

Client does not have a copy of the new lease yet, but advised it has been extended with the 5 year option with a 5% increase in rent

Dealing Number



OFFICE USE ONLY

Privacy Statement

Collection of information from this form is authorised by legislation and is used to maintain publicly searchable records. For more information, see the Department's website.

1. Lessor Lodger (Name, address E-mail & phone number) Lodger Code
B&T SMSF PROPERTY PTY LTD A.C.N 608 532 958
TRUSTEE UNDER INSTRUMENT 717112571

2. Lot on Plan Description Title Reference
LOT 4 ON SP 172928 50720665

3. Lessee Given names Surname/Company name and number (include tenancy if more than one)
THE VET LOUNGE PTY LTD A.C.N 136
742 464

4. Interest being leased
FEE SIMPLE

5. Description of premises being leased
THE WHOLE OF THE PREMISES

6. Term of lease 7. Rental/Consideration
Commencement date/event: 11 MARCH 2016 SEE ATTACHED SCHEDULE
Expiry date: 10 MARCH 2021 and/or Event:
#Options: 1 X 5 YEARS
#Insert nil if no option or insert option period (eg 3 years or 2 x 3 years)

8. Grant/Execution
The Lessor leases the premises described in item 5 to the Lessee for the term stated in item 6 subject to the covenants and conditions contained in:- *the attached schedule; *the attached schedule and document no. _____; * document no. _____; *Option in registered Lease no. _____ has not been exercised.
* delete if not applicable

Witnessing officer must be aware of his/her obligations under section 162 of the Land Title Act 1994

B&T SMSF PROPERTY PTY LTD A.C.N
608 532 958

..... signature
..... full name
..... qualification

Witnessing Officer

26/4/16
Execution Date

DIRECTOR
DIRECTOR
Lessor's Signature

(Witnessing officer must be in accordance with Schedule 1 of the Land Title Act 1994 eg Legal Practitioner, JP, C Dec)

9. Acceptance

The Lessee accepts the lease and acknowledges the amount payable or other considerations for the lease.

THE VET LOUNGE PTY LTD A.C.N 136 742
464

signature
SANDRA KAY STEAD (JP)
full name
Justice of the Peace
X 7520 qualification

Witnessing Officer

27/4/2016
Execution Date

Sole DIRECTOR
Lessee's Signature

(Witnessing officer must be in accordance with Schedule 1 of the Land Title Act 1994 eg Legal Practitioner, JP, C Dec)

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REFERENCE SCHEDULE

Item 1 Rent first Lease Year (definition of Rent in clause 1.1 and clause 2)	THIRTY TWO THOUSAND FOUR HUNDRED DOLLARS (\$32,400.00) PER ANNUM PLUS GST
Item 2 Dates and amounts or percentages of fixed rent increases (clause 3.1)	Not applicable
Item 3 CPI Adjustment Dates (definition of CPI Adjustment Dates in clause 3.2)	11 March, 2017 11 March, 2018 11 March, 2019 11 March, 2020 If the First Option Term is exercised then: 11 March, 2022 11 March, 2023 11 March, 2024 11 March, 2025
Item 4 Market Review Dates (definition of Market Review Date in clause 1.1 and clause 3.3)	If the First Option Term is exercised then: 11 March, 2021
Item 5 Agreed Proportion (Definition of Agreed Proportion in clause 1.1 and clause 4.1)	100%
Item 6 Permitted Use (Definition of Permitted Use in clause 1.1 and clause 8.1)	Veterinary surgery and ancillary services
Item 7 Landlord's address for notices: Tenant's address for notices: (address for notices in clause 19.1)	Units 7 & 8 / 9-15 Sinclair Street Arundel Qld 4214
Item 8 First Option Term Second Option Term (further term in clause 22)	FIVE (5) years Not applicable
Item 9 Security Amount (clause 24)	An amount equal to ONE (1) months Rent plus GST

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1. INTERPRETATION

1.1 Definitions

In this Lease the following expressions have the following meanings:

Accounting Period means the period or periods not exceeding twelve (12) months from time to time selected by the **Landlord** for the purpose of calculating the **Outgoings**.

