

26 September 2022

George Kontoleon and Paula Noble
Clayton Utz

By email

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Dear George

Logan City Council lease to Australian Golf Management Corporation Pty Limited Meadowbrook Gold Course - Consents

We refer to your email dated 8 September 2022 and your letter dated 2 September 2022.

Our apologies for the short delay in coming back to you, as you are aware Annabelle Efstathis of our office who has carriage of this matter has been away on annual leave and has only recently returned.

Letter dated 2 September 2022

Our client respectfully notes the matters raised in your letter primarily relate to the Meadowbrook Golf Club, rather than Australian Golf Management Corporation Pty Limited.

Despite this, our client understands that Meadowbrook Golf Club will maintain the crowd funding until such time as your office confirms that the Deed of Consent is agreed, and the parties have attended to execution such that the Deed such that it is binding on all parties.

Until the Council's consent to the Sublease is documented and the Deed is executed, the Club continues to incur legal and other costs as a result of the delay in the consent being formalised.

If and when the Deed of Consent is agreed and signed by all parties, then our client has confirmed that it will request that the members of the Meadowbrook Golf Club remove the crowd funding page on the Meadowbrook Golf Club website.

Deed of Consent

Please find **attached** revised Deed of Consent.

Amendment to Headlease

It was our client's understanding that the Sublease was approved by Council on 20 July 2022 without conditions. It is now surprised that the Council is trying to impose a material change to the Head Lease which, by virtue of its inclusion in the Deed of Consent, our client considers is clearly a condition of your client providing its consent. In this regard, we note that you have confirmed that *"the deed will not bind [your] client unless and until it has been signed by all parties"*.

Our client considers that the purported amendment to the Head Lease is unreasonable and not permitted by the terms of the Head Lease. Clause 12.4 provides that the Deed of Covenant to be provided as a condition of the Landlord's consent shall only confirm that "the assignee will observe the Lessee's Covenants" and separately that it will deliver a power of attorney under Part M of the Head Lease. The Deed as proposed by your office, extends beyond this.

We also note that this is not a standard request. Our client instructs that Council has never sought clarification or amendment to the Head Lease despite having granted some five subleases to our client since 1993.

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We note your comment that you do not consider that clause 4 introduces new terms or varies the terms of the existing Head Lease and merely affirms the current position in clause 2.2 of the Head Lease. If this is the case, then the Head Lease should not have to be amended or clarified as considered.

Please confirm that your client will execute the **attached** Deed of Consent without the inclusion of clause 4 and the Head Lease is not required to be amended or clarified.

Costs

We await your advice on the estimate of the Landlord's expenses at clause 10.1 however, our client notes that your client has not in the past requested payment of its costs in respect of the grant of a sublease for this site. It also notes that unlike the numerous other consents our client has received from Council in the past, in this instance Council has engaged third-party legal counsel and the approval process has been protracted. Our client expects this has attracted unnecessary further costs, which is why our client has instructed to request confirmation as to your estimate of the Landlord's expenses at clause 10.1.

On our review of the Lease, we note that it is not a condition of the Lease that our client pays your client's costs and we reserve our client's right in this regard.

We look forward to hearing from you in respect of the Deed of Consent at your earliest convenience.

Yours faithfully



Curt Schatz
Managing Partner