

MEMORANDUM OF LEASE**CERTIFICATES OF TITLE BEING LEASED**

Portion of the land comprised in Certificate of Title Register Book Volume 6021 Folio 270 (*see attached plan*)

ESTATE AND INTEREST

In fee simple

ENCUMBRANCES

Nil

LESSOR (Full Name and Address)

ZANE ANTHONY PITT of 9 Madeline Crescent Fulham Gardens S.A. 5024 and MARK CHARLES PITT of 61 Tyneside Avenue Willoughby NSW 2068 (ABN 472 028 056 54)

LESSEE (Full Name, Address and Mode of Holding)

SOUTH EAST NATURAL RESOURCES MANAGEMENT BOARD

of P.O. Box 30 Mount Gambier S.A. 5290

TERM OF LEASE

COMMENCING ON THE 11th day of May, 2009 or upon a certificate of occupancy being granted with respect to the within premises and whichever shall be the latter date.

EXPIRING ON THE 10th day of May, 2019 with the right of renewal as set out herein

The lessor named and described in *Item 1 of the Schedule* hereto ("the lessor") which shall include the executors administrators successors and assigns of the lessor being registered as the proprietors of the land described in *Item 2 of the Schedule* HEREBY LEASE to the lessee named and described in *Item 3 of the Schedule* ("the lessee") which expression shall include the executors administrators successors and assigns of the lessee that land described in *Item 2 of the Schedule* together with the premises as described in *Item 4 of the Schedule* ("the premises") TO BE HELD by the lessee for the term specified in *Item 5 of the Schedule* at the annual rental specified in *Item 6 of the Schedule* to be paid by monthly payments in advance of the amount specified in *Item 6 of the Schedule* (and at the same rate for any broken period being less than one calendar month) each payable as specified in *Item 6 of the Schedule* on the 1st day of each month during the term hereby granted and any extension thereof PROVIDED THAT the first of such payments shall be made on or before the date specified in *Item 7 of the Schedule* SUBJECT HOWEVER to the following conditions in addition to and without prejudice to those implied herein by the Real Property Act 1886 as amended or any statutory modification thereof except insofar as the same are negated or modified hereby.

1. LESSEE'S COVENANTS

The lessee hereby covenants and agrees with the lessor as follows :-

1.1 Pay Rent

The lessee will during the term of this lease without demand from the lessor pay to the lessor and without any deductions whatsoever the rent hereby reserved, such rent to be paid by instalments as is provided on page 2 in the panel "*Rent and Manner of Payment*" at the office of the lessor or at any other place which the lessor shall notify to the lessee in writing and at the times and in the manner herein provided.

1.2 Pay Charges

To pay all charges imposed by any public utility or authority for the supply of any service supplied to or used in or in respect of the premises including all charges for telephone, electricity, gas, S.A.

Water and sewer rates, one half (½) of Council Rates, and all levies assessed or levied in respect of the premises.

1.3 Pay Solicitor's Costs

The lessee will pay one half of the solicitor's costs incurred by the lessor in the preparation of this lease together with registration fees (if any) payable thereon.

1.4 Not to Assign

Not to assign transfer demise sub-let or part with or share the possession of the premises or any part thereof without the prior consent in writing of the lessor which consent shall not be unreasonably or capriciously withheld.

1.5 Maintain Premises

To maintain premises replace repair and keep the premises and all the lessor's partitions fixtures and fittings in good and substantial repair order and condition (flood lightning storm tempest fair wear and tear inevitable accident Act of God and war damage only excepted) and at the determination of this lease to surrender to the lessor the premises and every part thereof together with the lessor's partitions fixtures and fittings in good and substantial repair and condition in all respects and where appropriate in good working order as the same are now including all lights and electrical fittings bulbs tubes air-conditioning (if any) floor finishes and glazings PROVIDED THAT this covenant shall not impose on the lessee any obligation in respect of any structural or capital maintenance replacement or repair except where the same is rendered necessary by the lessee's particular use of the premises or by any act or omission on the part of the lessee or the servant agent or contractor subtenant or employee or any person on the premises by licence of the lessee (all referred to herein as persons permitted on the premises by the lessee).

1.6 Signs

The lessee will not paint, affix or exhibit any sign, name, writing, advertisement or any other thing upon or outside the windows, doors

and external walls of the premises without the consent in writing of the lessor being in each instance first had and obtained which consent shall not be unreasonably or capriciously refused and will at the end or other sooner determination of the said term hereby granted remove or paint out or obliterate in a manner to be approved of by the lessor any sign, name or writing or other thing which may have been so painted, affixed or exhibited.

1.7 Without affecting the generality of foregoing at the lessee's expense:

1.7.1 Maintain Lessee's fittings

To keep and maintain in good order repair and condition all the lessee's fittings plant furnishings and equipment to the extent necessary to prevent any hazard to or deterioration in the condition of the premises.