Agreed Proportion means the percentage in Item 5 of the **Reference Schedule**.

Authority means any governmental or semi governmental entity and provider of a public utility server whether statutory or not.

Body Corporate means the body corporate constituted under the Body Corporate and Community Management Act 1997 for the **Community Titles Scheme**.

Building means the buildings erected on the Land.

By-Laws means the by-laws in force from time to time in accordance with the **Community Titles Scheme**.

Commencement Date means the day the **Term** begins as shown in Item 6 of the **Form 7**.

Common Property means the common property for the **Community Titles Scheme** in respect of the Premises.

Community Titles Scheme means the community titles scheme that includes the Lot.

CPI means the Consumer Price Index for Brisbane (All Groups) published by the Australian Bureau of Statistics or if that index is discontinued or so modified that it ceases to reflect changes in the cost of living in Brisbane on a reasonably consistent basis such index as may be reasonably nominated by the Landlord as providing an equivalent comparison to that contemplated above

CPI Adjustment Date means each date in Item 3 of the **Reference Schedule**.

Expiry Date means the day the **Term** expires as shown in Item 6 of the **Form 7**.

First Option Term means the option to extend the **Term** for the period described in Item 8 of the **Reference Schedule**.

Form 7 means the Form 7 Lease to which this **Reference Schedule** is attached.

GST means a tax levied on a **supply**.

Land means the land contained in the **Community Titles Scheme**.

Landlord means the party named in Item 1 of the **Form 7** and includes in the case of a corporation its successors in title and assigns and in the case of a natural person or persons their and each of their respective heirs executors administrators and assigns.

Landlord's Employees and Agents means each of the **Landlord's** employees, officers, agents, contractors and invitees.

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- Landlord's Property** means all plant, equipment, fixtures, fittings, furniture, furnishings and other property the Landlord provides in the Premises.
- Lease** means the Form 7, Reference Schedule and annexures to the Form 7.
- Lease Year** means each separate year (or part of a year as applicable) of the Term commencing respectively on the Commencement Date and on each anniversary of that date.
- Lot** means the lot described in Item 2 of the Form 7 including the Building and all buildings, structures and improvements erected or to be erected thereon and all plant, equipment, fixtures, fittings, furniture, furnishings and other property the Landlord provides on the Lot.
- Market Review Date** means each date in Item 4 of the Reference Schedule.
- Outgoings** means the total of all amounts paid or payable by the Landlord for any one Accounting Period in respect of the operation maintenance and repair of the Lot (but excluding expenditure of a capital nature) including but not limited to the following:
- (a) rates charges and other levies payable to the local or other Authority in whose area the Lot is located;
 - (b) rates and charges (including charges for excess water) payable to any local or other Authority responsible for the provision or reticulation of water and/or sewerage and/or drainage services;
 - (c) land tax payable by the Landlord with respect to its ownership of the property unless there is any reason why it is not able to recover same;
 - (d) levies contributions and/or other amounts payable to any local or other authority or company for or on account of fire protection services;
 - (e) insurance premiums and any other charges including stamp duties on insurances against fire material damage public liability and workers compensation effected by the Landlord in relation to the Landlord's ownership of or interest in the Lot;
 - (f) the cost of operating servicing repairing cleaning and maintaining the Lot and the Services but not costs of a structural or capital nature;
 - (g) a management fee to cover the Landlord's costs of managing the Lot at the minimum rate for management services as determined or recommended from time to time by the Real Estate Institute of Queensland or (if there be no such rate) at the rate which would be charged by members of that Institute experienced in such services as to which amount the decision of the President or Acting President of that Institute shall be binding on the parties (or such lesser rate as the Landlord is willing to accept);
 - (h) the cost to the Landlord of producing audited statements of expenditure (if required);
 - (i) the levies raised by the Body Corporate.
- Permitted Use** means the use in Item 6 of the Reference Schedule.
- Premises** means the premises described in Item 5 of the Form 7 and including any exclusive use areas allocated in accordance with the By-Laws and located at Unit 4/2 Sierra Place Upper Coomera Qld 4209

