

COMMERCIAL LEASE AGREEMENT

THIS LEASE (this "Lease") dated this 4th day of August 2020

BETWEEN:

D M Sayes BTT Pty Ltd of 62 Clarendon Road Peakhurst NSW 2210

Telephone: (04) 1179 9949

(the "Landlord")

- AND -

Iliomad Concepts Pty Ltd (TA FireSafe) of 62 Clarendon Road Peakhurst NSW 2210

Telephone: (04) 2368 0680

(the "Tenant")

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

Definitions

When used in this Lease, the following expressions will have the meanings indicated:

"Additional Rent" means all amounts payable by the Tenant under this Lease except Base Rent, whether or not specifically designated as Additional Rent elsewhere in this Lease;

"Building" means all buildings, improvements, equipment, fixtures, property and facilities from time to time located at Unit 5, 53-55 Governor Macquarie Drive Chipping Norton NSW 2170, as from time to time altered, expanded or reduced by the Landlord in its sole discretion;

"Common Areas and Facilities" mean:

those portions of the Building areas, buildings, improvements, facilities, utilities, equipment and installations in or forming part of the Building which from time to time are not designated or intended by the Landlord to be let to tenants of the Building including, without limitation, exterior weather walls, roofs, entrances and exits, carpark areas, driveways, loading docks and area, storage, mechanical and electrical rooms, areas above and below leasable premises and not included within leasable premises, security and alarm equipment, grassed and landscaped areas, retaining walls and maintenance, cleaning and operating equipment serving the Building; and

those lands, areas, buildings, improvements, facilities, utilities, equipment and installations which serve or are for the useful benefit of the Building, the tenants of the Building or the Landlord and those having business with them, whether or not located within, adjacent to or near the Building and which are designated from time to time by the Landlord as part of the Common Areas and Facilities;

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"Leasable Area" means with respect to any rentable premises, the area expressed in square metres of all floor space including floor space of mezzanines, if any, determined, calculated and certified by the Landlord and measured from the exterior face of all exterior walls, doors and windows, including walls, doors and windows separating the rentable premises from enclosed Common Areas and Facilities, if any, and from the centre line of all interior walls separating the rentable premises from adjoining rentable premises. There will be no deduction or exclusion for any space occupied by or used for columns, ducts or other structural elements;

"Premises" means the warehouse and office space at Unit 5, 53-55 Governor Macquarie Drive Chipping Norton NSW 2170;

"Proportionate Share" means a fraction, the numerator of which is the Leasable Area of the Premises and the denominator of which is the aggregate of the Leasable Area of all rentable premises in the Building.

"Rent" means the total of Base Rent and Additional Rent.

GST Registration

The Landlord is registered for GST Yes No

The Tenant is registered for GST Yes No

Leased Premises

The Landlord agrees to rent to the Tenant the warehouse space described as Unit 5, 53-55 Governor Macquarie Drive Chipping Norton NSW 2170, (the "Premises").

The Premises will be used for only the following permitted use (the "Permitted Use"): Warehouse and Office Space. Neither the Premises nor any part of the Premises will be used at any time during the Term by Tenant for any purpose other than the Permitted Use.

Subject to the provisions of this Lease, the Tenant is entitled to the use of 3 parking spaces (the 'Parking') on or about the Premises. Only properly insured motor vehicles may be parked in the Tenant's space.

The Landlord reserves the right in its reasonable discretion to alter, reconstruct, expand, withdraw from or add to the Building from time to time. In the exercise of those rights, the Landlord undertakes to use reasonable efforts to minimise any interference with the visibility of the Premises and to use reasonable efforts to ensure that direct entrance to and exit from the Premises is maintained.

The Tenant acknowledges that the Landlord or its agent will have the right to enter the Premises at all reasonable times to show them to prospective purchasers, encumbrances, lessees or assignees, and may also during the ninety days preceding the termination of the terms of this Lease, place upon the Premises the usual type of notice to the effect that the Premises are for rent, which notice the Tenant will permit to remain on them.

Term

The term of the Lease commences on 31 August 2020 and ends on 30 August 2022 (the "Term").

Upon 30 days' notice, the Landlord may terminate the tenancy under this Lease if the Tenant has defaulted in the payment of any portion of the Rent when due.

Upon 60 days' notice, the Landlord may terminate the tenancy under this Lease if the Tenant fails to observe, perform and keep each and every of the covenants, agreements, stipulations, obligations,

conditions and other provisions of this Lease to be observed, performed and kept by the Tenant and the Tenant persists in such default beyond the said 60 days' notice.

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

Option

The Landlord offers a renewal of this lease for a further term of one (1) year.

Rent

Subject to the provisions of this Lease, the Tenant will pay a base rent, without setoff, abatement or deduction, of \$44,000.00 (incl GST), payable annually, for the Premises (the "Base Rent").

The Tenant will pay the Base Rent in advance on or before the 31st August of each year of the Term to the Landlord.