1.7.2 Repair Damage

To make good any breakage defect or damage to the premises or any facility or appurtenance thereof occasioned by want of care or misuse on the part of the lessee or any person permitted on the premises by the lessee except for usual wear and tear.

1.7.3 Comply With Statutes

To comply with all statutes with or legal requirements in respect of the use of the premises as permitted in *Item 8* and to keep the lessor indemnified in respect of all such matters mentioned in this paragraph PROVIDED THAT this covenant shall not impose on the lessee any obligation in respect of any structural maintenance replacement or repair or capital expenditure except where the same is rendered necessary or desirable as a consequence direct or indirect of any act or omission on the part of the lessee or any person permitted on the premises by the lessee or by the particular use of the premises by the lessee.

1.7.4 Painting

The lessee will at his expense and in a proper and tradesmanlike manner with materials and in colours to be approved by the lessor paint all those interior parts of the premises as were painted at the commencement of the term as and when reasonably required by the lessor and in any event within the last three months prior to the expiration of the term hereby granted or should the lease be renewed within the last three months of such extended term.

1.8 Not to Misuse Facilities And Services

Not to use nor permit any person on the premises to use the lavatories toilets sinks and drainage and other plumbing facilities in the premises for any purpose other than that for which they were constructed or provided and not to deposit or permit to be deposited therein any sweeping rubbish or other material and any damage thereto caused by such misuse shall be made good by the lessee forthwith.

1.9 Statutory Notices

Not to permit or suffer the premises or any part thereof to be or become in an insanitary condition within the meaning of The Health Act or to be or become in such a condition as shall not comply with the provisions as regards public health and safety contained in the Local Government Act and the Industrial Code or Acts for the time being in force in the State of South Australia and at the lessee's cost and expense to perform and fulfil all the duties and obligations with regard to the premises or the use thereof imposed by any Law affecting the premises or the occupation or condition or use thereof for the time being in force in the said State and to carry out promptly and efficiently the proper requirements from time to time lawfully made by any Local Government authority or Board or person and to indemnify the lessor from and against all actions proceedings claims demands charges penalties and expenses arising from the non-observance or

non-performance of any such duties and obligations PROVIDED THAT nothing in this clause shall impose upon the lessee any obligation in respect to any matter not deriving from the lessee's particular use of the premises or from any default by the lessor in the observance or performance of any duty or obligation incumbent upon the lessor by virtue of this lease PROVIDED FURTHER THAT this covenant shall not impose on the lessee any obligations in respect of any structural maintenance replacement or repair or capital expenditure except where the same is rendered necessary or desirable as a consequence direct or indirect of any act or omission on the part of the lessee or any person permitted on the premises.

1.10 Notice of Damage

To give to the lessor prompt notice in writing of any circumstances including any accident to or defect or want of repair in any service to or fittings in the premises which the lessee should reasonably be aware might cause any danger risk or hazard to the premises or any person.

1.11 Alterations and Additions

Not without the previous consent in writing of the lessor to make any alteration or addition to the premises nor without the consent in writing of the lessor which consent shall not be unreasonably withheld to install or alter any partitioning work fixed equipment or other fixed installation in the premises PROVIDED HOWEVER that where such consent is given the materials and design shall first be approved by the lessor and such work equipment or installation shall be installed or altered in accordance with approval so given and any reasonable fees payable for approval and inspection shall be paid by the lessee AND FURTHER PROVIDED that all such partitioning work and such installations save where the same are lessor's fixtures and/or fittings shall remain the property of the lessee which shall be responsible for all maintenance thereof and (in the case of any plant or equipment) for the repair and running costs thereof and such partitioning work

and/or installations may and if so required by the lessor shall be removed by the lessee at or immediately prior to the expiration of the lease but the lessee shall upon such removal cause no damage to the premises and shall thereafter reinstate the same to the condition they were in prior to such installation.

1.12 Not to Damage

Without affecting the generality of the preceding paragraphs hereof not without such consent to install any water gas or electrical fixtures equipment or appliances or any apparatus for illuminating air-conditioning heating cooling or ventilating the premises, nor mark paint drill in any way deface walls ceiling partitions floors wood or other parts of the premises.

1.13 Lessor's Inspection

To permit the lessor and their agents at all reasonable times upon giving to the lessee reasonable notice (except in the case of emergency when no notice shall be required) to enter upon the premises and view the state of repair thereof and the lessor shall thereupon serve upon the lessee a notice in writing of any defect the repair of which is the lessee's obligation hereunder requiring the lessee within reasonable time to repair the same and in default of the lessee it shall be lawful for the lessor (without any obligation on the part of the lessor so to do) for the time being to enter and execute the required repairs as if it were the lessee and for that purpose the lessor or their architects or contractors may enter upon the premises for the purpose of effecting any such thing and any reasonable expenses and costs of carrying out such work shall forthwith be payable by the lessee to the lessor AND FURTHER to permit the lessor at all times on reasonable notice to carry out repairs or alterations to the premises deemed necessary by the lessor and for any of these purposes to enter the premises with or without their contractors as aforesaid.