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- Reference Schedule** means the schedule by that name forming part of this Lease.
- Rent** means the yearly amount in Item 1 of the **Reference Schedule** and as reviewed in accordance with this lease
- Second Option Term** means the option to extend the **First Option Term** for the period described in Item 8 of the **Reference Schedule** (if any)
- Services** means the services to or of the **Premises** provided by authorities or the **Landlord** (including, but not limited to, water, electricity, air conditioning) and where the context requires includes the equipment (within the **Premises** or the **Land**) producing or containing those services.
- supply** means a supply of goods or services to the **Tenant** made by the **Landlord** under this **ease** including but not limited to the supply of the **premises** and other goods or services provided by the **Landlord** under this **lease**
- Tenant** means the party named in Item 3 of the **Form 7** and includes in the case of a corporation its successors in title and permitted assigns and in the case of a natural person or persons their and each of their respective heirs, executors, administrators and permitted assigns.
- Tenant's Business** means the business carried on by the **Tenant** from the **Premises**.
- Tenant's Employees and Agents** means each of the **Tenant's** employees, officers, agents and contractors.
- Tenant's Property** means all property on the **Premises** which is not **Landlord's Property**.
- Term** means the term of this Lease as shown on the **Form 7** and any extensions thereof.

1.2 Construction

In this Lease unless the context otherwise requires:

- (a) the singular includes the plural and vice versa;
- (b) "person" includes a firm, a body corporate, an unincorporated association or an authority;
- (c) an agreement, representation or warranty:
 - (i) in favour of two or more persons is for the benefit of them jointly and severally; and
 - (ii) on the part of two or more persons binds them jointly and severally;
- (d) a reference to:
 - (i) a person includes the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns;
 - (ii) a document includes any variation or replacement of it;
 - (iii) a law includes regulations and other instruments under it and amendments or replacements of any of them;
 - (iv) a thing includes the whole and each part of it;

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- (v) a group of persons includes all of them collectively, any two or more of them collectively and each of them individually; and
- (vi) the president of a body or authority includes any person acting in that capacity.

2. RENT

2.1 Tenant to pay Rent

The **Tenant** shall pay to the **Landlord** the **Rent** by equal monthly instalments in advance on the fifteenth day of each calendar month throughout the **Term**. The **Landlord** will give to the **Tenant** a tax invoice for the **Rent**.

2.2 Broken periods

In the case of any broken period of less than one (1) month the **Tenant** shall on the first day of the broken period pay an amount ascertained by multiplying the number of days in the broken period by the **Rent** for the **Lease Year** of which it forms part and dividing the result by the number of days in the **Lease Year**.

2.3 Delay in calculating Rent

If there is any delay in calculating the **Rent** for any **Lease Year** the **Tenant** shall continue to pay monthly instalments on account of the **Rent** at the same monthly rate as at the end of the **Lease Year** last concluded and any necessary adjustment shall be made within one (1) month of determining the **Rent** for the relevant **Lease Year**.

2.4 Rent Free Period

Notwithstanding clause 2.1 herein the **Landlord** agrees that the **Tenant** is not required to pay **Rent** until 1 May 2016.

3. RENT REVIEWS

3.1 Fixed increases of Rent

On each date in Item 2 of the **Reference Schedule** the **Rent** will be increased by the amount or percentage set out against the date.

3.2 CPI adjustment of Rent

The rent shall be reviewed on each **CPI Adjustment Date** specified in Item 3 by using the following formula:

$$\text{Reviewed rent} = A \text{ multiplied by } \frac{X}{Y}$$

where

A = the rent in the previous year

X is the **CPI** last published before the **CPI Adjustment Date**; and

Y is the **CPI** last published twelve (12) months before the **CPI Adjustment Date**.

