Property including restoring the Property to a neat, tidy and safe condition. If the Lessee's Improvements are not removed from the Property within 1 month of the expiry or termination of this Lease, then ownership of the Lessee's Improvements shall pass to the Lessor at the expiration of the said 1 month period without compensation payable to the Lessee.

19.2 If ownership of the Lessee's Improvements passes to the Lessor under clause 18.1 the Lessor may, within 6 months of the date ownership passes, demolish the Lessee's Improvements or remove the Lessee's Improvements from the Property. The Lessee shall pay the Lessor the costs incurred by the Lessor in demolishing or removing the Lessee's Improvements by the 20th day of the month following the receipt of an invoice from the Lessor.

19.3 Clauses 18.1 and 18.2 shall survive the expiry or termination of this Lease.

20. Compliance with Laws

20.1 The Lessee shall comply with all statutes, ordinances, regulations, rules, codes of practice, by-laws, and the provisions thereof (as amended, substituted or re-enacted), requisitions and notices affecting or relating to the Property or to the use thereof, and with all requirements or notices or orders which may be given by any competent authority in respect of the Property or to the use thereof, and to the extent permitted by law the Lessee shall indemnify and keep indemnified the Lessor from and against all liability, actions, suits, claims, demands, fines, penalties and payments suffered or incurred by the Lessor arising directly or indirectly out of or relating to non-compliance by the Lessee or Persons under the control of the Lessee. For the avoidance of doubt, in this clause "Property" shall include the Lessee's Improvements.

20.2 The Lessee shall at all times during the term of this Lease comply with its duties and obligations under:

- (a) The Health and Safety at Work Act 2015, any amendments thereof, and any Act in substitution therefor (**the Act**); and
- (b) All regulations, rules, guidelines and codes of practice made under the Act from time to time and any amendments thereof.

20.3 Without limiting anything in clause 19.2, the Lessee shall:

- (a) Provide and maintain a work environment at the Property that is without risks to health and safety;
- (b) Ensure that persons on the Property, and on land in the vicinity of the Property, are not exposed to risks to their health and safety that are under the control of the Lessee;
- (c) Develop procedures for dealing with emergencies that may arise on the Property, and ensure that Persons under the control of the Lessee, and employees of such persons, understand and comply with those procedures;

- (d) Ensure that there are in place effective methods for regularly identifying existing and new risks to the health and safety of persons at and in the vicinity of the Property, and inform the Lessor in writing of all such risks identified by the Lessee;
- (e) Co-operate with and assist the Lessor to comply with the Lessor's duties and obligations in relation to the Land and the Property (if any) under the Act and all regulations, rules, guidelines and codes of practice made thereunder, any amendments thereof, and anything in substitution therefor;
- (f) Provide training, information, instruction and supervision necessary to protect Persons under the control of the Lessee, and employees of such persons, from risks to their health and safety arising from activities carried out at the Property;
- (g) Acquire, and keep up to date, knowledge of work health and safety matters;
- (h) Ensure that it has appropriate processes for receiving and considering information regarding incidents, hazards, and risks, and for responding in a timely way to that information.

20.4 In clause 19.3 'health' shall have the meaning given to that word by the Act.

20.5 The Lessee shall immediately give notice to the Lessor of:

- (a) Any damage to property as a result of the Lessee's activities on the Property;
- (b) Any circumstances occurring within the Property likely to cause damage to property;
- (c) Any accident that harms any person at the Property; and
- (d) Any notifiable event (as defined in the Act) occurring at the Property.

20.6 If the Lessee shall default in carrying out any of its obligations under clauses 19.1 to 19.5 and if the Lessor shall choose to carry out any necessary work to remedy the default then the Lessee shall forthwith upon demand reimburse to the Lessor all money so expended or incurred by the Lessor, without prejudice to any other rights and remedies of the Lessor

21. No Caveat

21.1 The Lessee shall not register a caveat against the Land.

21.2 The Lessor shall not be required to register this Lease under the Land Transfer Act 1952.

21.3 The Lessee shall have no right of acquiring the fee simple of the Property or the Land.

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22. Building Safety

22.1 Without limiting anything in clause 19.1 the Lessee and its contractors shall at all times during the term of this Lease, at the Lessee's own cost, comply with the Building Act 2004, the Fire Service Act 1975, and any regulations made thereunder including, but not by way of limitation, the Fire Safety and Evacuation of Buildings Regulations 2006.