1.14 Public Risk Policy

Forthwith to effect and keep effected in respect of the premises a Public Risk Policy noting the interest of the lessor in a sum of not less than the amount specified in *Item 9 of the Schedule* at all times during the continuance of this lease to include indemnity against damage or injury caused by any breach of any of the provisions of this Lease by the lessee and the lessee shall on demand deliver the Policy of such insurance to the lessor and to produce the receipt or Certificate of Currency of every premium in respect of such insurance to the lessor on demand.

1.15 No Void Insurance

Not at any time during the said term to do or permit or suffer to be done any act matter or thing on the premises whereby any insurance in respect of the premises may be vitiated or rendered void or voidable or where the rate of premium on any insurance shall be liable to be increased.

1.16 Building and Services Indemnity

To indemnify the lessor from and against all claims losses and expenses for which the lessor shall become liable in respect of or arising from :-

1.16.1 The negligent use waste or abuse by the lessee or any person on the premises by licence of the lessee of the water gas electricity oil lighting and other services and facilities of the premises.

1.16.2 Overflow or leakage of water (including rain water) in or from the premises but having origin within the premises caused or attributed to any act or omission on the part of the lessee or other person as aforesaid.

1.16.3 Loss damage or injury from any cause whatsoever to property or persons caused or contributed to by the use of the premises by the lessee or other persons as aforesaid.

1.16.4 Loss damage or injury from any cause whatsoever to property or person within or without the premises occasioned or contributed to by any act or default of the lessee or any other persons as aforesaid.

1.17 Lessor Release

1.17.1 To occupy use and keep the premises at the risk of the lessee and the lessee HEREBY RELEASES to the full extent permitted by law the lessor and their servants and agents from all claims demands and damages of every kind resulting from any accident damage or injury occurring therein except where deriving from any wilful act of the lessor or any agent of the lessor and the lessee EXPRESSLY AGREES that the lessor shall have no responsibility or liability for any loss or damage to fixtures fittings or personal property of the lessee except where deriving from any wilful act of the lessor or any agent of the lessor.

1.17.2 That the lessor shall not be responsible for any inconvenience loss or damage caused directly or indirectly by the non-operation of equipment nor for the loss of any property or effects of the lessee, from the premises howsoever occurring nor for any damage or injury to any property or effects of the lessee in the premises or on the streets, lanes and other lands adjacent to or adjoining the premises whether arising from the operation or failure to operate of any doors, air-conditioning plant, public utility services and other equipment therein, or otherwise unless the same shall arise from carelessness or negligence on the part of any servant, agent or workman of the lessor or a breach by the lessor of its obligations under this lease.

1.18 Plate Glass

The lessee will at its expense replace with plate glass or window glass of equivalent quality (as the case may require) all plate glass or

window glass in the premises which may become broken or damaged during the term of this lease or any extension thereof due to the wilful, reckless or negligent conduct of the lessee or any of the lessee's servants, agents or invitees.

1.19 Permitted Use

The lessee will not without the consent in writing of the lessor use the premises other than for the purpose set out and described in *Item 8 of the Schedule* hereto.

1.20 Prohibited Use

The premises shall not be used nor suffered to be used as a dwelling house or sleeping place and no animals, birds or other livestock shall be kept in or about the premises.

1.21 No Offensive Use

The lessee will not at any time during the said term carry on or permit to be carried on in, upon or about the premises any noisy noisome noxious or offensive art, trade, business, occupation or calling whatsoever.

1.22 No Nuisance

The lessee will not do or permit to be done in, upon or about the premises anything which in the opinion of the lessor may be or be likely to become a nuisance or annoyance to or in any way interfere with the quiet and comfort of the occupants of any other premises adjoining or in the vicinity of the premises.

2. LESSOR'S COVENANTS

The lessor hereby covenants with the lessee as follows :-

2.1 State Land Tax / Council Rates

To pay State Land Tax (if any) and one half (½) of Council Rates charged upon or in respect of the premises.

2.2 Pay Solicitor's Costs

The lessor will pay one half of the solicitor's costs incurred in the preparation of this lease.

2.3 Quiet Enjoyment

That the lessee paying the rent hereby reserved and duly and punctually observing and performing the obligations in this lease may peaceably possess the premises for the term hereby granted without any interruption or disturbance from the lessor or any other person or persons lawfully claiming under the lessor.

2.4 Lessee's Removal of Fixtures

That the lessee may at the expiration of the lease remove from the premises all fixtures fittings plant equipment or other articles upon the premises in the nature of trade or tenants fixtures brought upon the premises by the lessee but the lessee shall upon such removal cause no damage or disfigurement to the premises and shall forthwith make good any damage or disfigurement which the lessee may occasion thereto and reinstate the premises to the condition they were in prior to the installation of such fixtures fittings or equipment.

2.5 Insurance

To keep the building and all improvements (other than the lessee's stock in trade and plant) fully insured against fire storm and tempest at the lessor's expense and will carry out and pay for all structural repairs and maintenance which are necessary and not the responsibility of the lessee under this lease.