The **Tenant** must pay the reviewed rent from the **CPI Adjustment Date**.

3.3 Market review of Rent

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- (a) The **Rent** shall be reviewed based on the current market rent, at each **Market Review Date** in item 4. In the period from ninety (90) days before to ninety (90) days after each **Market Review Date**, the **Landlord** will give a notice to the **Tenant** setting out the reviewed rent. Any delay in giving the notice will not affect the right of the **Landlord** to review the rent.
- (b) The reviewed rent is due and payable from the **Market Review Date**. Until the **Landlord** gives the **Tenant** notice under clause 3.3(a), the **Tenant** must pay the **Landlord** the old **rent**, and any adjustments are calculated from the **Market Review Date**.
- (c) If the **Tenant** disputes the reviewed rent, and the dispute cannot be resolved by negotiation between the **Landlord** and the **Tenant**, then the procedure in clause 3.4 must be followed.
- (d) If the **Tenant** does not give the **Landlord** a notice under clause 3.4 within the time referred to in that clause, then it is deemed that the **Tenant** accepts the reviewed rent.
- (e) The reviewed rent will not be less than the previous year's rent.

3.4. Dispute Resolution where a Market Rent Review is Disputed

- (a) If the **Tenant** disputes the reviewed rent, and the **Landlord** and **Tenant** are unable to reach agreement as to what the reviewed rent is to be, then within twenty eight (28) days after receiving notice from the **Landlord** in accordance with clause 3.3(a), the **Tenant** may give the **Landlord** a notice requiring the reviewed rent to be determined by a valuer (dispute notice). If the **Tenant** gives the **Landlord** a dispute notice under this clause 3.4(a), a valuer is to be appointed (either by agreement between the **Landlord** and the **Tenant** or failing agreement within fourteen (14) days of the date that the **Tenant** gives the dispute notice, to be nominated by the Australian Property Institute) to determine the current market rent.
- (b) The valuer must act as an independent expert and not as an arbitrator, and must make and give his determination in writing to the **Landlord** and the **Tenant** within twenty eight (28) days of being appointed. The **Tenant** must pay the **Rent** as determined by the valuer however if it is determined by the valuer that the reviewed rent is less than the **Rent** paid by the **Tenant** for the previous year, the **Rent** shall not be reduced and shall remain at the **Rent** for the previous year. The **Landlord** and **Tenant** are permitted to make written submissions to the valuer provided that they are made within seven (7) days of the appointment of the valuer.
- (c) Until any dispute is resolved the **Tenant** must pay the old **Rent**. Any adjustment is calculated from the **Market Review Date**, and the **Tenant** must pay the **Landlord** any adjustment.
- (d) If the **Tenant** does not give a dispute notice to the **Landlord** within the allocated period then the reviewed rent shall be as stated by the **Landlord** in accordance with clause 3.3(a) and shall be payable by the **Tenant** accordingly.
- (e) The costs of the valuer will be borne equally between the **Landlord** and **Tenant**.

4. OUTGOINGS AND OTHER CHARGES

4.1 Payment of Outgoings

In addition to **Rent** the **Tenant** shall pay the **Agreed Proportion** of the **Outgoings** for each **Accounting Period** by equal monthly instalments based on the **Landlord's** estimate of the **Outgoings** for each **Accounting Period**. Promptly after the end of each **Accounting Period** the **Landlord** shall reconcile the actual **Outgoings** for the **Accounting Period** against the amounts paid by the **Tenant** and forward a copy of that reconciliation to the **Tenant**. Any necessary adjustment will be paid within fourteen (14) days of the **Tenant** receiving a copy of that reconciliation.

4.2 Charges for utilities

The **Tenant** shall pay all charges which may, from time to time be imposed or charged by the relevant utility provider in respect of electricity, gas, water and other utilities consumed in the **Premises** during the **Term**. If

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assessed directly against the **Tenant** such charges shall be paid to the assessing authority by the due date for payment. If assessed against the **Landlord** the **Landlord** shall charge the **Tenant** as if the **Tenant** was a single consumer direct from the relevant utility provider and the **Tenant** shall pay such charges within fourteen (14) days of being billed by the **Landlord**.