23. No Mortgage or Charge

23.1 The Lessee shall not mortgage, charge, create a lien over, or otherwise grant as security, any of the fixtures, fittings and chattels situated on the Property or the Land without the prior written approval of the Lessor.

24. Entire Understanding

24.1 This Lease embodies the entire understanding and agreement between the parties hereto and any previous representations and arrangements whether express or implied in respect of the subject matter of this Lease are merged herein.

24.2 The Lessor and the Lessee shall not be bound by this Lease until this Lease has been signed by the Lessor and the Lessee.

25. Damage or Destruction

25.1 If the Property (which includes the Lessee's Improvements) is damaged or destroyed by fire, flood, explosion, lightning, storm, earthquake or volcanic activity or any risk for which the Lessee is insured, and:

(a) The Lessee's policy or policies of insurance are not invalidated or payment of the policy monies refused in consequence of some act or default of the Lessor; and

(b) The insurance monies actually received by the Lessee are adequate to repair the said damage; and

(c) All of the necessary permits and consents to repair the damage are obtainable by the Lessee;

then the Lessee shall with all reasonable speed make good the damage, or reinstate the Property, at the Lessee's cost.

25.2 If the Property (which includes the Lessee's Improvements) is damaged or destroyed and the Lessee is not required to make good the damage or reinstate the Property pursuant to clause 24.1 then either party may terminate this Lease by one month's notice in writing to the other without prejudice to the rights and remedies of either party against the other for any prior breach of this Lease.

25.3 If there is an emergency and the Lessee is unable to gain access to the Property to carry on the Permitted Use from the Property because of a prohibited or restricted access cordon applying to the Property, or a prohibition or restriction on using the Property imposed by any competent authority, then a fair proportion of rent and

outgoings shall cease to be payable commencing on the date the Lessee becomes unable to access the Property to carry on the Permitted Use until the date the Lessee is able to access the Property to carry on the Permitted Use. If this clause 24.3 applies and the Lessee is unable to gain access to the Property to carry on the Permitted Use for a period of 9 months then either party may terminate this Lease by notice in writing to the other without prejudice to the rights and remedies of either party against the other for any prior breach of this Lease.

26. Alcohol

26.1 The Lessee shall not supply, manufacture or sell, or permit to be supplied, manufactured or sold, alcohol on the Property. In this clause the word 'alcohol' has the meaning given to that word by the Sale and Supply of Alcohol Act 2012.

27. Renewal

27.1 If the Lessee has not been in breach of this Lease, and has given to the Lessor written notice to renew the lease 3 calendar months before the end of the term, then the Lessor will, at the cost of the Lessee, grant to the Lessee a renewal of this Lease for the further term commencing on the relevant renewal date.

27.2 A renewed Lease granted pursuant to clause 26.1 shall otherwise be on the same terms and conditions as are herein expressed or implied except that the term of the Lease plus the further term shall expire on or before the Final Expiry Date.

28. Objects

28.1 The Lessee shall not alter the purposes or objects of the Lessee described in the Lessee's rules or trust deed without the prior written approval of the Lessor.

This Deed was signed on the

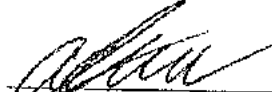
8 day of July 2018

Signed by NELSON CITY COUNCIL as Lessor

by Council
14 Aug
Group Manager Corporate Services
Team Leader Property

[Handwritten signature]

The Common Seal of the
NELSON UNDERWATER CLUB INCORPORATED
as Lessee was hereto affixed
in the presence of:



Witness Signature

Anne Simmons
Witness Name

Production Manager
Witness Occupation

& 3 Ward St, Motueka.
Witness Address

FIRST SCHEDULE

Name and Address of Lessor: Nelson City Council
110 Trafalgar Street
Nelson 7010;
PO Box 645
Nelson 7040

Name and Address of Lessee: Nelson Underwater Club Incorporated
5 Gracefield Street
Wakatu, Nelson 7011;
PO Box 3743
Richmond, Nelson 7050

Commencement Date: 1 April 2017

Term of Lease: Five (5) years

Right of Renewal: Two (2) rights of Five (5) years

Renewal Dates: 1 April 2022 and 1 April 2027

Final Expiry Date: 31 March 2032

Property: Approximately 275m² being that part of the Land outlined in red on the plan attached to this Lease.