3. THE LESSOR AND LESSEE HEREBY MUTUALLY AGREE AS FOLLOWS:

3.1 Unpaid Rent

That if the rent or any part thereof shall be unpaid for a space of fourteen (14) days after any of the days on which the same ought to have been paid in accordance with the covenant for payment of rent herein contained (although no formal or legal demand shall have been made therefor) or if the lessee commits permits or suffers to occur any breach or default in the due and punctual observance and performance of any of the obligations and provisions of this lease or

any Rules and Regulations made hereunder or if (the lessee being a company) an order is made or resolution is effectively passed for the winding up of the lessee (except for the purpose of reconstruction or amalgamation with the written consent of the lessor which consent shall not be unreasonably withheld) or if the lessee becomes bankrupt or makes an assignment for the benefit of or enters into an arrangement or composition with their creditors or stops payment or is unable to pay its debts within the meaning of any relevant Companies Act or Ordinance or if execution is levied against the lessee and not discharged within fourteen (14) days THEN and in any one or more of such events the lessor at any time or times thereafter shall have the right to re-enter the premises and repossess the same as of its former estate anything herein contained to the contrary notwithstanding but without prejudice to any right of action or other remedy which the lessor has or might otherwise have for arrears of rent or breach of covenant or for damages as a result of any such event and thereupon the lessor shall be freed and discharged from any action suit claim or demand by or obligation to the lessee by virtue of this lease.

3.2 Breach of Covenant

That in the case of a breach of any covenant or condition contained in this lease then the notice to the lessee to be given pursuant to relevant South Australian Statute shall provide that the period of fourteen (14) days is the time within which the lessee is to remedy any such breach or default if it is capable of remedy or to make reasonable compensation in money to the satisfaction of the lessor in respect thereof.

3.3 Interest on Rent

That without prejudice to the rights powers and remedies of the lessor otherwise under this lease the lessee will pay to the lessor interest at the rate set out in *Item 10 of the Schedule* on any moneys due but unpaid fourteen days (14) after the same fell due and payable by the lessee to the lessor on any account whatsoever pursuant to this lease

such interest to be computed from the due date for the payment of the moneys in respect of which the interest is chargeable until payment of such moneys in full and to be recoverable in like manner as rent in arrear.

3.4 Lessor to Re-enter

That in the case of the happening of any event whereby the lessor may become entitled so to re-enter and take possession of the premises and to determine this lease as aforesaid after necessary compliance with any relevant statutory provisions as to the exercise or rights of forfeiture (of which the statutory declaration of an Officer of the lessor shall be conclusive evidence for the purpose of the Registrar General) the lessee HEREBY IRREVOCABLY APPOINT the lessor the attorney of the lessee in the lessee's name and as the lessee's act and deed from time to time if and when such attorney shall think fit for the purpose of giving full effect to the power of re-entry to execute a surrender of this lease and to procure the registration thereof and to record this Power of Attorney and to procure to be done anything which may be requisite or proper for giving full effect thereof according to the Real Property Act or any law or usage for the time being in force in the State of South Australia AND all and whatsoever such attorney shall lawfully do or deem prudent to do or cause to be done by virtue of the said appointment is by this Deed rectified and confirmed.

3.5 Recovery of Rent

That the reasonable costs of and incidental to the recovery of rent due and unpaid interest thereon and the lessor's costs and expenses incurred by remedying or attempting to remedy any breach of the lessee's covenants including but without limiting the generality thereof professional charges workmen's wages and the amount paid by the lessor by way of damages and penalties resulting from such breach whether by law or otherwise shall be deemed to be and it is hereby agreed that they shall be treated as additional rent falling due and

payable on the date on which such expenses became due and owing attaching thereto the lessor's rights and remedies under this lease expressed or implied by law or statute for the recovery of rent.

3.6 Damage by Fire

That if the whole or any part of the premises shall be destroyed or damaged by fire during the said term so as to be unfit for use by the lessee a just proportion of the rent hereby reserved according to the nature and the extent of the damage sustained by the premises shall cease and be suspended until the premises shall have been put in proper condition by the lessor for use and occupation by the lessee AND FURTHER that if the premises be destroyed or damaged by fire during the said term and the lessor shall not within two months from the date of destruction or damage notify the lessee of their intention to restore the premises and thereafter with all reasonable speed proceed to restore the same THEN the lessee shall have the right to terminate this lease by notice in writing to the lessor and the term hereby granted shall cease upon the giving of such notice without prejudice to the rights of either party for any antecedent breach of covenant.

3.7 Holding Over

That in the event of the lessee holding over after the expiration or sooner determination of the said term with the consent of the lessor the lessee shall become a monthly tenant only of the lessor determinable by fourteen (14) days prior notice expiring at any time at a monthly rental equivalent to a monthly proportion of the total annual rent payable hereunder at the expiration or sooner determination of such term and otherwise on the same terms and conditions (*mutatis mutandis*) as those contained herein so far as applicable.