4.3 Charges relating to Tenant's business

The **Tenant** shall pay all amounts which are during the **Term** assessed, charged or imposed upon or in respect of or by virtue of the **Tenant's Business** and whether assessed against the **Landlord** or the **Tenant**. If assessed against the **Tenant** such amounts shall be paid by the **Tenant** to the assessing authority by the due date for the payment and if assessed against the **Landlord** shall be paid to the **Landlord** upon demand by the **Landlord**.

4.4 After hours services

The **Tenant** shall pay for any **Services** supplied, at the **Tenant's** request, to the **Premises** outside normal business hours.

4.5 Goods and services tax

The **Tenant** must pay to the **Landlord** the amount of any **GST** the **Landlord** pays or is liable to pay in respect of any other payment the **Tenant** is required to make to the **Landlord** for a **supply**. The **GST** must be paid at the same time and in the same manner as the **Tenant** pays for the **supply**. The **Landlord** will give the **Tenant** a tax invoice no later than fourteen (14) days after the **Tenant** pays to the **Landlord** an amount in payment of **GST**.

5. PAYMENT REQUIREMENTS

5.1 Method of payment

The **Tenant** shall make payments under this **Lease** to the **Landlord** (or to a person nominated by the **Landlord** in a notice to the **Tenant**) by the method the **Landlord** reasonably requires without set-off, counterclaim, withholding or deduction.

5.2 Correcting mistaken payments

If the **Tenant** pays an amount and it is found later that the amount was not correct, then even if the **Landlord** has given the **Tenant** a receipt, the **Tenant** shall pay the **Landlord** (or the **Landlord** shall credit the **Tenant** with) the difference between what the **Tenant** has paid and what the **Tenant** should have paid within twenty one (21) days after either party gives the other a notice about the mistake.

5.3 Demand not required

The **Landlord** need not make demand for any amount payable by the **Tenant** unless this **Lease** says that demand shall be made.

5.4 Timing of payment on demand

If this **Lease** does not specify a date for payment of any amount by the **Tenant**, then the **Tenant** shall pay that amount within seven (7) days after the **Landlord** demands it.

5.5 Payment obligations continue

Expiry or termination of this **Lease** does not affect:

(a) the **Tenant's** obligations:

(i) to make payments under this **Lease** for periods before or after then; or

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- (ii) to give information to the **Landlord** to enable it to calculate those payments; or
- (b) the **Landlord's** obligations to account to the **Tenant** for any overpayment made in advance.

5.6 Time of the essence

Time is of the essence of this **Lease** in connection with the **Tenant's** obligations to pay money.

5.7 Interest on overdue money

If the **Tenant** does not pay on time any amount payable by it under this **Lease** it shall pay the **Landlord** interest on that amount from when it becomes due for payment until it is paid. Interest is calculated on daily balances at a rate two per centum (2%) per annum above the rate quoted on the day of demand by the **Landlord's** principal bankers (as nominated by the **Landlord**) on unsecured overdraft accommodation in excess of \$100,000.00.

6. INSURANCES

6.1 Tenant to insure

The **Tenant** shall in connection with the **Premises** maintain with insurers and on terms approved by the **Landlord** (acting reasonably) in the names of the **Tenant**, the **Landlord** and any other person named by the **Landlord** and having an interest in the **Premises**:

- (a) Public Liability insurance for at least \$20,000,000 (as varied by notice from the **Landlord** to the **Tenant**);
- (b) Business Interruption insurance for an amount a prudent business person operating the **tenant's business** would take out;
- (c) Industrial Special Risks policy for the usual risk and covering the **tenant's property** for its full value; and
- (d) Any other insurance required by law or which, in the **Landlord's** reasonable opinion, a prudent tenant would take out for similar premises for a similar use which includes, but is not limited to, insurance in connection with the **Tenant's Works** on the **Premises** and insurance of stock.

