

COMMERCIAL LEASE AGREEMENT

THIS LEASE (this "Lease") dated this 15th day of December, 2020

BETWEEN:

**S & K Burmester SF Pty Ltd ATF S & K Burmester Family Super Fund of 4 Polwarth Drive
Coffs Harbour NSW 2450**

Telephone: (61) 3991 4256 Fax: _____

(the "Landlord")

OF THE FIRST PART

- AND -

Burmester Refrigeration & Air Conditioning Pty Ltd of 4 Polwarth Drive 4 Polwarth Drive

Telephone: (04) 3991 4256

(the "Tenant")

OF THE SECOND PART

IN CONSIDERATION OF the Landlord leasing certain premises to the Tenant, the Tenant leasing those premises from the Landlord and the mutual benefits and obligations set forth in this Lease, the receipt and sufficiency of which consideration is hereby acknowledged, the parties to this Lease (the "Parties") agree as follows:

Definitions

1. When used in this Lease, the following expressions will have the meanings indicated:
 - a. "Additional Rent" means all amounts payable by the Tenant under this Lease except Base Rent, whether or not specifically designated as Additional Rent elsewhere in this Lease;
 - b. "Building" means all buildings, improvements, equipment, fixtures, property and facilities from time to time located at 6/26 Industrial Drive Coffs Harbour NSW 2450, as from time to time altered, expanded or reduced by the Landlord in its sole discretion;
 - c. "Common Areas and Facilities" mean:
 - i. those portions of the Building areas, buildings, improvements, facilities,

- utilities, equipment and installations in or forming part of the Building which from time to time are not *designated or intended by the Landlord* to be let to tenants of the Building including, without limitation, exterior weather walls, roofs, entrances and exits, carpark areas, driveways, loading docks and area, storage, mechanical and electrical rooms, areas above and below leasable premises and not included within leasable premises, security and alarm equipment, grassed and landscaped areas, retaining walls and maintenance, cleaning and operating equipment serving the Building; and
- ii. those lands, areas, buildings, improvements, facilities, utilities, equipment and installations which serve or are for the useful benefit of the Building, the tenants of the Building or the Landlord and those having business with them, whether or not located within, adjacent to or near the Building and which are designated from time to time by the Landlord as part of the Common Areas and Facilities;
- d. "Leasable Area" means with respect to any rentable premises, the area expressed in square metres of all floor space including floor space of mezzanines, if any, determined, calculated and certified by the Landlord and measured from the exterior face of all exterior walls, doors and windows, including walls, doors and windows separating the rentable premises from enclosed Common Areas and Facilities, if any, and from the centre line of all interior walls separating the rentable premises from adjoining rentable premises. There will be no deduction or exclusion for any space occupied by or used for columns, ducts or other structural elements;
- e. "Premises" means the industrial premises at 6/26 Industrial Drive Coffs Harbour NSW 2450.
- f. "Proportionate Share" means a fraction, the numerator of which is the Leasable Area of the Premises and the denominator of which is the aggregate of the Leasable Area of all rentable premises in the Building.
- g. "Rent" means the total of Base Rent and Additional Rent.

Leased Premises

2. The Landlord agrees to rent to the Tenant the industrial premises described as 6/26 Industrial Drive Coffs Harbour NSW 2450, (the "Premises").

3. The Premises will be used for only the following permitted use (the "Permitted Use"): Refrigeration, Air Conditioning, Metal Work, Engraving, Storage, Office, Neither the Premises nor any part of the Premises will be used at any time during the Term by Tenant for any purpose other than the Permitted Use.
4. No pets or animals are allowed to be kept in or about the Premises or in any common areas in the building containing the Premises. Upon 30 days' notice, the Landlord may revoke any consent previously given under this clause.
5. Subject to the provisions of this Lease, the Tenant is entitled to the exclusive use of the following 3 parking spaces on or about the Premises: 3 Bays opposite Commercial Shed (the "Parking"). Only properly insured motor vehicles may be parked in the Tenant's space.
6. The Landlord reserves the right in its reasonable discretion to alter, reconstruct, expand, withdraw from or add to the Building from time to time. In the exercise of those rights, the Landlord undertakes to use reasonable efforts to minimise any interference with the visibility of the Premises and to use reasonable efforts to ensure that direct entrance to and exit from the Premises is maintained.
7. The Tenant acknowledges that the Landlord or its agent will have the right to enter the Premises at all reasonable times to show them to prospective purchasers, encumbrancers, lessees or assignees, and may also during the ninety days preceding the termination of the terms of this Lease, place upon the Premises the usual type of notice to the effect that the Premises are for rent, which notice the Tenant will permit to remain on them.

Term

8. The term of the Lease commences at 12:00 noon on 15 December 2020 and ends at 12:00 noon on 15 December 2021 (the "Term").
9. Upon 30 days' notice, the Landlord may terminate the tenancy under this Lease if the Tenant has defaulted in the payment of any portion of the Rent when due.
10. Upon 30 days' notice, the Landlord may terminate the tenancy under this Lease if the Tenant fails to observe, perform and keep each and every of the covenants, agreements, stipulations, obligations, conditions and other provisions of this Lease to be observed, performed and kept by the Tenant and the Tenant persists in such default beyond the said 30 days' notice.

11. Should the Tenant remain in possession of the Premises with the consent of the Landlord after the natural expiration of this Lease, a new tenancy from month to month will be created between the Landlord and the Tenant which will be subject to all the terms and conditions of this Lease but will be terminable upon either party giving one (1) month's notice to the other party.

Rent

12. Subject to the provisions of this Lease, the Tenant will pay a base rent, without setoff, abatement or deduction, of \$300.00, payable every Weekly, for the Premises (the "Base Rent").
13. For the first 12 period(s) of the term (the "Abatement Period"), the Tenant will not be obligated to pay the periodic instalment of Base Rent due but will be liable to pay all other amounts payable under this Lease. The entire Base Rent otherwise due and payable for the Abatement Period will become immediately due and payable upon the occurrence of an event of default under this Lease.
14. The Tenant will pay the Base Rent on or before the Tuesday of each and every period of the Term to the Landlord.

Outgoings

15. In addition to the Base Rent, the Tenant is responsible for directly paying to the appropriate suppliers the following recoverable outgoings:
 - a. cleaning and janitorial services; and
 - b. supplies used in relation to operating and maintaining the Building.
16. The Landlord will be responsible for paying the following outgoings:
 - a. all utilities supplied to the Common Areas and Facilities;
 - b. security;
 - c. all insurance relating to the Building as placed by the Landlord from time to time, acting prudently;