3.8 Extended Term

That on the written request of the lessee made within three months before the expiration of the said term and provided that there shall not at the time of such request be any existing breach in the observance

of any of the covenants and conditions herein contained the lessor will at the expense of the lessee lease for a further term as set out in *Item 11 of the Schedule* (hereinafter called "the extended term") to the lessee at the rental as specified in *Item 12 of the Schedule*.

3.9 No Waiver

That no waiver by the lessor of one breach of any obligation in this lease contained or implied shall operate as a waiver of another breach of the same or of any other obligations in this lease contained or implied.

3.10 Notices

That without prejudice to any other means of giving notices required to be served hereunder such notice or notices shall be sufficiently served on the lessee if served personally or if left addressed to the lessee on the premises or forwarded to the lessee by post to the last known place of business or abode of the lessee and shall be sufficiently served on the lessor if addressed to the lessor and left at or sent by post to the registered office of the lessor for the time being or the last known place of business or abode and any notice sent by post shall be deemed to be given at the time when it ought to be delivered in the due course of post.

3.11 Covenants Not Applicable

That any covenant or provision herein which is not applicable to the premises or which is repugnant to the general interpretation thereof or which is invalid unlawful void or unenforceable shall be capable of severance without affecting any other of the obligations of the parties pursuant hereto.

3.12 Interpretation

In the construction of this lease and unless the context otherwise requires words importing the singular number shall include plural and words importing the masculine, feminine or neuter gender shall include masculine, feminine or neuter and vice versa and words importing persons shall include companies.

3.13 No Warranty

The lessee ACKNOWLEDGES AND AGREES that the lessor has given no warranty as to the use to which the premises may be put, and the lessee shall satisfy itself thereon and shall be deemed to have accepted this lease with full knowledge of, and subject to, any prohibitions or restrictions on the use thereof under or in pursuance of any Act Ordinance Regulation By-law or other statutory enactment or order of Court. Should the use be permissible only with the consent of any authority under or in pursuance of any such Statute Ordinance Regulation By-law or other enactment or order of the Court the lessee shall obtain such consent at the lessee's own expense and the lessee shall indemnify the lessor against any action for any non-approved usage of the premises.

3.14 CPI Increase

Notwithstanding anything hereinbefore contained and subject to clauses below the rental payable by the lessee to the lessor shall be reviewed and recalculated as follows:-

3.14.1 At the end of the first year hereof and on the same day in every year during the term hereof the annual rental shall be recalculated and each such re-calculation shall be effected by taking the Consumer Price Index (all groups) for Adelaide as last determined immediately prior to the commencement of this lease (or at the date last rental review whichever is the case) comparing it with the Consumer Price Index (all groups) for Adelaide as last determined immediately prior to the date of review and the rate of increase therein shall be applied to the said rental PROVIDED THAT in the event of application of that formula producing a weekly rental less after any re-calculation than 100 per centum of the weekly rental obtaining immediately before the re-calculation the new weekly rental shall be in lieu or the sum determined by the application of the formula an amount equal to 100 per centum of the weekly

rental immediately before the re-calculation. In this lease the reference to the Consumer Price Index (all groups) for Adelaide shall mean and include the Consumer Price Index (all groups) for Adelaide published from time to time by the Commonwealth Bureau of Census and Statistics.

3.14.2 In the event of the Commonwealth of Australia ceasing to publish the Consumer Price Index or the basis of calculating the Consumer Price Index being substantially changed so that the said formula becomes inapplicable then and in any such event the rental payable after each and every such review shall be mutually agreed between the parties but in the event of dispute shall be as determined by a licensed valuer to be appointed at the joint expense of the parties by their joint agreement or failing such agreement by the President for the time being of the South Australian Division of the Commonwealth Institute of Valuers but in no circumstances shall the rent payable after any such review be less than 100 per centum of the rent payable immediately prior to such review.

3.15 THIS AGREEMENT is subject in all respects to the provisions of the South Australia Development Act.

3.16 THAT EACH AND EVERY PROVISION hereof to be observed by the lessee and in particular the covenant to pay the rent on the days and in the manner provided is a fundamental and essential term of this lease to be strictly and literally observed by the lessee AND this lease is granted by the lessor upon this express condition.

3.17 SUCH OF THE FIXTURES AND FITTINGS in the premises at the commencement of this lease as are owned by the lessor shall remain the property of the lessor, but the maintenance, repair and

replacement thereof whenever necessary shall be carried out by and at the expense of the lessee.

4. GOODS AND SERVICES TAX

A goods and services tax ("GST") has been introduced in Australia and is or may be levied on the supply of the leased premises or any goods, services or other things by the lessor to the lessee under this lease, then :

- 4.1 Subject to clause (4.3) hereunder, the lessor may charge the GST and recover from the lessee the amount of any GST that may be levied on the rent;
- 4.2 The lessee must pay GST in addition to the rent at the same time and in the same manner as the lessee is obliged to pay the rent;
- 4.3 Within seven (7) days prior to the due date for payment of the rent for that month, the lessor must issue to the lessee a tax invoice enabling the lessee to claim any applicable input tax credits in respect of the amount of GST charged to the lessee;
- 4.4 If the lessee can reasonably demonstrate to the lessor that the lessor will achieve cost savings as a result of the introduction of GST, including any cost savings arising from a change in or abolition of other taxes complementary to the introduction of a GST, then is requested to do so by the lessee, the parties must meet and negotiate in good faith with a view to reducing the rent by an appropriate amount; and
- 4.5 If rent is to be increased by reference to movements in any index, such as the Consumer Price Index, any increase in the index attributable to the introduction of a GST is to be excluded from the index for the purposes of calculating the increased rent.
- 4.6 NOTWITHSTANDING the foregoing, the rental in each subsequent year and in each subsequent term shall not be less than the rental payable during the year immediately preceding the date of any rental review.

5. The Lessee acknowledges that notwithstanding the provision for a second floor being constructed, the within premises are let on the basis of a ground floor tenancy only.

THE LESSEE HEREBY ACCEPTS this Memorandum of Lease of the above described land to be held by the lessee and subject to the conditions restrictions and covenants before set forth.

SCHEDULE 1

The Lessor : ZANE ANTHONY PITT of 9 Madeline Crescent Fulham Gardens S.A. 5024 and MARK CHARLES PITT of 61 Tyneside Avenue Willoughby NSW 2068 (ABN 472 028 056 54)

SCHEDULE 2

The Land : Portion of the land comprised in Certificate of Title Register Book Volume 6021 Folio 270.

SCHEDULE 3

The Lessee : SOUTH EAST NATURAL RESOURCES MANAGEMENT BOARD of P.O. Box 30 Mount Gambier S.A. 5290

SCHEDULE 4

The Premises : That portion of the within premises shaded on the plan attached hereto together with the non-exclusive access to the premises over the within land.

SCHEDULE 5

The Term : Ten (10) years from the 11th day of May, 2009 to the 10th day of May, 2019 with the right of renewal provided in Item 11 of this schedule.

SCHEDULE 6

Annual Rental and Method of Payment : FIFTEEN THOUSAND FIVE HUNDRED DOLLARS (\$15,500.00) per annum together with GST in the sum of ONE THOUSAND FIVE HUNDRED AND FIFTY DOLLARS (\$1,550.00) payable by calendar monthly instalments in advance each in the sum of ONE THOUSAND FOUR HUNDRED AND TWENTY DOLLARS AND EIGHTY FOUR CENTS (\$1,420.84)

SCHEDULE 7

Date of First Payment Of Rental : 11th day of May, 2009.

SCHEDULE 8

Permitted Use of Premises: Operation of the South East Natural Resources Management Board for its general office, housing of vehicles, storage of plant, equipment and chemicals

SCHEDULE 9

Public Risk Insurance : TEN MILLION DOLLARS (\$10,000,000.00)

SCHEDULE 10

Interest on Arrears of Rent: Twelve per centum [12%] per annum.

SCHEDULE 11

Extended Term : For a further two (2) terms of five (5) years each.

SCHEDULE 12

Rent Review : At the conclusion of each year in accordance with 3.14 of the lease.

FORM 5
LANDLORD AND TENANT (COMMERCIAL TENANCIES)
REGULATION 1986
Regulation 6a
IMPORTANT INFORMATION FOR NEW TENANTS

PARTIES:

THE LESSEE: SOUTH EAST NATURAL RESOURCES
MANAGEMENT BOARD of P.O. Box 30 Mount
Gambier S.A. 5290

THE LESSORS: ZANE ANTHONY PITT of 9 Madeline Crescent Fulham
Gardens S.A. 5024 and MARK CHARLES PITT of 61
Tyneside Avenue Willoughby NSW 2068 (ABN 472 028
056 54)

THE LAND: Portion of the land comprised in Certificate of Title Register
Book Volume 6021 Folio 270.

THE TERM: Ten (10) years from the 11th day of May, 2009 with the right
of renewal provided in Item 11 of this schedule.

Read the right of renewal section carefully.

You must give proper notice if you want to renew this
agreement. Ask your Lessors or managing agent for
details. If in doubt, obtain independent advice.

THE RENT: FIFTEEN THOUSAND FIVE HUNDRED DOLLARS
(\$15,500.00) per annum together with GST in the sum of
ONE THOUSAND FIVE HUNDRED AND FIFTY DOLLARS
(\$1,550.00) payable by calendar monthly instalments in
advance each in the sum of ONE THOUSAND FOUR
HUNDRED AND TWENTY DOLLARS AND EIGHTY
FOUR CENTS (\$1,420.84) as per Item 6 of this schedule
and clause 3.14 above.

DISCLOSURE STATEMENT - REGULATION 5

Disclosure Statement Under Section 12 of Retail & Commercial Leases Act 1995

INFORMATION FOR LESSEES :

What is a Lease ?