6.2 Proof of insurances

The **Tenant** shall give the **Landlord** evidence that it has complied with clause 6.1 when asked to do so.

6.3 Notifiable events

The **Tenant** shall notify the **Landlord** immediately if an insurance policy required by this **clause 6.1** is cancelled or an event occurs which may allow a claim or affect rights under an insurance policy in connection with the **Premises** or property in them.

6.4 Premium increase

The **Tenant** shall not do anything which may affect rights under any insurance or which may increase an insurance premium payable in connection with the **Building, Premises** or the **Landlord's Property**.

7. INDEMNITIES AND RELEASES

7.1 Indemnity by Tenant

The **Tenant** is liable for and indemnifies the **Landlord** against liability or loss arising from, and cost incurred in connection with:

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- (a) damage, loss, injury or death to the extent caused or contributed to by the act, negligence or default of the **Tenant** or of the **Tenant's Employees and Agents**; and
- (b) the **Landlord** doing anything which the **Tenant** must do under this **Lease** but has not done or has not in the reasonable opinion of the **Landlord** done properly.

7.2 Release of Landlord

The **Tenant** releases the **Landlord** from, and agrees that the **Landlord** is not liable for, liability or loss arising from, and cost incurred in connection with:

- (a) damage, loss, injury or death unless it is caused by the act, negligence or default of the **Landlord** or the **Landlord's Employees and Agents**; and
- (b) anything the **Landlord** is permitted or required to do under this **Lease** unless it is performed negligently or in a manner which breaches the **Landlord's** obligations under this **Lease**.

7.3 Independent indemnities

Each indemnity is independent from the **Tenant's** other obligations. The **Landlord** may enforce an indemnity before incurring expense.

7.4 Condition of Landlord's liability

In the case of a remediable breach the **Landlord** shall not be or be deemed to be in default under this **Lease** unless the **Tenant**, having known or ought reasonably to have known of the breach, shall have given the **Landlord** written notice of the breach and the **Landlord** fails within a reasonable time thereafter to take proper steps to rectify the breach.

8. PERMITTED USE

8.1 Permitted Use

The **Tenant** shall not use the **Premises** or any part of them for any purpose other than for the **Permitted Use**.

8.2 No warranty as to use

The **Landlord** does not warrant that the **Premises** may be used for the **Permitted Use**. The **Tenant** must do everything necessary for the **Tenant** to use the **Premises** lawfully.

9. TENANT'S ADDITIONAL OBLIGATIONS

9.1 Positive obligations

The **Tenant** shall:

- (a) comply on time with all laws and the requirements of authorities in connection with the **Premises**, the **Tenant's Business**, the **Tenant's Property** and the use or occupation of the **Premises** (including obtaining all permits);
- (b) inform the **Landlord** of damage to the **Premises** immediately it becomes aware of it;
- (c) observe the maximum load weights throughout the **Building**;
- (d) promptly, when asked by the **Landlord** acting reasonably, do everything necessary for the **Tenant** to do to enable the **Landlord** to exercise its rights under this **Lease**;

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- (e) put up signs in the **Premises** prohibiting smoking if required by the **Landlord**;
- (f) secure the **Premises** when they are unoccupied and comply with the **Landlord's** directions about **Building security**; and
- (g) comply with the by-laws or any other laws and regulations with respect to the **Community Titles Scheme** not inconsistent with the **Tenant's** rights and privileges and the **Landlord's** obligations under this **Lease**.

9.2 **Negative obligations**

The **Tenant** shall not:

- (a) alter or interfere with the **Landlord's Property** or remove it from the **Premises**;
- (b) store or use inflammable, volatile or explosive substances on the **Premises** except where the substances are required for the **Permitted Use** or the **Tenant's Business** and in that case the **Tenant** will promptly notify the **Landlord** and comply with all relevant laws and regulations and the requirements of the **Landlord's** insurer in respect of such storage or use;
- (c) do anything in or around the **Building** which in the **Landlord's** reasonable opinion may be annoying, dangerous or offensive or may cause a nuisance;
- (d) do anything to overload the **Building's** facilities the **Landlord's Property** or the **Services** nor use them for anything other than their intended purpose;
- (e) smoke in the **Building**;
- (f) put up signs, notices, advertisements, blinds or awnings, antennae or receiving dishes or install vending or amusement machines without the **Landlord's** approval and if necessary without the consent of the body corporate for the community titles scheme;
- (g) hold auction, bankrupt or fire sales in the **Premises**.