Rent Review

The Landlord and Tenant will review the basic rent after each year, which will become effective at the commencement of the following year.

The rent review will assume that:

the Premises are fit for occupation by a willing tenant;

the Premises may be lawfully let for the Permitted Use;

the Landlord and Tenant have complied with their respective obligations in this Lease; and

if the Premises have been damaged or destroyed, they have been fully repaired.

The rent review will disregard:

the fact that the Tenant, or any predecessor or subtenant, occupied the Premises;

any goodwill attached to the Premises because of the Tenant's occupation;

any work done to the Premises that was not done pursuant to an obligation in this Lease; and

any activities on, or work done to, any adjoining premises.

The results of the rent review will be recorded in a memorandum that will be signed by the Landlord and Tenant.

The Landlord Agrees

Possession

To give possession of the Premises to the Tenant on the day on which the term of the lease commences.

Condition of Premises

To ensure that the Premises are in a reasonably fit condition for use at the commencement of the lease.

Security

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To ensure that the external doors and windows contain locks and catches in working order at the commencement of the lease.

Insurance

To insure the Premises against damage arising from fire, lighting and explosion and other hazards (including earthquake, storm and tempest, water damage, impact, aircraft, riots/civil commotions and malicious damage).

Use of Premises

To allow the Tenant to use and occupy the Premises without unreasonable interference by the Landlord or their Agent.

Rates and Taxes

To pay council, water and sewerage rates, land tax and other levies promptly.

Lease Copy

To provide the Tenant within one (1) month after:

- a. Execution of the lease
- b. Stamping if applicable

with a copy of the lease.

Tax Receipts and Tax Invoices

To issue rent receipts and tax invoices where applicable.

The Tenant Agrees

Rent

To pay the rent promptly and in advance and in the manner that the Landlord may direct from time to time.

Charges

To pay all charges for gas, electricity and telephone and any water usage, garbage or sanitary rates or charges relating to the Tenant's use of the Premises.

Use and Occupation

The Tenant will use and occupy the Premises only for the Permitted Use and for no other purpose whatsoever.

Quiet Enjoyment

The Landlord covenants that on paying the Rent and performing the covenants contained in this Lease, the Tenant will peacefully and quietly have, hold, and enjoy the Premises for the agreed term.

Care of Premises

To take care of the Premises and to keep them in a clean condition, and to notify the Landlord promptly of any loss, damage or defect in the Premises.

Rules and Regulation

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To ensure that the Tenant, and the Tenant's employees, licensees and agents, observe, obey and perform the rules and regulations forming part of this lease and such further rules and regulations as the Landlord may from time to time make and communicate to the Tenant (not being inconsistent with this lease) for the safety, care and cleanliness of the Premises and of the building.

Insurance

- a. To do nothing in the building or keep anything therein that would increase the insurance premium payable by the Landlord on the building except with the prior consent of the Landlord.
- b. To do nothing which would make any insurance policy void.
- c. To insure all external fixed glass and window frames for which the Tenant is responsible.
- d. To pay any insurance premiums payable by the Landlord increased as a result of the Tenant's actions.
- e. To insure for public risk covering liability in respect of bodily injury, property damage, product liability and contractual liability arising from the occupation and use of the Premises by the Tenant for the minimum amount as noted below.

The amount of cover for public liability is \$20,000,000.00

Indemnity

- a. To compensate and meet all claims of:
 - i. The Landlord for the loss of or damage to part or whole of the Premises
 - ii. Any person for the loss of or damage to their personal property, and
 - iii. Any person for personal injury or death as a result of any accident or neglect or a deliberate or careless act on the Premises, or a breach of any conditions of the lease by the Tenant, their employees or agents or any person present on the Premises with the consent of the Tenant, their employees or agents.
- b. In such circumstances the Tenant shall meet all claims whether they are made directly against them or against the Landlord. Any resultant repairs to the Premises or to any other parts of the building shall be carried out at the expense of the Tenant by a builder or tradesperson approved by the Landlord.

Both Parties Agree That

Unforeseen Events

If something happens to the Premises so that the whole or a substantial part can no longer be occupied and the parties are in no way responsible, the either party shall have the right to terminate the lease on the giving of seven (7) days notice in writing.

Inspections

The Landlord shall inspect the Premises at the commencement of the lease and on its termination and take note of the condition of the Premises including the state of cleanliness, state of repair and working order of appliances.

Repairs

The Tenant shall have repaired in a proper manner any damage to the Premises resulting from neglect or a deliberate or careless act or a breach of any condition of the lease by the Tenant or any person on the Premises without their consent.

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The Landlord shall carry out without delay all reasonable repairs necessary for the Tenant's ordinary use and occupation of the Premises, having regard to the condition of the Premises at the commencement of the lease and having regard for fair wear and tear.

