**Agreement Synopsis, Context and Review**

**Sector:** Water

**Name of Agreement:** Surge Vessel Land Lease

**Type of Agreement:** Lease

**Year of Agreement/Draft:** N/A (unsigned)

**Principal Author(s) Reviewed by:** Law firm of Corrs Chambers Westgarth, Victoria Rigby Delmon, LEGPS, World Bank; Luiz Alcoforado, LEGPS, World Bank

**Purpose and Context:** This Surge Vessel Land Lease was developed to allow the lease of the land where the Project Co. constructed a Surge Vessel and ancillary infrastructure in connection with a transfer pipeline that is to deliver desalinated water. The lease is being made from the Secretary to the Department of Sustainability and Environment or Melbourne Water (depending on who possesses the land at the time of the execution of the Lease) (the Lessor) to the Project Co. (the Lessee).

**Drafted for common law/ civil law jurisdiction:** Common Law

**Main Features:**

- Lessor leases to Lessee the land for the term (27 years and 3 months unless sooner terminated) and rental ($1.00) specified subject to the encumbrances affecting the land including any created by dealings lodged for registration before the lodging of this lease and subject to the covenants and conditions contained in this lease, of which the main ones are the following:
  - No voluntary termination by either party (clause 4.1)
  - Automatic termination if the Project Deed is terminated, without requirement for any notice under this lease (clause 4.2)
  - Lessor not liable for any compensation to Project Co. in connection with termination of lease; termination does not affect any rights of any party which have accrued before termination (clause 4.3)
  - Project Co. must pay Rent to the Lessor on Commencement; and must pay each provider of utility services (clause 5)
  - Project Co. leases the premises in its condition and state of repair “from time to time”; subject to all defects and to the reservations set out in the lease (clause 6.1)
  - Project Co. has same responsibilities as it would have if it were the freehold owner of the premises (clause 6.2)
  - Improvements vest in the Lessor (clause 6.3)
Project Co. must grant license to the Electricity Operator provided that the license meets certain requirements set out in this clause (clause 7.1)

Project Co. may mortgage or charge its interest under this lease under the State Security Deed and in accordance with its obligations under the Financing Documents with its Financiers providing finance for the Project (clause 7.3)

Project Co. may not assign its rights, grant any subleases or licenses or grant any security interests with respect to the premises without Lessor’s prior consent (clause 7.4)

Project Co. may occupy and use the premises without any interruption by Lessor (clause 8)

Lessor may enter and inspect premises at all reasonable times by agreement, on 3 business day’s notice, or at any time in case of emergency (clause 9.1)

The following reservations apply to the Lease: (clause 9.2)

- The reservation to Her Majesty of all gold and minerals and petroleum (“reserved minerals”);
- The reservation to Her Majesty of the rights of access for the purpose of searching for and obtaining the reserved minerals in any part of the Leased Areas;
- The reservation to Her Majesty of the rights of access for any pipeline works and other purposes necessary for obtaining and conveying on and from the Leased Area any of the reserved minerals obtained in any part of the Leased Area;
- The right of the State to resume the Premises for mining purposes;
- The right of the State to resume the Premises temporarily pursuant to its rights under clause 68 (Step-In) of the Project Deed;
- All easements and rights of way in favor of any Government Agency or Utility existing as at the Commencement Date; and
- The rights of the Crown or aboriginal parties in any Artefacts found in the course of Project Co’s activities at the Premises

Project Co. must only use the premises for the Permitted Use and must now allow it to be used for any other purpose without the Lessor’s consent (clause 10)

All prices or other sums payable or consideration to be provided under this lease are exclusive of Goods and Services Tax (clause 11)

Possible additional provisions that it might be appropriate to include: N/A

Experience Since Coming Into Force (including any amendments)/ if draft form, whether it has been applied: N/A

Tracking Number: Ref #: Surge Vessel Land Lease (date unknown)