A lease is a very important document. It is a legally binding contract between the lessor (landlord) and the lessee (tenant). It sets out the rights and obligations of the lessor and the lessee.

A document that binds the lessee to enter into a lease or to take a shop on lease for a renewed term should be treated as if it were the lease.

What should I look for in a Lease ?

The main features to consider are :-

- The term of the lease;
- Whether there is an option to renew or extend the lease (and the method of exercising any such option);
- The rent and the basis for rent reviews;
- The amounts that the lessee will have to pay in addition to rent e.g. fit out costs, maintenance and repair costs and shared operating expenses;
- The consequences of breaching a term of the lease.

Make sure you read the whole document and understand the obligations it will place on you, especially the extra charges in addition to rent that you will have to pay.

What information is the Lessor required to give me ?

The lessor must give you a copy of the proposed lease and this disclosure statement. The disclosure statement must contain the matters set out in Section 12 of the *Retail and Commercial Leases Act 1995*.

What should I do before signing a Lease or other Binding Document ?

Do not sign until you understand exactly what your obligations under the lease will be.

Before signing a Lease or other Binding Document, you should obtain independent legal and financial advice

- You should discuss the lease (or any agreement for lease) and the disclosure statement with your own lawyer) or lease adviser.
- You should seek advice about the financial commitments under the lease from your own accountant or recognised financial or business adviser.
- You should also seek advice from an Association representing the interests of the Lessees.

Before signing a Lease or other binding document, oral representations made by the Lessor or the Lessor's Agent on which you have relied should be reduced to writing and signed by or on behalf of the Lessor.

Before signing a Lease or other binding document, the Lessee should sign an Acknowledgment of Receipt of the disclosure statement.

The Lessor does not warrant that the premises 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.

ACKNOWLEDGMENT OF RECEIPT OF DISCLOSURE STATEMENT

We received the disclosure statement on 11 day of May 2009 from ZANE ANTHONY PITT of 9 Madeline Crescent Fulham Gardens S.A. 5024 and MARK CHARLES PITT of 61 Tyneside Avenue Willoughby NSW 2068 (ABN 472 028 056 54)

Lessee : EXECUTED for and on behalf of SOUTH EAST NATURAL RESOURCES MANAGEMENT BOARD


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In this document, all references to the term "lease" are to be read as "licence", all references to the term "lessee" are to be read as "licensee", all references to the term "lessor" are to be read as "licensor" and all references to the term "rent" are to be read as "licence fee", and all references to the term "shop" are to be read as "premises".

DISCLOSURE STATEMENT

Shop Details

1. Shop to be Leased :-

That portion of the within premises shaded on the plan attached hereto together with the non-exclusive access to the premises over the within land.

2. The shop may be used only for the following purposes :-

Operation of the South East Natural Resources Management Board for its general office, housing of vehicles, storage of plant, equipment and chemicals

3. The shop is not in a retail shopping centre within the meaning of the Retail and Commercial Leases Act 1995.

Lessors Details

4. The lessor is the registered proprietor of the premises.

Term of Lease and Renewal or Extension

Note : Part 4A of the *Retail and Commercial Leases Act 1995* contains provisions that govern the term and renewal of certain leases. In some circumstances, Division 3 of Part 4A provides a preferential right of renewal of a lease of a shop in a shopping centre entered into on or after 6th October, 1997.

5. Term of lease : Ten (10) years

Commencing on : 11th day of May, 2009

6. The Lessee has a right to renew or extend the term of the lease as follows :-

For a further two (2) terms of five (5) years each.

Lessee's Access to Shop

7. The lessee will have access to the shop during the following hours that fall outside trading hours - Twenty four (24) hours per day.

8. The shop will be available for occupation by the lessee on 11th day of May, 2009 or earlier by mutual agreement.

Legal Consequences of Breach of Lease

9. The legal consequences of breach of a term of the lease are set out in the following clauses of the lease : 1.1, 1.2, 1.6, and 3.1.

The consequences of early termination of the lease by the lessee are as follows :

If you terminate the lease early you are still liable to pay the rent for the term of the lease.

You will be liable to pay interest at twelve per centum (12%) per annum on moneys owing to the lessors.

The consequences of other breaches are as follows :-

The lessors may :

- (a) if the lessee does not remedy the breach within 14 days or fails to pay rent for 7 days, terminate the lease and take possession of the premises;
- (b) take possession of the premises without terminating the lease until the lessee's breach has been rectified. In this case, even though the lessee is not in possession, the lessee is required to comply with its obligations under the lease;
- (c) rectify any breach by the lessee and recover the costs of so doing from the lessee;
- (d) sue the lessee for any damage or loss suffered by the lessor as a result of the lessee's breach; and
- (e) charge interest on any monies which are owed to the lessor (at the rate of twelve per centum per annum (12%).

Please note that the above is only a brief description of the consequences of a breach or early termination of the lease by the lessee and does not fully set out the lessors' right and remedies. The lessee should refer to the specific provisions of the lease for a fuller description and should obtain independent legal advice about the lessors' rights under law generally.

Monetary Obligations of the Lessee

10. The lessee's obligations to pay rent, capital expenditure, outgoings and other monetary amounts are set out in Appendix "A" of this disclosure statement.

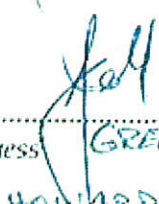
IMPORTANT NOTICE

Exclusion of warranty of fitness for purpose (Section 18, Regulation 7, Retail and Commercial Leases Act, 1995).

THE LESSOR DOES NOT WARRANT THAT THE PREMISES 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.

Date :

SIGNED by the Lessors)
in the presence of :)


.....
Witness GREG TODD

21 HOWARD PL
NORTH EPPING 2121

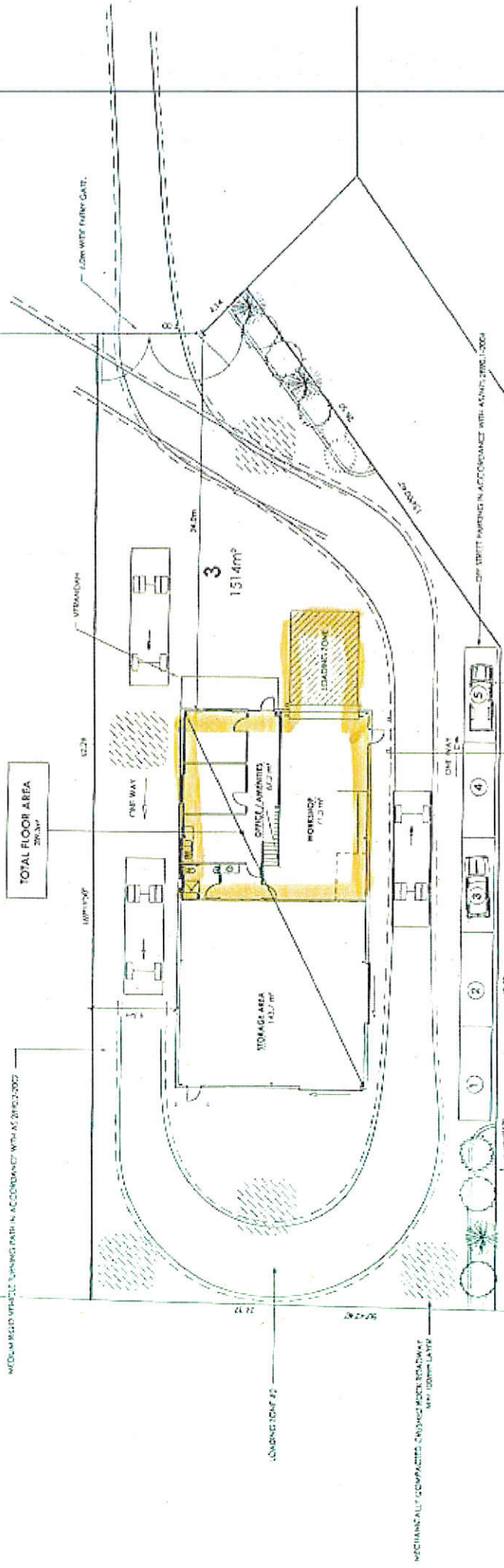

.....
Zane Anthony Pitt


.....
Mark Charles Pitt

PROPOSED OFFICE FIT OUT FOR MARK PITT - LOT 3 SMITH STREET INDUSTRIAL ESTATE NARACOORTE S.A. 5271.



4
1766m²



PRELIMINARY
NOT FOR CONSTRUCTION

2
1617m²

SITE PLAN
1:250

1
1127m²

Grampians i-design LTD
P.O. Box 071 Strathell, Victoria 3380.
Ph: 03 5356 6750 Fax: 03 5356 6756
E-mail: grampiansi-design@bigpond.com



REV NO:	DESCRIPTION:	DATE:	DRAWING NO:	SCALE:
A	PRELIMINARY	15/02/09	SP1005	1:250
DRAWING NAME: SITE PLAN - LOT 3 SMITH STREET NARACOORTE				
DRAWN BY: MURIELLY	SIZE: A-3	REV: A-02	SHEET: A-02	APPROVED A

CONSENTS OF MORTGAGEES AND SECTION 32 DEVELOPMENT ACT 1993 CERTIFICATION

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

DATED 17th June, 2009

EXECUTION

Signature of the LESSORS

Signature of WITNESS - Signed in my presence by the LESSORS who are either personally known to me or have satisfied me as to his or her identity *

GREGORY TODD

Print Full name of Witness (BLOCK LETTERS)

21 HOWARD PL

Address of Witness

NTH EPPING 2121

Business Hours Telephone Number

(02)9499 6222

Signature of the LESSEES

EXECUTED for and on behalf of SOUTH EAST NATURAL RESOURCES MANAGEMENT BOARD

in the presence of :

Paul H. Osborne



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