Access

- a. The Landlord shall respect the Tenant's right to privacy.
- b. The Tenant shall allow access to the Landlord or Agent when it is reasonable that they or either of them should view the condition of the Premises or to carry out repairs.
- c. The Landlord shall give the Tenant reasonable notice of the time and date for such access. As far as possible it shall be convenient for both parties.
- d. The Landlord may have access to the Premises at any time or on reasonable notice to the Tenant or without notice in the case of an emergency or to carry out urgent repairs.

Cost

- a. The Tenant shall pay the stamp duty and registration fees (if any) payable in connection with this lease

GST

Any amounts, including rent, referred to in this lease which are payable by the Tenant to the Landlord, or on behalf of the Landlord, under this lease, are expressed inclusive of the Goods and Services Tax ("GST"), (if any), at the rate of 10% (the current rate). If the current rate is increased or decreased, the parties agree that any amounts referred to in this lease will be varied accordingly.

Statutes

Each party shall observe as applicable to themselves all relevant statutes, statutory regulations and by-laws relating to health, safety, noise and other standards with respect to the Premises.

Mitigation

Where there has been a breach of any of the conditions of the lease by either party, the other party shall take all reasonable steps to minimise any resultant loss or damage.

Renewal of Lease

Upon giving written notice not more than 6 months before the expiration of the Term, the Tenant may renew this Lease for an additional term. All terms of the renewed lease will be the same except for any signing incentives/inducements and this renewal clause and the amount of the rent.

Termination

Upon the expiry of the least term or where the lease has become a periodic lease, either party may terminate it by giving one (1) month's notice to the other party.

Surrender of Premises

At the termination of the lease, the Tenant will quit and surrender the Premises in as good a state and condition as they were at the commencement of this Lease, reasonable use and wear and damages by the elements excepted.

Abandonment

If at any time during the Term, the Tenant abandons the Premises or any part of the Premises, the Landlord may, at its option, enter the Premises by any means without being liable for any prosecution for such entering, and without becoming liable to the Tenant for damages or for any payment of any

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kind whatever, and may, at the Landlord's discretion, as agent for the Tenant, relet the Premises, or any part of the Premises, for the whole or any part of the then unexpired term, and may receive and collect all rent payable by virtue of such reletting, and, at the Landlord's option, hold the Tenant liable for any difference between the Rent that would have been payable under this Lease during the balance of the unexpired term, if this Lease had continued in force, and the net rent for such period realised by the Landlord by means of the reletting. If the Landlord's right of re-entry is exercised following abandonment of the premises by the Tenant, then the Landlord may consider any personal property belonging to the Tenant and left on the Premises to also have been abandoned, in which case the Landlord may dispose of all such personal property in any manner the Landlord will deem proper and is relieved of all liability for doing so.

Rules and Regulations

The Tenant will obey all rules and regulations posted by the Landlord regarding the use and care of the Building, parking lot and other common facilities that are provided for the use of the Tenant in and around the Building on the Premises.

Governing Law

It is the intention of the Parties to this Lease that the tenancy created by this Lease and the performance under this Lease, and all suits and special proceedings under this Lease, be construed in accordance with and governed, to the exclusion of the law of any other forum, by the laws of the State of New South Wales, without regard to the jurisdiction in which any action or special proceeding may be instituted.

Severability

If there is a conflict between any provision of this Lease and the applicable legislation of the State of New South Wales (the "Act"), the Act will prevail and such provisions of the Lease will be amended or deleted as necessary in order to comply with the Act. Further, any provisions that are required by the Act are incorporated into this Lease.

General Provisions

Any waiver by the Landlord of any failure by the Tenant to perform or observe the provisions of this Lease will not operate as a waiver of the Landlord's rights under this Lease in respect of any subsequent defaults, breaches or non-performance and will not defeat or affect in any way the Landlord's rights in respect of any subsequent default or breach.

This Lease will extend to and be binding upon and inure to the benefit of the respective heirs, executors, administrators, successors and assigns, as the case may be, of each party to this Lease. All covenants are to be construed as conditions of this Lease.

Where there is more than one Tenant executing this Lease, all Tenants are jointly and severally liable for each other's acts, omissions and liabilities pursuant to this Lease.

Time is of the essence in this Lease.

This Lease will constitute the entire agreement between the Parties. Any prior understanding or representation of any kind preceding the date of this Lease will not be binding on either party to this Lease except to the extent incorporated in this Lease. In particular, no warranties of the Landlord not expressed in this Lease are to be implied.

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We hereby enter into this lease and agree to all its conditions.

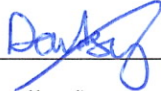
Signed by the LANDLORD

in the presence of:

D M Sayes BTT Pty Ltd (Landlord)

JEREMY CONSTANTINE

(Name of Witness)



(Landlord)



(Witness)



(Landlord)

Signed by the TENANT

in the presence of:

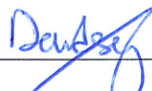
JEREMY CONSTANTINE

(Name of Witness)

Iliomad Concepts Pty Ltd (TA FireSafe)
(Tenant)



(Witness)



(Tenant)