The Lessee shall also have the right to use the common area of the land described on the plan attached, being that part of the Land which is necessary for the enjoyment of the Property and which is shared with other tenants and occupiers of the Land.

Land Lot 12 DP 108, being the land comprised and described in CFR Identifier NL23/93, situated at Pioneers Park.

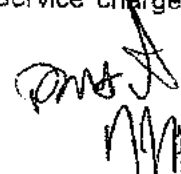

Annual Rent (subject to review): \$563.00 plus GST per annum.

Frequency of Rental Payment: Annually in advance by direct debit with the first payment on 1 April 2017 and on the 1st day of April yearly thereafter.

Rental Review Dates: 1 April 2022 and 1 April 2027

Outgoings:

- (a) All land tax and other taxes levied or incurred in respect of the Property and any improvements thereon; and
- (b) All power, telephone, sewerage, water, stormwater, refuse disposal and collection charges and all other utility and service charges levied or incurred in respect of the Property from time to time;
- (c) New Zealand Fire Service charges and

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maintenance charges in respect of all fire detection and fire fighting equipment;

- (d) All costs associated with complying with all statutory, regulatory, code or by-law requirement concerning the use and occupation of the Site and/or Lessee's Improvements, including compliance with the Building Act 2004; and
- (e) All costs associated with testing of electrical equipment as required by AS/NZ3760:2010 In-service safety inspection and testing of electrical equipment.

Permitted Use:

Club rooms for the Lessee

Lessee's Improvements:

The building outlined in red on the plan attached to this Lease.

Improvements Rental Percentage:

12%

Public Liability Insurance Amount:

\$2,000,000.00.

Default Interest Rate:

A rate per annum equal to 5% per annum above the 90 day bank bill rate published by the Reserve Bank of New Zealand fixed on a monthly basis on the first day of each month and where such rate is not published, on the next day when such rate is published, or an equivalent rate should the 90 day bank bill rate not exist.


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HEADLANDLORD'S CONSENT

The Headlandlord consents to the attached Deed of Sublease, but without prejudice to the Headlandlord's rights, powers and remedies under the Headlease.

DATE:

SIGNED by the Headlandlord

in the presence of:

Signature of Headlandlord

Print Full Name
Director / Trustee / Authorised Signatory / Attorney*
Delete the options that do not apply
If no option is deleted, the signatory is signing in their personal capacity

Witness Signature

Witness Name

Witness Occupation

Signature of Headlandlord

Print Full Name
Director / Trustee / Authorised Signatory / Attorney*
Delete the options that do not apply
If no option is delete, the signatory is signing in their personal capacity

Witness Address

* If this agreement is signed under:

- (i) a Power of Attorney – please attach a **Certificate of non-revocation** (ADLS form code: 4098WFP); or
- (ii) an Enduring Power of Attorney – please attach a **Certificate of non-revocation and non-suspension of the enduring power of attorney** (ADLS form code: 4997WFP).

Also insert the following wording for the Attorney's Signature above:

Signed by [full name of the donor] by his or her Attorney [attorney's signature].

Note: Signing by a company – please refer to the note on page 2

Date _____

Between
Nelson Underwater Club Incorporated

Sublandlord

and
Senior Net Nelson Incorporated

Subtenant

and _____

_____ **Guarantor**

DEED OF SUBLEASE

General address of the premises:
Pioneer Park, 11 Hastings Street, Washington
Valley, Nelson

Sublandlord's Lawyer:
Solicitor acting: Jacintha Atkinson

Richmond Law
PO Box 3061
Richmond
(03) 545 949
Jacintha@richmondlaw.co.nz

Subtenant's Lawyer:

