

MEMORANDUM OF LEASE

CERTIFICATE(S) OF TITLE

Whole of the land in Register Book Volume 5158 Folio 594

BEING LEASED

ESTATE AND INTEREST

ENCUMBRANCES

In Fee Simple

Nil

LESSOR

(Full Name and Address)

KEATES BALMER INVESTMENTS PTY LTD ACN 167 970 363 of Suite 12, 154 Fullarton Road, Rose Park SA 5067

LESSEE

(Full Name, Address and Mode of Holding)

WAX DESIGN PTY LTD ACN 117 346 264 of Suite 12, 154 Fullarton Road, Rose Park SA 5067

TERM OF LEASE

FOR A TERM OF 5 years

COMMENCING ON THE 21st DAY OF MARCH 2014EXPIRING ON MIDNIGHT THE 20th DAY OF MARCH 2019

RENT AND MANNER OF
PAYMENT (OR OTHER
CONSIDERATION)

For an annual rent of Twenty Seven Thousand Dollars [\$27,000] plus GST payable in accordance with clause 3.1 and subject to review pursuant to clause 4.5.

OPERATIVE CLAUSE

The Lessor leases to the Lessee the land ABOVE described and the Lessee accepts this lease of the land for the term and at the rent stipulated, subject to the covenants and conditions below and to the powers and covenants implied by the *Real Property Act 1886* (except to the extent that the same are modified or negated below).

CONSENTS OF MORTGAGEES
AND SEC 32 DEVELOPMENT ACT
CERTIFICATION

This Lease does not contravene section 32 of the Development Act 1993.

IT IS COVENANTED BY AND BETWEEN THE LESSOR AND THE LESSEE as follows:
(Covenants, where not deposited, to be set forth on insert sheet(s) and securely attached)

1. **PART 1 - DEFINITIONS**

Unless inconsistent with the context, in this Lease the following expressions have the meanings ascribed to them:

"Accounting Period" means a period of twelve [12] months commencing on 1 July in any year of the Term and includes, where appropriate, the periods:

- (a) from the Commencement Date to the day before the beginning of the first Accounting Period wholly within the Term; and
- (b) from the day after the end of the last Accounting Period wholly within the Term to the date of Termination;

"Address" means the address for each Party as specified in Item 3 or any other address which any Party by notice to the other Parties nominates;

"Air Conditioning Plant" means all of the plant and equipment which is located anywhere in the Premises or on the Land and which is associated with ventilation, air conditioning, heating or cooling of any part of the Land including Common Areas;

"Authority" means any governmental, municipal, statutory or public department, office, agency or body having legal authority in relation to the Premises or to the use or occupation of or a service provided to the Land and or the Premises;

"Business Day" means any week day except a public holiday in South Australia;

"clause" means any numbered paragraphs in this Lease of which the first two numbers in the paragraph number are the same (e.g. paragraphs 14.3, 14.3.3 and 14.3.4(a) are all part of clause 14.3);

"Commencement Date" means the date specified in Item 5;

"Common Areas" means those parts (if any) of the Land which the Lessor, from time to time, may designate according to the terms of this Lease to be Common Areas and includes any part of the Common Areas;

"Company" means any limited or unlimited company, incorporated association, or society, public company, local government authority or any other body corporate;

"Essential Term" means an essential term of this Lease as described in clause 14.1;

"Fair Wear and Tear" has its usual meaning except that:

- (a) failure of or damage to a light globe or fluorescent tube; and
- (b) soiling or wearing of an area of carpet or floor covering to an extent greater than that consistent with normal use of the Premises;

is not included as damage attributable to fair wear and tear;

"Fire Equipment" means all stop-cocks, hydrants, alarms, drench curtains, fire sprinkler systems, hoses, extinguishers, and other fire prevention equipment on or serving the Premises or the Land;

"Further Term" means the further term specified in Item 7 and granted to the Lessee pursuant to clause 6.4;

"Land" means the land described in Item 4 together with all buildings and improvements located on that land from time to time;

"Lease" means this Memorandum of Lease including the attached schedule;

"Legislation" means any Act of Parliament (Federal or State), any Regulation under any Act, any by-law or order of an Authority;

"Lessee" means each person named in Item 2 and includes the heirs, executors, administrators and permitted assigns of each natural person and the permitted successors and assigns of each company as the case may require;

"Lessee's Covenants" means the covenants, agreements, and obligations contained or implied in this Lease or imposed by Legislation or law to be observed and performed by any person other than the Lessor;

"Lessee's Plant" means all fittings, furnishings, furniture, floor coverings, window treatments, partitions, counters, light fittings, electrical fittings, power points, electric switches, globes, fluorescent tubes, fuses, cupboards, cabinets, plant, equipment, machinery, tools, air conditioning plant equipment or fittings, signs, hoardings and any other chattels which are the property of the Lessee, or which the Lessee brings or causes or allows to be brought on or about the Premises during the Term;

"Lessor" means each person named in Item 1 and includes the heirs, executors, administrators, successors and assigns of each natural person and the successors and assigns of each company as the case may require;

"Lessor's Plant" means all fittings, furnishings, furniture, floor coverings, window treatments, partitions, counters, light fittings, electrical fittings, power points, electric switches, globes, fluorescent tubes, fuses, cupboards, cabinets, plant, equipment, machinery, tools, fittings, signs, hoardings and any other chattels (excluding the Air Conditioning Plant) which are the property of the Lessor, or to which the Lessor has the right of possession, and which are situated on or about the Premises during the Term;

"Lessor's Remedies" means the remedies available to the Lessor under clause 14.4;

"Locks" means all locks, keys to locks, latches or similar security devices in or about the Premises whether supplied or obtained by the Lessor or by the Lessee;

"Money Payable" means the Rent, Outgoings and any other money payable by the Lessee under this Lease;

"Outgoings" means any outgoings, Rates and Taxes, insurance premiums, strata corporation levies, community corporation levies, general repairs, fees, costs, charges, interest, expenses or other monies which are to be paid by the Lessee, according to the terms of this Lease, or which the Lessor may otherwise recover from the Lessee;

"Outgoings Statement" means a statement as described in clause 5.5.1;

"Party" means the Lessor or the Lessee according to the context;

“Permitted Person” means:

- (a) an agent, employee, licensee or invitee of the Lessee;
- (b) any person visiting the Land with the express or implied consent of any person mentioned in paragraph (a);
- (c) any other person claiming through the Lessee;

“Plan” means an appropriate plan with drawings and specifications showing any alterations to the Premises proposed by the Lessee under this Lease;

“Premises” means all buildings and improvements (including the Lessor’s Plant) located on the Land;

“Proposed Tenant” means any person to whom the Lessee proposes to assign, transfer, sublet, mortgage, charge or encumber the Lessee’s interest in this Lease;

“Rates and Taxes” means:

- (a) council rates and charges including, but not limited to, rubbish removal rates and charges;
- (b) if the Retail and Commercial Leases Act does not apply to this Lease at any time, land tax under the *Land Tax Act 1936* calculated on a single holding basis;
- (c) water, drainage and sewerage rates including but not limited to meter rents, charges for the disposal of stormwater and water charges;
- (d) emergency services levy, charged from time to time;
- (e) Save the River Murray Levy; and
- (f) all other similar rates, taxes, charges, assessments or impositions;

levied, charged, assessed or imposed in respect of any part of the Land or the ownership or occupation of any part of the Land but excluding any tax imposed by the *Income Tax Act 1936* and any other Legislation from time to time in force imposing a tax on income or capital increase;

“Rent” means the clear annual rent specified in Item 8 as reviewed and varied from time to time under this Lease;

“Retail and Commercial Leases Act” means the *Retail and Commercial Leases Act 1995* and includes any regulations to that Act;

“Rules” means the Rules applicable to the Land from time to time under this Lease;

“Specified Use” means the Lessee’s use of the Premises as permitted in accordance with clause 11.1.

“Term” means the term of this Lease as specified in Item 6 and any and each Further Term;

"Termination" means the expiry by effluxion of time or sooner determination of the Term or any period of holding over and "to Terminate" has a corresponding meaning;

"terms of this Lease" means the terms, covenants, conditions and warranties contained or implied in this Lease and any or each of them as the context may require;

"Unfit for Occupation" means that the Premises, or any part of the Common Areas are so destroyed or damaged as to:

- (a) render the Premises substantially unfit for occupation and use by the Lessee;
- (b) make the Premises inaccessible; or
- (c) interfere substantially with the Lessee's rights under this Lease to use the Premises exclusively, and to use the Common Areas in common with others so entitled.

2. PART 2 - INTERPRETATION AND CONSTRUCTION

2.1 Marginal Notes and Headings

Marginal notes and headings in this Lease shall not be incorporated within the terms of this Lease and shall not limit, affect or alter the interpretation of any of the terms of this Lease.

2.2 Construction

In the interpretation of this Lease, unless inconsistent with the context:

- 2.2.1 words denoting the singular include the plural;
- 2.2.2 words denoting the plural include the singular;
- 2.2.3 words denoting a particular gender include each gender;
- 2.2.4 words which are defined in clauses other than Clause 1 have the meaning ascribed to them in that clause;
- 2.2.5 a reference to a person includes a company;
- 2.2.6 a reference to a company includes a natural person;
- 2.2.7 a reference to an Item means a reference to the appropriate Item in the Schedule attached to this Lease;
- 2.2.8 a reference to a clause means a reference to the appropriate clause of this Lease;
- 2.2.9 a reference to a Part means a reference to the appropriate Part of this Lease;
- 2.2.10 a reference to a professional body includes a successor to or substitute for that body;
- 2.2.11 a reference to a statute includes a regulation, by-law, requisition

or order made under that statute and any amendment to or re-enactment of that statute, regulation, by-law, requisition or order from time to time in force;

2.2.12 a reference to a breach of the Lessee's Covenants includes each and any breach, default, neglect or omission affected by or on behalf of the Lessee or by a Permitted Person;

2.2.13 a covenant by the Lessee not to do or omit to do any act or thing includes:

(a) a covenant not to suffer that act or thing to be done or omitted to be done by a Permitted Person; and

(b) a covenant to do everything necessary to ensure that that act or thing is not done or omitted to be done.

2.2.14 any term of this Lease which imposes an obligation on the Lessee to pay money for any purpose, incorporates wherever it is possible in the context:

(a) an obligation to promptly discharge any relevant liability to pay money if that liability was incurred in respect of the Premises;

(b) an obligation to promptly reimburse the relevant amount of money to the Lessor if the Lessor pays an amount which should properly be paid by the Lessee; and

(c) an obligation to promptly indemnify and keep indemnified the Lessor from and against any liability to pay the relevant amount of money.

2.3 **Special Covenants**

2.3.1 Any Special Covenant contained in Item 17 binds the Parties.

2.3.2 If there is any inconsistency between a term of this Lease and a Special Covenant the Special Covenant prevails to the extent of that inconsistency.

2.4 **Severance**

If any term of this Lease is or becomes void or unenforceable at law or in equity by reason of any illegality, ambiguity or otherwise then, so far as may reasonably be possible, that term of this Lease shall be severed from this Lease which shall otherwise continue in full force and effect.

2.5 **Joint and Several Liability**

If a Party comprises two or more persons, the covenants and agreements on their part bind and must be observed and performed by them jointly and each of them severally and may be enforced against any one or any two or more of them.

2.6 Retail and Commercial Leases Act

Retail and Commercial Leases Act applies to this Lease unless Item 14 contains the words "Not Applicable".

3. PART 3 - PAYMENT OF RENT

3.1 Payment of Rent

The Lessee must pay the Rent to the Lessor in advance each calendar month during the Term on or before the first day of each calendar month during the Term by instalments in the amounts specified in Item 9 until the Rent is varied under Part 4 and then the monthly instalments shall be one twelfth (1/12) of the Rent for the time being.

3.2 Payments Free of Deductions

The Lessee must pay the Rent to the Lessor free and clear from any exchange, deductions, reductions, abatements, taxes, charges or adjustments.

3.3 Mode of Payments

All payments of Money Payable which are tendered by cheque or other bill of exchange or negotiable instrument or otherwise than in cash may be accepted by the Lessor but must not be deemed to have been paid or received by the Lessor until the Lessor receives, or the account of the Lessor is credited with, cash or the value of cash for the Money Payable.

3.4 Payments into Accounts

By written notice to the Lessee, the Lessor may require payment of Rent and Outgoings by way of periodic bank payments into such account as the Lessor may from time to time specify in such a notice, and the Lessee shall then provide payments of Rent and Outgoings accordingly.

3.5 Place of Payment

If no notice is given pursuant to clause 3.4 then the Lessee must make all payments of Money Payable at the Address of the Lessor or at such other place as the Lessor may from time to time specify by notice in writing to the Lessee.

3.6 Money Payable Included in Rent

All Money Payable must be paid by the Lessee to the Lessor as rent in addition to the Rent and any default in payment of Money Payable must be deemed to be, and may be treated by the Lessor, as a default in payment of Rent.

3.7 Rent and Money Payable Recoverable from Lessee

The Lessor may recover the Rent and Money Payable from the Lessee by way of damages or compensation if the Lessee defaults in any payment of Money Payable, notwithstanding that the Lessor may have exercised any right

or remedy available to the Lessor either pursuant to the terms of this Lease or at law generally (including the rights to re-enter the Premises and to terminate this Lease).

3.8 Rent for Portion of a Month

If any payment of Rent is due in respect of a period during the Term of less than one complete calendar month, then an adjustment shall be made so that the Lessee pays an appropriate portion of the monthly instalment due to be paid, on the basis of the portion of the month to which the payment relates.

4. PART 4 - RENT REVIEW

4.1 Definitions

Unless inconsistent with the context, the following words and expressions have the meanings ascribed to them:

4.1.1 **"Review Date"** means the dates specified in Item 11.

4.1.2 **"Variation Period"** means the period between a date on which the Rent is determined and the next Review Date.

4.1.3 **"Existing Rent"** means the Rent applicable on the date preceding a given Review Date.

4.1.4 **"CPI 1"** means the Consumer Price Index (All Groups) of the Commonwealth of Australia for the City of Adelaide in the most recently concluded quarter of the year before the date of commencement of that Variation Period which immediately precedes the relevant Review Date.

4.1.5 **"CPI 2"** means the Consumer Price Index (All Groups) of the Commonwealth of Australia for the City of Adelaide in the most recently concluded quarter of the year before the Review Date.

4.1.6 **"CPI Increase"** means a rent determined by the following formula, that is:

$$\text{Rent} = \frac{\text{CPI 2}}{\text{CPI 1}} \times \text{Existing Rent}$$

4.1.7 **"Market Review"** means the best annual rent that can reasonably be obtained for the whole of the Premises and as valued and determined in accordance with clause 4.2 by a Valuer who is either:

- (a) appointed by the Lessor and the Lessee by agreement; or
- (b) if the Lessor and the Lessee do not agree as to the appointment of a Valuer, then at the request of either the Lessor or the Lessee, the President for the time being of the Australian Property Institute shall nominate a Valuer whom the Lessor and the Lessee shall appoint.

4.1.8 **“Valuer”** means a valuer who:

- (a) is a full member of the Australian Property Institute of not less than five (5) years standing; and
- (b) has had not less than five (5) years practical experience in South Australia in the valuation of:
 - (i) commercial, retail and industrial properties; and
 - (ii) properties similar to the Premises.

4.2 **Assessment of Market Review**

When a Valuer assesses a Market Review, the Valuer shall assume that:

- 4.2.1 the Lessor is a willing but not anxious landlord;
 - 4.2.2 the Lessee is a willing but not anxious tenant;
 - 4.2.3 the Premises are available for vacant possession;
 - 4.2.4 the Lessee has observed the Lessee’s Covenants including the Lessee’s Covenants relating to repair, maintenance and cleaning of the Premises; and
 - 4.2.5 the Premises are offered with the Specified Use,
- and must take into consideration:
- 4.2.6 the Outgoings which are payable by the Lessee;
 - 4.2.7 the expenses and costs payable by the Lessor in respect of the Land which expenses and costs are not recoverable from the Lessee pursuant to this Lease;
 - 4.2.8 the goodwill (if any) attributable to the location and other physical characteristics of the Premises; and
 - 4.2.9 the Further Term (if any) available to the Lessee pursuant to Clause 6.4,

but must disregard (as much as may be legally possible):

- 4.2.10 any restrictions imposed by Legislation relating to any method of determining rent for the Lease;
- 4.2.11 the value of the personal goodwill (if any) created by the Lessee’s occupation of the Premises;
- 4.2.12 any increased value attributable to the Premises as a consequence of any permanent improvements (including the Lessee’s Plant) erected or installed at the Lessee’s expense; and
- 4.2.13 any incentive or inducement that is offered, or has been offered, to:

- (a) the Lessee in respect of the Premises; or
- (b) to tenants, or prospective tenants, in respect of adjacent, nearby or similar premises,

and must give to the Lessor and the Lessee a written report containing:

4.2.14 detailed reasons for the determination; and

4.2.15 the matters taken into account in making the determination of rent.

4.3 Costs of Market Review

The costs fees and expenses of and incidental to any determination of rent by a Valuer in accordance with this Lease must be paid by the Lessor and the Lessee in equal shares.

4.4 Change in CPI Calculations

4.4.1 If there is a change or alteration in the basis or method of calculation of the Consumer Price Index (All Groups) of the Commonwealth of Australia at any relevant time then:

- (a) such necessary alterations as may reasonably be required must be made to the amounts of the items "CPI 1" and "CPI 2" to ensure that the items "CPI 1" and "CPI 2" are fairly and reasonably comparable; and
- (b) if the Lessee and the Lessor do not agree the amount of, or any alteration or adjustment to the Consumer Price Index (All Groups) then a chartered accountant appointed by the President for the time being of the Institute of Chartered Accountants in Australia, South Australian Branch, or his nominee, at the request of either the Lessor or the Lessee shall determine that dispute and the amount of the said index at any time or from time to time.

4.4.2 The decision of any chartered accountant appointed in accordance with this clause, who shall act as an expert and not as an arbitrator, shall be final and binding on the Lessor and the Lessee.

4.4.3 The costs, fees and expenses of and incidental to any determination by a chartered accountant in accordance with this clause shall be borne and paid by the Lessor and the Lessee equally.

4.5 Rent to be Reviewed

On each Review Date the Rent will be reviewed and determined in respect of each relevant succeeding Variation Period by agreement between the Lessor and the Lessee before the Review Date or according to the method of rent determination ascribed in Item 10 to each relevant Review Date.

4.6 **No Estoppel**

A failure or neglect by the Lessor to initiate a review and determination of the Rent on any Review Date will not create an estoppel against the Lessor and must not prevent the Lessor from initiating such a review and determination at any time after the Review Date.

4.7 **Existing Rent until Review**

The Lessee must continue to pay the Existing Rent until such time as the Rent is reviewed and determined, at which time the Lessor and the Lessee must make an appropriate adjustment between themselves to reflect any difference between the Existing Rent and the Rent so determined for the period between the relevant Review Date and the date on which the Rent is determined.

5. **PART 5 - OUTGOINGS, EXPENSES, RATES & TAXES**

5.1 **Definitions**

For the purposes of this Lease, unless inconsistent with the context:

"Base Year" means the twelve month period commencing on the Commencement Date;

"Lessee's Contribution" means the amount payable by the Lessee pursuant to clause 5.2;

"Corporation Scheme" means either a strata scheme (as defined in the *Strata Titles Act 1988*) or a community scheme (as defined in the *Community Titles Act 1996*);

"Corporation Fees" means all those levies, fees, calls and costs that are associated with any Corporation Scheme affecting the Premises and which are attributable to the Land or the Premises, as the case may be.

5.2 **Increases over Base Year**

The Lessee must pay to the Lessor for each year of the Term, except the Base Year:

5.2.1 the Lessee's Contribution to Rates and Taxes;

5.2.2 the Lessee's Contribution to Corporation Fees (if at any time during the Term the Premises are part of a Corporation Scheme);
and

5.2.3 the Lessee's Contribution to any other Outgoings;

calculated in accordance with the following formula:

$$LC = \text{Increase} \times \frac{N}{Y}$$

where:

- LC = Lessee's Contribution to each of the Rates and Taxes, Corporation Fees and other Outgoings (as the case may be);
- Increase = The amount by which each of the Rates and Taxes, Corporation Fees and other Outgoings (as the case may be) in a particular year of the Term exceed each of the Rates and Taxes, Corporation Fees and other Outgoings in the Base Year;
- N = the number of days in the Term remaining in a given year of the Term;
- Y = 365 (or 366 in the case of a leap year)

5.3 Adjustment of Outgoings

If any Outgoings arise in relation to any period that is not within the Term (or any other occupation of the Premises by the Lessee) then an adjustment of the Outgoings must be made so that the Lessee pays a fair contribution to the Outgoings in proportion to the period of the Outgoings which is included in any period of the Term (or other occupation of the Premises by the Lessee).

5.4 Utilities and Services

The Lessee must pay all charges, fees and expenses for electricity, gas, oil, telephone, excess water and all other similar services which are supplied by any person (including the Lessor and the Community Corporation) in respect of the Premises or in relation to any business of the Lessee or any activity in or occupation of the Premises by the Lessee.

5.5 Payment of Outgoings by Instalments

- 5.5.1 If applicable, the Lessor may as soon as may be convenient and at least one month before the beginning of each Accounting Period provide an estimate of all or any anticipated Outgoings for that Accounting Period and prepare a statement of the Lessee's Contribution to Outgoings in a form consistent with the provisions of the Retail and Commercial Leases Act.
- 5.5.2 If the Lessor serves the Outgoings Statement on the Lessee, then:
- (a) on each occasion that an instalment of the Rent is payable by the Lessee to the Lessor, the Lessee must pay as additional Rent one twelfth (1/12) of the Lessee's Contribution to the Outgoings as specified in the Outgoings Statement or such lesser proportion as may be applicable for any period of occupation of the Premises by the Lessee; and
 - (b) as soon as may be convenient after each Accounting Period and in any event not later than three (3) months after each Accounting Period, the Lessor must provide to the Lessee an audited statement (complying with Section 32 of the Retail and Commercial Leases Act) of the actual Outgoings for the Accounting Period then ended as compared to the

estimate previously specified in the Outgoings Statement.

5.6 Final Adjustment of Outgoings

If the total amounts paid by the Lessee pursuant to clause 5.5.2(a) in respect of an Accounting Period are:

- (a) less than the amount of Outgoings payable by the Lessee in respect of an Accounting Period, the Lessee must pay the difference within fourteen (14) days of the Lessor furnishing an audited statement to the Lessee in accordance with clause 5.6.2(b); or
- (b) greater than the amount of Outgoings payable by the Lessee in respect of that Accounting Period, within three (3) months after that Accounting Period the Lessor must credit the difference to the Lessee's account.

5.7 Costs of Lease

- 5.7.1 The Lessee and the Lessor agree that the Lessee has requested the Lessor to prepare this Lease in registrable form.
- 5.7.2 The Lessee must pay one half of preparatory costs (as defined in Section 14(1) of the Retail and Commercial Leases Act) incurred by the Lessor.

5.8 Goods and Services Tax

- 5.8.1 In this clause 5.8, the following expressions have the meanings ascribed to them:

"GST" means goods and services tax and other similar taxes;

"GST Increase Date" means the date on and from which any legislation increases the rate of GST;

"GST Rate" means in relation to a Supply under this Lease, the rate at which the GST is imposed on the Supply;

"Supply" means taxable supplies and taxable importations within the meaning of any law imposing GST; and

"Tax Invoice" has the same meaning as that term has in the *A New Tax System (Goods and Services Tax) Act 1999* (as amended), and the regulations to that Act.

- 5.8.2 If GST is imposed on any Supply under this Lease:

- (a) any amount payable to the Lessor by the Lessee in respect of the Supply is increased by the product of the GST Rate and that amount; and
- (b) subject to clause 5.8.4, the Lessee must pay the increased amount to the Lessor for the Supply.

5.8.3 If GST is imposed on any Supply under this Lease and the rate of GST subsequently increases:

- (a) with effect from each GST Increase Date, any amount payable to the Lessor by the Lessee in respect of the Supply is increased by the product of the increase in the rate of GST and that amount; and
- (b) subject to clause 5.8.4, the Lessee must pay the increased amount to the Lessor for the Supply.

5.8.4 Any increases in the amounts payable to the Lessor by the Lessee pursuant to subclauses 5.8.2 and 5.8.3 shall not be payable by the Lessee unless and until the Lessor provides to the Lessee a Tax Invoice.

6. PART 6 - TERM

6.1 Period of Term

The Term commences at 12:00 am on the Commencement Date and terminates at 11:59 pm on the day of Termination.

6.2 Holding Over

If the Lessee continues in possession of the Premises after Termination with the consent of the Lessor but without any express agreement in writing for the renewal or extension of the Term then:

- 6.2.1 the Lessee must hold the Premises as the tenant of the Lessor on a monthly tenancy;
- 6.2.2 all relevant terms of this Lease will apply to that tenancy; and
- 6.2.3 the Lessee must pay the Rent payable immediately prior to Termination, increased by five percentum (5%).

6.3 Termination of Monthly Tenancy

If a monthly tenancy exists pursuant to clause 6.2 or clause 14.4.3, then either the Lessor or the Lessee may terminate that tenancy by at least one month's notice in writing to the other specifying a date for termination of the tenancy which need not be a day being at the expiration of a normal monthly period of the tenancy.

6.4 Further Term

- 6.4.1 If the Lessee is not in breach of any of the Lessee's Covenants, then the Lessee may renew the Term for the period, if any, specified in Item 10 by serving on the Lessor an appropriate written notice not less than three (3) months and not more than six (6) months prior to the expiration of the Term.
- 6.4.2 The right of renewal contained in this clause may be exercised on the number of occasions, if any, specified in Item 10.

- 6.4.3 If this right of renewal is lawfully exercised, the Lessee must hold the Premises subject to the terms of this Lease and for the Rent for the time being, determined in accordance with Part 4.
- 6.4.4 The Lessee must pay all reasonable Legal Fees, costs and disbursements of and incidental to the exercise of the right of renewal contained in this clause.
- 6.4.5 If the Retail and Commercial Leases Act applies to this Lease and the Lessee has exhausted the right of renewal (if any) contained in this clause such that the Lessee has no right at the end of the Term to extend the Term further, then not less than 6 months and not more than 12 months before the end of the Term, the Lessor must, by notice in writing, either:
- (a) offer the Lessee a new lease upon terms specified in that notice; or
 - (b) inform the Lessee that the Lessor does not propose to offer the Lessee a new lease.
- 6.4.6 The Lessor's offer described in clause 6.4.5(a) will remain open and capable of acceptance for a period of one month after which time it will lapse.

6.5 Failure to Remove Alterations

If, within five Business Days after Termination, the Lessee, in breach of clause 9.4 or clause 10.7, has not removed any alterations or Lessee's Plant and restored the Premises then at any time after that period the Lessor may:

- 6.5.1 declare none, any or all of the alterations or Lessee's Plant to be abandoned and immediately upon serving notice of such declaration upon the Lessee, all such alterations or Lessee's Plant will be the sole property of the Lessor; and
- 6.5.2 remove none, any or all of the alterations or Lessee's Plant from the Premises, dispose of them in such manner as the Lessor sees fit and recover as a debt from the Lessee all costs necessarily or incidentally incurred by the Lessor including:
- (a) damages for loss of rent between the date of Termination and the date that the Premises are rendered lettable;
 - (b) the cost of dismantling the alterations or Lessee's Plant;
 - (c) the cost of removing the alterations or Lessee's Plant from the Premises;
 - (d) the cost of disposing of the alterations or Lessee's Plant; and
 - (e) any other reasonably incurred costs.

6.6 Failure to Deliver up Premises

If, on the day after Termination, the Lessee is in breach of any of the Lessee's Covenants relating to:

- 6.6.1 the cleaning, maintenance, repair, replacement, painting or refurbishment of the Premises, or the Lessor's Plant;
- 6.6.2 the Locks; or
- 6.6.3 the removal or disposal of any item or thing;

then the Lessor may take such action as may be appropriate to remedy such a breach and recover as a debt from the Lessee all costs necessarily or incidentally incurred by the Lessor including:

- 6.6.4 damages for loss of rent between the date of Termination and the date that the breach is remedied; and
- 6.6.5 the costs of causing the breach of the Lessee's Covenants to be remedied.

7. PART 7 - POSSESSION, TRANSFER AND SUBLETTING

7.1 Grant of Lease

The Lessor leases the Premises to the Lessee subject to:

- 7.1.1 the payment of the Rent and other Money Payable; and
- 7.1.2 the observance and performance of the Lessee's Covenants.

7.2 Quiet Possession

If the Lessee observes all of the Lessee's Covenants then the Lessee will have quiet possession of the Premises during the Term and, subject to the terms of this Lease, the Lessor must not cause at any time any interruption or disturbance of the Lessee's quiet possession of the Premises.

7.3 Surrender of Possession

On the Termination of this Lease the Lessee must:

- 7.3.1 peaceably surrender possession of the Premises to the Lessor;
- 7.3.2 do all things necessary to facilitate the taking of possession by the Lessor; and
- 7.3.3 promptly deliver and assign (as appropriate) all Locks to the Lessor.

7.4 Possession to be Maintained

Unless the Lessor consents, the Lessee must maintain possession of the Premises throughout the Term and must not allow the Premises (or a

substantial part of the Premises) to be vacant or unattended for any period exceeding five (5) consecutive Business Days.

7.5 Transfer, Assignment and Subletting

This Lease is personal to the Lessee, and unless the Lessor consents, the Lessee (and any lawful tenant or under-tenant of the Lessee) must not transfer, assign, demise, sublet, set over, mortgage, charge or encumber any interest in this Lease.

7.6 Request for Consent

If the Lessee requests the consent of the Lessor to transfer or assign this Lease pursuant to clause, then:

- 7.6.1 such request must be in writing and must include the full name, address and (if the Proposed Tenant is a corporate entity) ACN of the Proposed Tenant;
- 7.6.2 the Lessor may require (and then the Lessee must provide) a detailed written statement, supported by such other evidence as may reasonably be requested by the Lessor, outlining the nature, character, reputation, financial status, business experience, assets and liabilities of the Proposed Tenant and (if the Proposed Tenant is a corporate entity) the directors and shareholders of the Proposed Tenant;
- 7.6.3 the Lessee must advise the Lessor of the date of the proposed assignment or transfer and the reason that the assignment has been requested and provide the Lessor with true copies of all documents and contracts that are relevant to the proposed assignment or transfer;
- 7.6.4 the Lessee must pay (unless paid by the Proposed Tenant) all of the Lessor's reasonable expenses (including Legal Fees and any negotiation fees of the Lessor's agents and employees) arising from the consideration of any Proposed Tenant, whether the Lessor grants or lawfully refuses such consent; and
- 7.6.5 the Lessor may grant or refuse consent by written notice given as soon as practicable and in any event within 42 days of receiving a written request from the Lessee.

7.7 Conditions of Consent

If the Lessor consents to a request made by the Lessee in accordance with clause 7.6, as conditions attached to the Lessor's consent:

- 7.7.1 the Lessor may require (and then the Lessee must procure from the Proposed Tenant) a personal covenant of the Proposed Tenant on terms acceptable to the Lessor and signed as a deed, to observe all of the Lessee's Covenants;
- 7.7.2 if the Proposed Tenant is a company, the Lessor may require (and then the Lessee must procure) that the directors and shareholders

of the Proposed Tenant give and execute a guarantee prepared by the Lessor's solicitors as a Deed;

- 7.7.3 if the Lessee has provided a security bond, bank guarantee or any other form of security to the Lessor, the Lessor may require the Proposed Tenant provide to the Lessor a security bond, bank guarantee or security (as the case may be) for the same amount and on comparable terms to those provided by the Lessee; and
- 7.7.4 the Lessor may require that the Lessee and any guarantor execute a deed prepared by the Lessor on terms acceptable to the Lessor by which each of them:
- (a) guarantees the performance of the Lease by the Proposed Tenant; and
 - (b) indemnifies and keeps indemnified the Lessor from and against any loss or damage suffered by the Lessor as a result of any breach of the Lessee's Covenants by the Proposed Tenant.

7.8 Transfer of Shares in Companies

- 7.8.1 This clause only applies if the Lessee is a company not listed on the Australian Stock Exchange.
- 7.8.2 The following words and expressions have the meanings ascribed to them:
- (a) **"Share Transfer"** means any transfer, allotment or change in the beneficial interest in the shares of the Lessee;
 - (b) **"Original Shareholders"** means those persons who at the Commencement Date together hold the whole of the beneficial interest in all of the issued shares in the Lessee;
 - (c) **"New Shareholders"** means those persons, other than Original Shareholders, who hold any interest in the issued shares of the Lessee at any time during the Term.
- 7.8.3 If any Share Transfer results in either:
- (a) New Shareholders holding or being beneficially entitled to hold more than fifty percent (50%) of the issued shares of the Lessee; or
 - (b) the Original Shareholders holding or being beneficially entitled to hold less than fifty percent (50%) of the issued shares of the Lessee,

then the Share Transfer will be deemed to be an assignment of this Lease which must require the consent of the Lessor which consent must be subject to the provisions of clauses 7.5, 7.6 and 7.7.

- 7.8.4 If any person is appointed as a new director of the Lessee during

the Term, then:

- (a) the Lessee must immediately advise the Lessor in writing of that person's appointment, name and address; and
- (b) the Lessee must promptly cause that person to give and execute a guarantee prepared by the Lessor's solicitors in substantially the same form as the guarantee comprised in Part 19.

7.9 Costs of Dealing with Lease

The Lessee must pay all costs of and incidental to any transfer or assignment by the Lessee of this Lease, or of the Lessee's interest in this Lease, or to any sub-lease by the Lessee or to any other mortgage charge or encumbrance of the Lessee's interest in this Lease.

8. PART 8 - MAINTENANCE, REPAIRS AND CLEANING

8.1 Repair, Maintenance and Cleaning – General

- 8.1.1 The Lessee must promptly and regularly cause to be done in a proper workmanlike manner whatever cleaning, maintenance, repair, replacement, painting and refurbishment may be necessary from time to time to keep the Premises in good, clean and tenantable condition throughout the Term.
- 8.1.2 The Lessee may engage any competent and efficient cleaner for the purposes of this clause.
- 8.1.3 The Lessee must remove all graffiti, posters, drawings and paintings placed or applied to any part of the Premises including exterior doors, windows or walls of the Premises.

8.2 Limitation to Lessee's Duty

The Lessee must not be liable to repair, replace or amend any damage to the Premises caused by any combination of the following events which cause damage to the Premises namely, Fair Wear and Tear, fire, flood, lightning, storm, earthquake, war, explosion, or Act of God unless:-

- 8.2.1 the damage arises from a breach of the Lessee's Covenants;
- 8.2.2 any relevant policy of insurance is void because of a breach of the Lessee's Covenants;
- 8.2.3 a claim against a policy of insurance is refused because of a breach of the Lessee's Covenants; or
- 8.2.4 any money from an insurance policy is irrecoverable because of a breach of the Lessee's Covenants.

8.3 Limitation to Lessee's Duty - Structural Repairs

The Lessee must not be liable to make any repair or replacement to the Premises of a structural nature unless that repair or replacement is made necessary by either:

8.3.1 a breach of the Lessee's Covenants; or

8.3.2 the Lessee using the Premises in a manner inconsistent with the Specified Use.

8.4 Lessee's Plant

The Lessee must keep the Lessee's Plant clean and in good order.

8.5 Rubbish, Pests etc.

The Lessee must keep the Premises clean, tidy and free from all rubbish, dirt, pests (including white ants), animals (except guide dogs for the blind or deaf) and vermin.

8.6 Hygiene

During the Term, the Lessee must not allow the Premises to be in an unsanitary or unhygienic condition, whether within the meaning of any Legislation or otherwise.

8.7 Rubbish Storage and Removal

The Lessee must store all rubbish and waste materials in proper receptacles and must arrange for the regular removal of all such waste materials from the Premises.

8.8 Drains and Plumbing

The Lessee must maintain in good working order all drains, sewers, sinks, gutters, downpipes, plumbing, water pipes, gas pipes, cisterns, toilets, basins, taps and all related fittings in the Premises and must keep them clear of any blockage and accumulation of waste.

8.9 Painting

8.9.1 The Premises must be painted and redecorated at each of the following times and in accordance with this clause:

(a) not less than one (1) month nor more than three (3) months prior to the expiration of the periods (if any) specified in Item 12;

(b) immediately upon the lawful Termination of the Lease by the Lessor pursuant to clause 14.4; and

(c) not less than one (1) month nor more than three (3) months prior to the expiration of the Term.

8.9.2 The obligation to paint and decorate the Premises pursuant to this clause includes an obligation to cause the following work to be done, that is to paint, varnish, oil, wash, plaster, paper, stock, render or stucco as the case may require any part of the interior of the Premises or the exterior of the Premises (including the shopfront of the Premises, the frames of any windows of the Premises and the doors of the Premises) as may then be treated accordingly and to restore and repair (if reasonably required) the Lessor's Plant.

8.9.3 The painting and redecoration referred to in this clause must be done:-

- (a) by the Lessee or an agent of the Lessee approved by the Lessor;
- (b) at the cost in all things of the Lessee;
- (c) with good preparation;
- (d) in a proper, tradesmanlike manner; and

with good quality materials which shall first be approved by the Lessor in relation to the quality and colour of the materials.

8.10 Notice to Repair

8.10.1 The Lessor may give notice to the Lessee to repair any defect or want of reparation, or to do any work which the Lessee is obliged to do if there is during the Term any of the following:

- (a) any defect in the Premises;
- (b) any want of reparation in the Premises; or
- (c) any other work to be done by the Lessee in respect of either the Premises or the Lessor's Plant and that work is not done in a satisfactory manner.

8.10.2 If the Lessor gives a notice pursuant to this clause, the Lessee must immediately repair the defect or want of reparation or do whatever work is required.

8.11 Right of Lessor to Remedy

If the Lessee does not cause to be completed any works referred to in clause 8.10 within such time as the Lessor may reasonably specify then:

8.11.1 the Lessor may either personally or by any servant, agent, workman, tradesman, painter, repairer or otherwise enter the Premises and repair the defect by whatever means the Lessor may deem fit; and

8.11.2 the Lessee must pay all reasonable costs incurred by the Lessor in respect of such works.

8.12 Notice of Defects

The Lessee must promptly cause to be given to the Lessor a notice of any defect, damage or want or repair to the Premises, the Land, or the Lessor's Plant, as soon as reasonably possible after such defect comes to the attention of the Lessee.

8.13 Fire Protection

The Lessee must:

- 8.13.1 take all reasonable precautions against fire in the Premises or on the Land;
- 8.13.2 treat Fire Equipment with care;
- 8.13.3 comply with all relevant standards or codes applicable to the Premises and the Specified Use as may be required by Legislation; and
- 8.13.4 pay the costs associated with the maintenance and repair of the Fire Equipment.

8.14 Smoking

The Lessee must cause all cigarette butts, ashes, cigarette packages, matches and other associated litter emanating from the smoking of cigarettes, cigars or pipes smoked by the Lessee or any Permitted Person to be placed in proper receptacles.

8.15 Security

The Lessee must use its best endeavours to protect the Premises and any property located within the Land from theft or vandalism and must keep all doors, windows or other access to the Premises closed and securely fastened when the Premises are not in use.

9. PART 9 - ALTERATIONS TO THE PREMISES BY THE LESSEE

9.1 Alterations by Lessee

The Lessee may make any necessary or desirable alterations (including an addition, modification or improvement) to the Premises if:

- 9.1.1 the Lessee prepares a Plan;
- 9.1.2 the Plan specifies the design, materials, and colours to be used for the alteration;
- 9.1.3 the Lessor or the Lessor's architect approves the Plan; and
- 9.1.4 the Lessor consents to the alteration.

9.2 Conditions Attached to Lessor's Consent

If the Lessee is permitted by the Lessor to alter the Premises, then:

- 9.2.1 the Lessee must at the Lessee's own cost in all things obtain all necessary permits and consents;
- 9.2.2 the Lessee must cause the alteration to be effected in a proper and tradesmanlike manner and in accordance with:-
 - (a) the Plan;
 - (b) all conditions attached to any relevant permits and consents; and
 - (c) the provisions of any relevant Legislation;
- 9.2.3 the Lessee must comply with all reasonable requests and directions of the Lessor, or the Lessor's architect;
- 9.2.4 all costs of such alteration will be borne by the Lessee and must be paid promptly;
- 9.2.5 the Lessee must not cause or allow any lien or charge to be made in respect of any claim for costs arising out of the alteration; and
- 9.2.6 the Lessee must pay all costs (including the Lessor's architect fees) incurred by the Lessor of and incidental to the alteration including any costs arising out of the Lessor's or the Lessor's architect's consideration of the Plan.

9.3 Alterations May Remain in Premises after Term

If at any time the Lessor and the Lessee agree in writing that any alterations effected during the Term by the Lessee must remain in the Premises after Termination, then after Termination all such alterations will be the sole property of the Lessor.

9.4 Removal of Lessee's Alterations

Subject to clause 9.3, upon Termination, the Lessee must:

- 9.4.1 remove any alterations effected during the Term by the Lessee; and
- 9.4.2 restore the Premises to their state and condition prior to those alterations being effected by the Lessee.

9.5 Mandatory Alterations

If due to the Specified Use and by reason of the operation of any Legislation, the Premises must be altered in any way (including the provision of any amenities such as toilets or washrooms for customers or staff of the Lessee) then, subject to the other clauses in this Part, the Lessee must promptly effect such alterations as are necessary to comply with such Legislation.

10. PART 10 - LESSOR'S PLANT AND LESSEE'S PLANT

10.1 Lessor's Plant – Maintenance

During the Term the Lessee must maintain the Lessor's Plant in good and tenable condition or in good working order as the case may require.

10.2 Lessor's Plant - Lessee must not damage

Unless the Lessor consents, the Lessee must not alter, modify, deface, damage or move from or about the Premises any of the Lessor's Plant.

10.3 Attachment and Removal of Plant

Unless the Lessor consents, the Lessee must not:-

10.3.1 attach the Lessee's Plant to the Premises in any manner; or

10.3.2 detach from the Premises any part of either the Lessor's Plant or the Lessee's Plant that is attached to the Premises at any time.

10.4 Lessee to Make Good

If the Lessee is permitted by the Lessor to attach or detach any part of either the Lessor's Plant or the Lessee's Plant then the Lessee must immediately cause to be made good in a tradesman-like manner any damage to the Premises caused by the attachment or detachment.

10.5 Quality of Lessee's Plant

All of the Lessee's Plant must be of good quality and appearance and must be in harmony with the Premises and the Lessor's Plant.

10.6 Plant etc. on Lease Excluded from Premises

10.6.1 Any plant, equipment, furnishings, furniture, fittings, fixtures or chattels which are on the Premises at any time during the Term and which are leased by the Lessor or of which the Lessor is the bailee, do not form part of the Premises.

10.6.2 If the Lessee uses any of the items referred to in this clause, the Lessee must do so with all reasonable care and respect and the Lessee must maintain all such items in good working order, or in good and tenable condition as the case may require.

10.7 Removal of Lessee's Plant

Unless the Lessor otherwise agrees in writing, upon Termination the Lessee must:

10.7.1 remove all of the Lessee's Plant from the Premises; and

10.7.2 cause to be repaired and made good in a proper and tradesman-like manner any damage to the Premises arising from the removal of the Lessee's Plant.

10.8 Signs and Advertisements

- 10.8.1 Unless the Lessor consents, the Lessee must not paint, affix, erect, place or display any sign, hoarding, display or advertisement on the Premises.
- 10.8.2 Subject to Part 9, the Lessor must consent to any reasonable request of the Lessee pursuant to this clause if the sign, hoarding, display or advertisement which the Lessee seeks to paint, affix, erect, place or display on the Premises:
- (a) is of good quality and condition;
 - (b) is in harmony with the appearance and construction of the Premises; and
 - (c) is not in breach of any Legislation.

10.9 Removal of Signs

Upon Termination the Lessee must:

- 10.9.1 remove all signs, hoardings, displays or advertisements that have been painted, affixed, erected, placed or displayed on the Premises during the Term; and
- 10.9.2 cause to be repaired and made good in a proper and tradesman-like manner any damage to the Premises arising from the removal of any sign, hoarding, display or advertisement.

10.10 Telephones

- 10.10.1 Unless the Lessor consents, the Lessee must not allow any telephonic or telegraphic equipment to be affixed to or removed from the Premises.
- 10.10.2 The Lessee must not cancel or allow to lapse any rental of any telephonic or telegraphic equipment on the Premises.
- 10.10.3 If requested by the Lessor upon Termination, the Lessee must assign to the Lessor or the Lessor's nominee, any subscription, lease or agreement for lease of all or any telephonic or telegraphic equipment on the Premises.

10.11 Locks

- 10.11.1 All Locks which are fitted to the Premises from time to time are the sole property of the Lessor.
- 10.11.2 In consideration of the Lessor granting this Lease the Lessee agrees to assign to the Lessor any Locks which are obtained by the Lessee during the Term.
- 10.11.3 Unless the Lessor consents, the Lessee must not change, alter, remove or fit any Lock on the Premises, nor cut, make, obtain, or

part with possession of any key to any Lock.

- 10.11.4 If reasonably requested by the Lessor, the Lessee must replace any existing Locks which are fitted to the Premises with Locks of a type and nature which are approved by the Lessor.

10.12 Air Conditioning

- 10.12.1 The Lessee must pay all costs associated with ventilating, air conditioning, heating and cooling the Premises.
- 10.12.2 Without limiting sub-clause 10.12.1, the Lessee must pay all costs associated with running, using, maintaining, servicing, repairing, conducting preventative maintenance and powering the Air Conditioning Plant.
- 10.12.3 The Lessor may enter into an agreement with a competent contractor for the inspection, service and maintenance of the Air Conditioning Plant and the Lessee must pay to the Lessor the costs, fees and charges of and incidental to that agreement.
- 10.12.4 The Lessee acknowledges that the Air Conditioning Plant comprises part of the Lessor's Plant and remains the property of the Lessor.
- 10.12.5 The Lessor must keep the Air Conditioning Plant in reasonable working order and if necessary shall replace any irreparably damaged component within the Air Conditioning Plant so that it will remain in operation during all reasonable hours during the Term.

11. PART 11 - USE OF PREMISES

11.1 Specified Use

Unless the Lessor consents to any other use, the Premises must be used only for the Specified Use in Item 11 and any reasonably incidental uses.

11.2 Non-exclusive Use

The Specified Use is not necessarily exclusive to the Lessee and the Lessor may permit other persons to conduct similar or competing businesses on the Land.

11.3 Offensive Trades

The Lessee must not allow any noxious, noisome or offensive art, trade, business, occupation or calling to be carried on upon the Premises or allow any act or thing on the Premises which becomes an annoyance, nuisance, grievance, damage or disturbance to any occupier or owner of any adjoining land.

11.4 Act and Regulations

The Lessee must ensure compliance with the provisions of all Legislation and all directions of any Authority which relate to the Premises or the Specified Use.

11.5 Conduct of Business

The Lessee must conduct or cause to be conducted the business of the Lessee and all activities of the Lessee which are associated with the Premises, in a reasonable and businesslike manner and with all due care and consideration for the public.

11.6 Warranties as to Use

The Lessor does not give and the Lessee acknowledges that the Lessee does not rely on:

11.6.1 any warranty, representation or undertaking as to the fitness, quality, condition or suitability of the Premises or the Land for the Specified Use or any other purpose;

11.6.2 any warranty as to the use to which the Premises may be put; or

11.6.3 any warranty that for the duration of the Term, the Premises will be structurally suitable for the type of business which the Lessee intends to carry on.

11.7 Damage to Premises – General

The Lessee must not permit any use of the Premises which may cause any damage to the Premises whether structural or otherwise, excepting Fair Wear and Tear.

11.8 Damage to Premises - Heavy Equipment and Noxious Substances

Unless the Lessor consents, the Lessee must not allow to be brought upon the Premises:-

11.8.1 Any heavy, large or cumbersome machinery, plant, equipment or other items of any weight, nature or size that may cause any damage to the Premises whether structural or otherwise; or

11.8.2 Any dangerous, noxious, toxic, volatile, explosive or inflammable substance or compound whether in solid, liquid or gaseous form.

12. PART 12 - INSURANCE

12.1 Insurance of Premises by Lessor

12.1.1 The Lessor must insure the Premises against any risk (including loss of rent) which the Lessor may deem desirable from time to time for damage or destruction caused by means of any combination of the following events which cause damage to the Premises namely, fire, flood, lightning, storm, earthquake, war,

explosion, civil commotion, vandalism, malicious damage or Act of God.

12.1.2 The Lessor may insure the Premises pursuant to this clause for whatever reasonable amount the Lessor may deem appropriate from time to time and either separately or together with other portions of the Land or otherwise.

12.1.3 The Lessee must pay all premiums, stamp duties, renewal fees and any other costs incurred by the Lessor as a consequence of entering into the policy of insurance referred to in this clause.

12.2 Plate Glass Insurance by Lessee

The Lessee must insure all plate glass and other glass on the Premises for the full and reasonable cost of the repair and the replacement of that glass as may be required from time to time.

12.3 Public Risk Insurance

12.3.1 The Lessee must insure throughout the Term for at least the amount specified in Item 13 for any public risk or risk to other parties including insurance against any liability for any loss to any person or to any property which arises directly or indirectly from any use of the Premises.

12.3.2 The sum insured pursuant to this clause will be increased by such reasonable amount as the Lessor may specify in writing from time to time.

12.4 Payment of Premiums etc.

12.4.1 The policies of insurance referred to in clauses 12.2 and 12.3 must be entered into by the Lessee with a solvent insurer and in the names of the Lessor and the Lessee for their respective interests.

12.4.2 If requested at any time by the Lessor, the Lessee must produce receipts, certificates or other evidence of payment of the premiums or other fees.

12.4.3 If the Lessee does not enter into the policies of insurance referred to in clauses 12.2 and 12.3 or fails to renew those policies when they lapse then at the sole cost of the Lessee in all things, the Lessor may enter into those policies of insurance.

12.5 Lessee to Comply with Policies of Insurance

The Lessee must use its best endeavours to not do or not allow any act or thing to be done in or on the Premises or the Land whereby any policy of insurance in respect of the Premises or the Land may be vitiated or rendered void or voidable.

13. PART 13 - DAMAGE TO PREMISES

13.1 Major Rebuilding Required

If at any time the Premises is Unfit for Occupation, the Lessor:

- 13.1.1 may at any time within two (2) months after the Premises become Unfit for Occupation, Terminate this Lease without compensation to the Lessee by giving no less than seven (7) days notice to the Lessee; and
- 13.1.2 unless the Lessor has previously Terminated this Lease, must within two (2) months after the Premises become Unfit for Occupation give notice to the Lessee advising the Lessee:
 - (a) whether or not it intends to reinstate; and
 - (b) if it intends to reinstate, how long that reinstatement is estimated to take.

13.2 Abatement of Rent

If:

- 13.2.1 the Premises are Unfit for Occupation; and
- 13.2.2 payment of insurance money in respect of the damage or destruction causing the Premises to be Unfit for Occupation is not at any time refused or withheld in whole or in part as a result of any act or omission of the Lessee;

the Rent and Outgoings, or a fair and just proportion of them according to the nature and extent of the damage sustained, will abate and cease to be payable from the date of damage or destruction, until the Premises are reinstated and are no longer Unfit for Occupation.

13.3 Valuation

- 13.3.1 If the Lessee and the Lessor do not agree upon a fair proportion of the Rent and Outgoings to be paid pursuant to this clause, then the fair proportion must be determined by a Valuer who must:
 - (a) act as an expert and not as an arbitrator; and
 - (b) be appointed by the Lessee and the Lessor.
- 13.3.2 In default of agreement as to the appointment of a Valuer, then at the request of either the Lessor or the Lessee, the President for

the time being of the Australian Property Institute (SA Division) shall nominate a Valuer whom the Lessor and the Lessee shall appoint for the purposes of this clause.

- 13.3.3 The costs, fees and expenses of and incidental to any determination of the proportion of Rent and Outgoings under this clause must be paid by the Lessor and the Lessee in equal shares.

13.4 Repair to Damaged Premises

If the Premises are damaged or in disrepair during the Term, the Lessor may enter the Premises at any time and may do whatever works the Lessor may deem necessary to repair the Premises in whole or in part.

13.5 No Duty to Reinstatement

The Lessor is not obliged at any time to:

- 13.5.1 reinstate any structural damage or deterioration to the Premises;
or
- 13.5.2 reinstate the Premises if the Premises are at any time Unfit for Occupation.

13.6 Lessee's Right to Terminate

If the Lessor fails to give the Lessee a notice under clause 13.1.2, or fails to reinstate within the period estimated by the Lessor in a notice given under clause 13.1.2, then the Lessee may Terminate this Lease by giving not less than seven (7) days written notice to the Lessor, unless the reinstatement is substantially completed within that seven (7) day period.

13.7 Reasonable Period

For the purposes of section 40(d) of the Retail and Commercial Leases Act, the Lessee agrees that:

- (a) the two (2) month period allowed to the Lessor in clause 13.1.2 to assess the destruction or damage is reasonable; and
- (b) in the absence of evidence to the contrary, the Lessor's estimate under clause 13.1.2 of how long the reinstatement will take is a reasonable period within which to repair the damage or destruction.

13.8 Rights Preserved on Termination

If this Lease is Terminated under this clause, such Termination must not affect the rights of the Lessor in respect of any unpaid Money Payable or any antecedent breach by the Lessee of any of the Lessee's Covenants.

13.9 Damage to Lessee's Plant

The Lessor will not be liable to the Lessee in any way for any damage, destruction or loss suffered by the Lessee as a result of damage or destruction to the Premises or the Lessee's Plant or any other property of the Lessee and will not be liable to any other person who may suffer loss as a result of any fault or defect in the Premises or any outbreak or escape of fire, or any overflow of water or any other cause, unless such damage, destruction or loss is caused directly by a negligent act or omission of the Lessor.

14. PART 14 - DEFAULT, RE-ENTRY AND TERMINATION

14.1 Essential Terms

Each of the Lessee's Covenants which are expressed or implied in the clauses specified in Item 15 are Essential Terms of this Lease but this clause does not mean or imply that there are not other Essential Terms in this Lease.

14.2 Repudiation

If there is a breach or default by the Lessee in respect of the Lessee's obligations under any Essential Term, the Lessor may treat such a breach or default as a repudiation by the Lessee of the terms of this Lease.

14.3 Conditions for Lessor's Remedies

The Lessor's Remedies may be exercised:

- 14.3.1 in addition to any other right or remedy which the Lessor may have at law or in equity;
- 14.3.2 either with or without prior notice (subject to any term of this Lease or Legislation which may require notice);
- 14.3.3 individually or in combination of any other of the Lessor's Remedies or any other remedy which the Lessor may have at law or in equity; and
- 14.3.4 if any of the following events occur:
 - (a) there is a breach or default by the Lessee of any Essential Term;
 - (b) any Money Payable is not paid in full for a period of five (5) Business Days after the Money Payable is due to be paid to the Lessor;
 - (c) there is a breach of the Lessee's Covenants and that breach is incapable of remedy;
 - (d) after a breach of the Lessee's Covenants which breach is capable of remedy within a period of ten (10) Business Days, the Lessor gives a written notice to the Lessee requiring the Lessee to remedy the breach and the Lessee does not do so within ten (10) Business Days of the date of

the notice being served by the Lessor;

- (e) after a breach of the Lessee's Covenants which breach can only be remedied within a period of more than ten (10) Business Days, the Lessor gives a written notice to the Lessee requiring the Lessee to remedy the breach and the Lessee does not:
 - (i) commence within ten (10) Business Days of the date of the notice being served by the Lessor, all such actions as may be necessary to remedy the breach in the shortest possible time; and
 - (ii) diligently continue such action until the breach has been remedied;
- (f) the Lessee, being a person, becomes bankrupt or commits any act of bankruptcy in accordance with the Bankruptcy Act 1966 (as amended) or cannot pay his debts as they fall due;
- (g) if the Lessee is a company, any ground exists on which a court may order the winding up of the Lessee pursuant to any provision of the *Corporations Act 2001*. It is not a ground for the exercise of the Lessor's Remedies if a resolution for the winding up of the company has been made with the consent of the Lessor;
- (h) any mortgage, encumbrance, lien, debenture or floating or other charge is given or made without the consent in writing of the Lessor over any of the assets or undertaking of the Lessee and having priority to the payment of Money Payable;
- (i) any liquidator, provisional liquidator, administrator, receiver or manager is appointed of the Lessee or of any of the assets or undertaking of the Lessee;
- (j) the Lessee agrees to enter into any composition with or assignment of property for the benefit of the Lessee's creditors;
- (k) the Lessee (if a person) or any director or secretary of the Lessee (if the Lessee is a company) is convicted of any offence which is committed on or arises out of the Specified Use or out of any activity on or associated with the Premises; or
- (l) any writ of fieri facias or warrant of execution or other process for the execution of any judgement for the payment of moneys including any order for the appointment of a receiver is levied on or imposed on any chattels or property on the Premises.

14.4 Lessor's Remedies

If any of the events of default specified in clause 14.3 occurs or if any instalment of Rent is not paid in full on its due date, then subject to clause 14.3 the Lessor may exercise any of the following Lessor's Remedies:

- 14.4.1 the Lessor may Terminate this Lease, take possession of the Premises and eject the Lessee and any subtenant of the Lessee and any other person on the Premises. From that time, the Lessor shall have the Premises (or any part of the Premises in the name of the whole) and all of the former interest of the Lessor in the Premises free from any right, interest or claim of the Lessee or any person claiming by or through the Lessee;
- 14.4.2 without Terminating this Lease the Lessor may take possession of the Premises, eject the Lessee and any subtenant of the Lessee and any other person on the Premises and retain possession of the Premises until each breach of the Lessee's Covenants has been rectified. In all other respects the terms of this Lease will continue until this Lease expires or is otherwise Terminated; or
- 14.4.3 by written notice to the Lessee the Lessor may Terminate this Lease without prejudice to the Lessor's right to sue the Lessee in damages and convert the Lessee's occupation of the Premises to a monthly tenancy and from that time, the Lessee must hold the Premises as a tenant from month to month in accordance with clause 6.2 and subject to the right of Termination in clause 6.3.

14.5 Landlord and Tenant Act Notice

It is agreed by the Lessor and the Lessee that for the purposes of Section 10 of the Landlord and Tenant Act the period of ten (10) Business Days is a reasonable period for the remedy of any breach of the Lessee's Covenants.

14.6 Other Remedies

The Lessor's Remedies are in addition to and do not derogate from any other right or remedy which the Lessor may have at law, in equity or otherwise. The Lessor may sue the Lessee in any Court of competent jurisdiction for the recovery of unpaid Money Payable or the recovery of the Premises or the ejectment of the Lessee or any other person from the Premises or for any other remedy or relief.

14.7 Appointment of Attorney

- 14.7.1 If the Lessor Terminates this Lease in accordance with this Part:
 - (a) the Lessee must immediately and at the cost of the Lessee, cause to be done all things necessary to effect the registration or notation on the register book of the Termination of the Lease; and
 - (b) if required by the Lessor, the Lessee must execute a surrender of this Lease and shall procure the registration of that surrender at the Lands Titles Office.

- 14.7.2 For the purposes of effecting the surrender of the Lease as provided in this clause, the Lessee irrevocably appoints the Lessor as the attorney of the Lessee to do all such things and to execute all such documents as may be necessary to give full effect to any re-entry by the Lessor, or any Termination of the Lease or any surrender of the Lease as provided in this Part and to effect the registration of any necessary instrument.

14.8 Cost of Default

- 14.8.1 The Lessee must indemnify and keep indemnified the Lessor against and must pay to the Lessor all Legal Fees, costs, fees and expenses arising from any breach of the Lessee's Covenants.
- 14.8.2 Without limiting sub-clause 14.8.1, the Lessee must pay all Legal Fees, costs, fees, expenses and commissions (including the fees of any solicitor, land agent, valuer, architect, accountant or any other professional person who may be employed by or on behalf of the Lessor) arising from:
- (a) the recovery or attempted recovery from the Lessee of any unpaid Money Payable;
 - (b) any premature Termination;
 - (c) any re-entry of the Premises by the Lessor;
 - (d) any distress for Rent;
 - (e) any surrender or giving up of possession of the Premises by the Lessee;
 - (f) any reletting of the Premises after Termination by the Lessor; and
 - (g) any exercise of any right or remedy of the Lessor.

14.9 Indemnity to Lessor

The Lessee must indemnify and keep indemnified the Lessor against each action, suit, claim, proceeding or demand by any person in respect of the following:

- 14.9.1 any loss, damage or injury whether to property or to any person and including any costs or expenses which may arise directly or indirectly out of the Specified Use or the occupation of the Premises by the Lessee or of any business or activity carried on or permitted on the Premises or by any act, omission, neglect or default by the Lessee or any Permitted Person;
- 14.9.2 the negligent use, misuse, waste or abuse by the Lessee or any Permitted Person of the water, gas, electricity, oil, lighting or other services and facilities appurtenant to the Premises;
- 14.9.3 any overflow or leakage of water (including the mains water) in or

from the Premises if such overflow or leakage is attributable to any act or omission on the part of the Lessee or a Permitted Person; and

- 14.9.4 any loss, damage, liability, expense, Legal Fee or other fee, cost, claim or demand of any nature caused by or arising from any breach of the Lessee's Covenants or any act, omission, neglect or default of the Lessee or any Permitted Person.

14.10 Release

The Lessee agrees:

- 14.10.1 to occupy and use the Premises at the risk and expense of the Lessee;
- 14.10.2 to release to the full extent permitted by Law, the Lessor and its servants, agents and contractors from any action, suit, claim, demand or damage resulting from any accident, damage or injury occurring in or around the Premises or Land unless caused by wilful or negligent action of the Lessor; and
- 14.10.3 that the Lessor has no responsibility or liability for any loss or damage to the Lessee's Plant, unless caused by a wilful or negligent action of the Lessor.

14.11 Interest on Arrears

From the date that Money Payable is due to be paid until it is fully paid to the Lessor, all arrears of Money Payable will bear and the Lessee must pay to the Lessor interest at the rate two per centum (2%) per annum above the overdraft interest rate charged from time to time by the Lessor's usual banker in respect of a balance of over \$100,000.00.

14.12 Waiver

No waiver by the Lessor of any breach of the Lessee's Covenants or any time or indulgence granted by the Lessor in relation to such a breach must be construed as a waiver of any other breach of the Lessee's Covenants or any right, action or remedy of the Lessor.

15. PART 15 - LESSOR'S RIGHTS

15.1 Inspection

Subject to clause 15.2, the Lessor may at any reasonable time enter the Premises:

- 15.1.1 to view the condition of the Premises;
- 15.1.2 to effect any permitted work or repairs to the Premises; or
- 15.1.3 for any other reasonable purposes.

15.2 Notice of Inspection

Except in the case of an emergency (when the Lessor may enter the Premises at any time and in any way which is reasonable in the circumstances), before the Lessor enters the Premises for whatever reason lawfully permitted pursuant to this Lease, the Lessor must comply with the following requirements:

- 15.2.1 the Lessor must give to the Lessee a reasonable notice of the Lessor's intention to enter the Premises;
- 15.2.2 the Lessor must comply with any reasonable security requirements imposed by the Lessee from time to time in relation to the Premises; and
- 15.2.3 the Lessor must allow the Lessee to accompany the Lessor or to provide reasonable supervision of the Lessor's access to the Premises.

15.3 Exhibition for Sale or Letting

During the last two (2) months of the Term, or at any time if the Lessor wishes to offer the Premises for sale:

- 15.3.1 the Lessee will permit the Lessor, its servants or agents, to enter the Premises at all reasonable times with persons desiring to view the Premises, whether for purchase or letting or otherwise; and
- 15.3.2 the Lessee will permit the Lessor to affix and display on the Premises a notice or notices for reletting or sale of the Premises.

15.4 Transfer

Subject always to the terms of this Lease, the Lessor may at any time sell, transfer, assign, mortgage, encumber or charge the Premises and the Lessor's interest in the Premises.

15.5 Agents etc.

The Lessor may appoint or employ for any purpose arising from this Lease any attorney, agent or employee (including a solicitor, land agent, valuer, architect, builder, tradesman or workman) and every act by any duly authorised attorney, agent, or employee of the Lessor will be as valid and effective as if done by the Lessor.

15.6 Companies

If any Party is a company then for the purposes of this Lease, that company may validly give any instruction, direction or notice in relation to this Lease through any director or secretary of that company from time to time. A Party will not be bound to enquire as to the authority of the director or secretary as the case may be.

16. **PART 16 - THE LAND**

16.1 **Security of Land**

- 16.1.1 The Lessor may install such security devices or engage the services of such security personnel or services as the Lessor may from time to time deem appropriate for preventing or controlling fires, protecting and supervising the general security of the Premises and the Land.
- 16.1.2 The Lessor is not obliged to provide any of the security systems contemplated by this clause and the Lessee must not hold the Lessor responsible for any loss, damage or theft incurred by the Lessee at any time, whether or not such security systems are provided by the Lessor.
- 16.1.3 If the Lessor chooses to provide any security system as contemplated by this clause or otherwise, the Lessee shall pay to the Lessor the Lessee's Contribution of all costs incurred by the Lessor in providing such a system.

16.2 **Appointment of Managing Agent**

If the Lessor appoints a Managing Agent to manage the Land then:

- 16.2.1 the Lessor may delegate to the Managing Agent any of the rights, powers, authorities or privileges of the Lessor; and
- 16.2.2 if there is any inconsistency between an action or direction of the Lessor and an action or direction of the Managing Agent, the action or direction of the Lessor shall prevail to the extent of that inconsistency.

16.3 **Management Costs**

The Lessee must pay the reasonable costs incurred by the Lessor or the Managing Agent in relation to the management of the Land including:

- 16.3.1 fees payable to the Lessor or the Managing Agent;
- 16.3.2 photocopying charges incurred by the Lessor or the Managing Agent;
- 16.3.3 auditing fees incurred by the Lessor or the Managing Agent;
- 16.3.4 Legal Fees incurred by the Lessor or the Managing Agent; and
- 16.3.5 any other expenditure properly incurred by the Lessor or the Managing Agent in the management of the Land no matter how disbursed.

16.4 **Land Division**

- 16.4.1 At any stage during the Term the Lessor may prepare and lodge an application ("a **Division Application**") to subdivide the Land

(including by strata division (as contemplated by the *Strata Titles Act 1988*), community division (as contemplated by the *Community Titles Act 1996*) or otherwise) and for the Registrar-General to issue new certificates of title for portions of the Land (including the Premises) in the manner contemplated by the Division Application.

- 16.4.2 If requested in writing by the Lessor, the Lessee must consent in writing to the lodgement of any Division Application and will promptly execute any instrument or other document and do all that is necessary to assist the Lessor to enable the deposit by the Registrar-General of the Division Application.
- 16.4.3 If the Premises are or become part of a strata scheme (as defined in the *Strata Titles Act 1988*) or a community scheme (as defined in the *Community Titles Act 1996*) then the Lessee will observe and perform all obligations contained in the by-laws of the scheme and any variations to those by-laws made from time to time.
- 16.4.4 If required by the Lessor, the Lessee will:
- (a) execute and return to the Lessor a surrender of this Lease in registrable form by mutual agreement and for no monetary condition whatsoever;
 - (b) deliver to the Lessor the original Lessee's copy of this Lease (if this lease is registered); and
 - (c) execute and return to the Lessor a new Lease of the Premises in a form that will be capable of registration following the deposit of the Division Application for the unexpired balance of the Term, containing such consequential amendments as required to reflect the Division Application (including in respect of the description of the Lessor, the Premises and the Land) and otherwise on the same terms and conditions of this Lease.
- 16.4.5 The Lessor will prepare, stamp and register the documents contemplated by this clause at its own cost, including all stamp duty and registration fees.

17. PART 17 – MISCELLANEOUS

17.1 Notices

Any notice by one Party to another must be in writing and must be served on that other Party either:

- 17.1.1 by delivering it to that Party personally;
- 17.1.2 by delivering it to or posting it by certified mail to that Party at the Address of that Party;
- 17.1.3 by delivering it to or posting it by certified mail to that Party at its registered office, if that Party is a company;

- 17.1.4 by sending the notice by facsimile transmission to the Address of that Party; or
- 17.1.5 by delivering it to a director of a Party if that Party is a company.

17.2 Time of Service

Any notice served pursuant to this Lease must be deemed to have been received:

- 17.2.1 in the case of personal delivery made before 4:00 pm on a Business Day, on that day;
- 17.2.2 in the case of personal delivery made after 4:00 pm, on the next Business Day;
- 17.2.3 in the case of delivery to the Address of a Party before 4:00 pm on a Business Day, on that day;
- 17.2.4 in the case of delivery to the Address of a Party after 4:00 pm, on the next Business Day;
- 17.2.5 in the case of posting to the Address of a Party, on the next Business Day;
- 17.2.6 in the case of facsimile transmission before 4:00 pm on a Business Day, on that day; and
- 17.2.7 in the case of facsimile transmission after 4:00 pm, on the next Business Day.

17.3 Consent or Approval of Lessor

Where the consent or approval of the Lessor is required pursuant to any term of this Lease, then:

- 17.3.1 that consent or approval must be first obtained in writing from the Lessor before the Lessee can do whatever it is that requires the Lessor's consent or approval;
- 17.3.2 the Lessee must request that consent or approval from the Lessor in an appropriate written notice specifying all relevant particulars of the Lessee's request;
- 17.3.3 the Lessor must notify the Lessee in writing within ten (10) Business Days of receipt of such a notice from the Lessee of the granting or refusal (as the case may be) of such consent or approval;
- 17.3.4 if the Lessee is not in breach of any of the Lessee's Covenants, the Lessor must not capriciously or unreasonably refuse such consent or approval;
- 17.3.5 the Lessor may grant such consent or approval subject to such reasonable conditions as the Lessor may deem fit; and

- 17.3.6 any refusal of consent or approval by the Lessor must include a brief description of the Lessor's reason for the refusal of that consent or approval.

17.4 Consents of Authorities

If any consent to this Lease or to a term of this Lease is required from any Authority then:

- 17.4.1 this Lease or that term of this Lease, as the case may be, will be subject to that consent being granted;
- 17.4.2 both the Lessor and the Lessee, at the sole cost of the Lessee, must do all things reasonably necessary to obtain that consent as soon as reasonably possible; and
- 17.4.3 if that consent is overlooked or is not obtained by reason of any inadvertence by the Parties or either of them, then neither the Lessor nor the Lessee shall seek to avoid or set aside this Lease or any of the terms of this Lease, nor to prevent them from coming into effect until such time as all reasonable endeavours have been made to obtain that consent.

17.5 Reasonable Costs

Any amount payable by the Lessee to the Lessor under this Lease on account of costs and expenses incurred by the Lessor must be limited to reasonable costs and expenses.

17.6 Law

The law of this Lease must be the law of the State of South Australia. Any proceeding in relation to this Lease may be taken in a Court or Tribunal of competent jurisdiction at Adelaide and all parties to that proceeding must submit to the jurisdiction of that Court or Tribunal.

17.7 Trusts

The Lessor is not bound to acknowledge or to give effect to any trust or of any beneficial interest in this Lease or otherwise held by the Lessee for any other person notwithstanding that the Lessor may have notice of such an interest and may have consented to it. The Lessor may treat the Lessee as the sole and beneficial owner of the Lease and may exercise any right or remedy against the Lessee personally and any property of the Lessee notwithstanding that such property may be held by the Lessee on or subject to any trusts or otherwise.

SCHEDULE

Item 1 - Lessor

KEATES BALMER INVESTMENTS PTY LTD ACN 167 970 363 in its capacity as bare trustee for Keates Balmer Superannuation Nominees Pty Ltd ACN 167 566 565 as trustee of the Keates Balmer Family Super Fund

Item 2 - Lessee

WAX DESIGN PTY LTD ACN 117 346 264

Item 3 - Addresses

Address of Lessors: Suite 12, 154 Fullarton Road, Rose Park SA 5067

Address of Lessee: Suite 12, 154 Fullarton Road, Rose Park SA 5067

Item 4 - Land

The whole of the land comprised in Certificate of Title Register Book Volume 5158 Folio 594.

Item 5 - Commencement Date

4 April 2014

Item 6 - Term

A term of five [5] years commencing on the Commencement Date

Item 7 - Further Term

The period of renewal (clause 6.4.1) is 5 years and the right of renewal may be exercised on 2 occasions only (clause 6.4.2)

Item 8 - Rent

A clear annual rental of Twenty Seven Thousand Dollars [\$27,000] per annum plus GST

Item 9 - Monthly Instalments

The monthly instalments of the initial Rent are \$2,250.00 plus GST.

Item 10 - Review Dates

The Rent shall be reviewed and determined in accordance with clause 4.5 on the following dates and in accordance with the appropriate method of review:

- a) On each anniversary of the Commencement Date, other than each date in Item 10(b) – CPI; and
- b) On the 5th anniversary of the Commencement Date of the initial Term, and then each 5th anniversary of that first Review Date under this Item 11(b) – Market Review

Item 11 - Specified Use

Any use permitted by law.

Item 12 - Painting Dates

Not Applicable

Item 13 - Public Liability Insurance

No less than Ten Million Dollars (\$10,000,000.00)

Item 14 - Retail And Commercial Leases Act

The Retail & Commercial Lease Act applies to this Lease

Item 15 - Essential Terms

Clauses 3.1, 5.2, 5.5, 5.5.2(a), 5.8.3, 7.5, 7.8, 8.1, 8.4, 8.9, 10.8.1, 10.12, 11.1, 12.1.3, 12.2, 12.3, 12.4, 14.8, 14.9 and 14.10

Item 16 - Special Covenants

a) Building Works

As soon as practicably possible, the Lessor must complete the following building repairs on the Premises which will form part of the Lessor's Plant. These repairs include:

- relocation of the kitchen;
- repairs on the balustrade; and
- ceiling repairs.

b) Lessee's Plant

For the avoidance of doubt, any additions, modifications or improvements to the Premises undertaken by the Lessee with the Lessor's consent under clause 9.1 shall form part of the Lessee's Plant, and accordingly must be removed from the Premises upon Termination in accordance with clause 10.7.

	Page No
1.	PART 1 - DEFINITIONS 3
2.	PART 2 - INTERPRETATION AND CONSTRUCTION 6
	2.1 Marginal Notes and Headings 6
	2.2 Construction..... 6
	2.3 Special Covenants 7
	2.4 Severance..... 7
	2.5 Joint and Several Liability..... 7
	2.6 Retail and Commercial Leases Act 8
3.	PART 3 - PAYMENT OF RENT 8
	3.1 Payment of Rent 8
	3.2 Payments Free of Deductions 8
	3.3 Mode of Payments 8
	3.4 Payments into Accounts..... 8
	3.5 Place of Payment..... 8
	3.6 Money Payable Included in Rent..... 8
	3.7 Rent and Money Payable Recoverable from Lessee..... 8
	3.8 Rent for Portion of a Month 9
4.	PART 4 - RENT REVIEW 9
	4.1 Definitions 9
	4.2 Assessment of Market Review 10
	4.3 Costs of Market Review 11
	4.4 Change in CPI Calculations 11
	4.5 Rent to be Reviewed..... 11
	4.6 No Estoppel 12
	4.7 Existing Rent until Review..... 12
5.	PART 5 - OUTGOINGS, EXPENSES, RATES & TAXES 12
	5.1 Definitions 12
	5.2 Increases over Base Year 12
	5.3 Adjustment of Outgoings..... 13
	5.4 Utilities and Services..... 13
	5.5 Payment of Outgoings by Instalments..... 13
	5.6 Final Adjustment of Outgoings 14
	5.7 Costs of Lease 14
	5.8 Goods and Services Tax..... 14
6.	PART 6 - TERM 15
	6.1 Period of Term 15
	6.2 Holding Over 15
	6.3 Termination of Monthly Tenancy 15
	6.4 Further Term 15
	6.5 Failure to Remove Alterations 16
	6.6 Failure to Deliver up Premises 17
7.	PART 7 - POSSESSION, TRANSFER AND SUBLETTING 17
	7.1 Grant of Lease 17
	7.2 Quiet Possession 17
	7.3 Surrender of Possession 17
	7.4 Possession to be Maintained 17
	7.5 Transfer, Assignment and Subletting..... 18
	7.6 Request for Consent 18
	7.7 Conditions of Consent..... 18
	7.8 Transfer of Shares in Companies..... 19
8.	PART 8 - MAINTENANCE, REPAIRS AND CLEANING 20
	8.1 Repair, Maintenance and Cleaning – General..... 20

	8.2	Limitation to Lessee's Duty	20
	8.3	Limitation to Lessee's Duty - Structural Repairs	21
	8.4	Lessee's Plant.....	21
	8.5	Rubbish, Pests etc.	21
	8.6	Hygiene.....	21
	8.7	Rubbish Storage and Removal.....	21
	8.8	Drains and Plumbing.....	21
	8.9	Painting.....	21
	8.10	Notice to Repair	22
	8.11	Right of Lessor to Remedy.....	22
	8.12	Notice of Defects.....	23
	8.13	Fire Protection.....	23
	8.14	Smoking.....	23
	8.15	Security.....	23
9.		PART 9 - ALTERATIONS TO THE PREMISES BY THE LESSEE	23
	9.1	Alterations by Lessee.....	23
	9.2	Conditions Attached to Lessor's Consent.....	24
	9.3	Alterations May Remain in Premises after Term	24
	9.4	Removal of Lessee's Alterations	24
	9.5	Mandatory Alterations	24
10.		PART 10 - LESSOR'S PLANT AND LESSEE'S PLANT	25
	10.1	Lessor's Plant – Maintenance	25
	10.2	Lessor's Plant - Lessee must not damage.....	25
	10.3	Attachment and Removal of Plant.....	25
	10.4	Lessee to Make Good	25
	10.5	Quality of Lessee's Plant.....	25
	10.6	Plant etc. on Lease Excluded from Premises	25
	10.7	Removal of Lessee's Plant.....	25
	10.8	Signs and Advertisements.....	26
	10.9	Removal of Signs	26
	10.10	Telephones	26
	10.11	Locks	26
	10.12	Air Conditioning.....	27
11.		PART 11 - USE OF PREMISES	27
	11.1	Specified Use.....	27
	11.2	Non-exclusive Use	27
	11.3	Offensive Trades.....	27
	11.4	Act and Regulations	28
	11.5	Conduct of Business	28
	11.6	Warranties as to Use.....	28
	11.7	Damage to Premises – General	28
	11.8	Damage to Premises - Heavy Equipment and Noxious Substances.....	28
12.		PART 12 - INSURANCE.....	28
	12.1	Insurance of Premises by Lessor	28
	12.2	Plate Glass Insurance by Lessee	29
	12.3	Public Risk Insurance.....	29
	12.4	Payment of Premiums etc.	29
	12.5	Lessee to Comply with Policies of Insurance.....	30
13.		PART 13 - DAMAGE TO PREMISES	30
	13.1	Major Rebuilding Required.....	30
	13.2	Abatement of Rent	30
	13.3	Valuation	30
	13.4	Repair to Damaged Premises	31
	13.5	No Duty to Reinstate	31
	13.6	Lessee's Right to Terminate.....	31

	13.7	Reasonable Period.....	31
	13.8	Rights Preserved on Termination.....	31
	13.9	Damage to Lessee's Plant.....	32
14.		PART 14 - DEFAULT, RE-ENTRY AND TERMINATION.....	32
	14.1	Essential Terms.....	32
	14.2	Repudiation.....	32
	14.3	Conditions for Lessor's Remedies.....	32
	14.4	Lessor's Remedies.....	34
	14.5	Landlord and Tenant Act Notice.....	34
	14.6	Other Remedies.....	34
	14.7	Appointment of Attorney.....	34
	14.8	Cost of Default.....	35
	14.9	Indemnity to Lessor.....	35
	14.10	Release.....	36
	14.11	Interest on Arrears.....	36
	14.12	Waiver.....	36
15.		PART 15 - LESSOR'S RIGHTS.....	36
	15.1	Inspection.....	36
	15.2	Notice of Inspection.....	37
	15.3	Exhibition for Sale or Letting.....	37
	15.4	Transfer.....	37
	15.5	Agents etc.....	37
	15.6	Companies.....	37
16.		PART 16 - THE LAND.....	38
	16.1	Security of Land.....	38
	16.2	Appointment of Managing Agent.....	38
	16.3	Management Costs.....	38
	16.4	Land Division.....	38
17.		PART 17 - MISCELLANEOUS.....	39
	17.1	Notices.....	39
	17.2	Time of Service.....	40
	17.3	Consent or Approval of Lessor.....	40
	17.4	Consents of Authorities.....	41
	17.5	Reasonable Costs.....	41
	17.6	Law.....	41
	17.7	Trusts.....	41
		SCHEDULE.....	42

SCHEDULE 3

IMPORTANT NOTICE

EXCLUSION OF WARRANTY OF FITNESS FOR PURPOSE

Retail and Commercial Leases Act 1995: Section 18

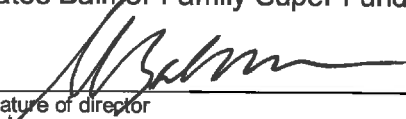
Retail and Commercial Leases Regulations 1995: Regulation 7

THE LESSOR DOES NOT WARRANT THAT THE PREMISES THAT YOU ARE ABOUT TO LEASE WILL, FOR THE DURATION OF YOUR LEASE, BE STRUCTURALLY SUITABLE FOR THE TYPE OF BUSINESS THAT YOU INTEND TO CARRY ON.

DATED 4th APRIL 2014

LESSOR

Executed by KEATES BALMER INVESTMENTS PTY LTD ACN 167 970 363 in its capacity as bare trustee for Keates Balmer Superannuation Nominees Pty Ltd ACN 167 566 565 as trustee of the Keates Balmer Family Super Fund:


Signature of director

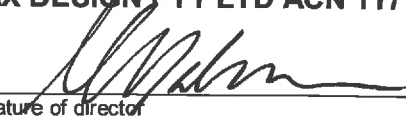
AMANDA BALMER
Name of director (print)


Signature of director/company secretary
(Please delete as applicable)

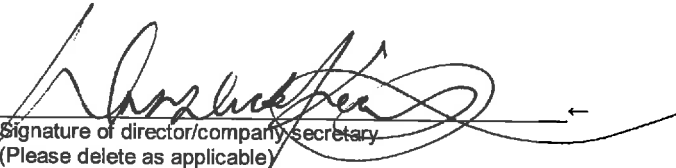
WARWICK KEATES
Name of director/company secretary (print)

LESSEE

Executed by: WAX DESIGN PTY LTD ACN 117 346 264


Signature of director

AMANDA BALMER
Name of director (print)


Signature of director/company secretary
(Please delete as applicable)

WARWICK KEATES
Name of director/company secretary (print)

* NB: A penalty of up to \$2000 or 6 months imprisonment applies for improper witnessing

**LANDS TITLES REGISTRATION
OFFICE
SOUTH AUSTRALIA**

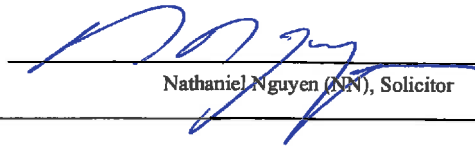
MEMORANDUM OF LEASE
FORM APPROVED BY THE REGISTRAR-GENERAL

**BELOW THIS LINE FOR OFFICE &
STAMP DUTY PURPOSES ONLY**

Prefix
L
Series No

BELOW THIS LINE FOR AGENT USE ONLY

CERTIFIED CORRECT FOR THE PURPOSES
OF THE REAL PROPERTY ACT 1886


Nathaniel Nguyen (NN), Solicitor

AGENT CODE

Lodged by:

John Levy Lawyers

JLL3P

Correction to:

John Levy Lawyers

JLL3P

TITLES, CROWN LEASES, DECLARATIONS ETC. LODGED WITH
INSTRUMENT (TO BE FILLED IN BY PERSON LODGING)

1.
2.
3.
4.

PLEASE ISSUE NEW CERTIFICATE(S) OF TITLE AS FOLLOWS

1.
2.
3.
4.

DELIVERY INSTRUCTIONS (Agent to complete)

PLEASE DELIVER THE FOLLOWING ITEM(S) TO THE
UNDERMENTIONED AGENT(S)

ITEM(S)	AGENT CODE

CORRECTION	PASSED
REGISTERED	
REGISTRAR-GENERAL	