If this **Lease** requires the **Tenant** not to do something, then the **Tenant** must not do anything which may result in the thing happening.

9.3 **Compliance by Tenant's Employees and Agents**

The **Tenant** shall ensure that the **Tenant's Employees and Agents** comply with the **Tenant's** obligations under this **Lease** as are applicable to them, and the obligation of proving that an obligation is not applicable to them shall rest with the **Tenant**.

10. **CLEANING THE PREMISES**

The **Tenant** shall at its cost keep the **Premises** and everything in them clean and free of rodents termites cockroaches and other vermin and comply with the **Landlord's** reasonable directions in that regard (including without limitation regular cleaning and fumigation).

11. **REPAIR, REDECORATION AND TENANT'S WORKS**

11.1 **Landlord's approval**

The **Tenant** may not carry out works to the **Premises** without the **Landlord's** approval which approval must not be unreasonably withheld. If the **Landlord** gives approval, it may impose reasonable conditions.

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11.2 Tenant's works

The Tenant shall ensure that any works it does, are done:

- (a) by contractors capable of completing the works in a competent manner and in accordance with paragraphs (b) - (e) of this clause;
- (b) in a proper and workmanlike manner;
- (c) in accordance with any plans, specifications and schedule of finishes required and approved by the Landlord;
- (d) in accordance with all laws and the requirements of authorities; and
- (e) in accordance with the Landlord's reasonable requirements and directions.

11.3 Acknowledgment of good repair

The Tenant acknowledges that except for possible latent defects of which the Tenant could not be aware, the Premises were in good repair at the Commencement Date.

11.4 Repair, replace and redecorate

The Tenant shall:

- (a) keep the Premises and the Tenant's Property in good and tenantable repair and condition as at the Commencement Date excluding fair wear and tear and damage by fire, flood, storm, civil commotion;
- (b) promptly replace worn or damaged light bulbs, tubes, tap washers, window and door locks, plate glass and Tenant's Property (other than stock) in the Premises with items of similar quality; and
- (c) paint the walls ceilings and other parts of the interior of the Premises which have at any time been previously painted with not less than two (2) coats of first quality paint in a proper and workmanlike manner in the original colours thereof or such other colours as may be approved of in writing by the Landlord and wash stain or otherwise treat non-painted surfaces of the interior of the Premises and replace floor coverings or otherwise redecorate in a manner approved of by the Landlord in writing as often as may be reasonably necessary so as to preserve the good appearance of the Premises.

12. TRANSFER AND OTHER DEALINGS

12.1 Assignment

The Tenant may not assign this Lease without the Landlord's approval acting reasonably. The Tenant shall give the Landlord a notice asking for that approval and include in that notice all information reasonably required by the Landlord to satisfy the Landlord that the proposed new assignee is respectable and financially sound to meet the obligations under this Lease with experience in and a good reputation for conducting a business permitted under this Lease.

12.2 Approval preconditions

The Landlord may only refuse its approval of a transfer of this Lease if:

- (a) the proposed new Tenant proposes to change the Permitted Use to a use which the Landlord, acting reasonably, considers is inappropriate;
- (b) the proposed new Tenant has financial resources to meet the obligations under this Lease which are insufficient (in the opinion of the Landlord acting reasonably);

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- (c) the proposed new **Tenant** or the **Tenant** has not complied with any conditions imposed by the **Landlord** in giving its consent to the assignment; or
- (d) the **Tenant** has not complied with clause 12.1.

12.3 Transfer preconditions

Before a transfer under this clause 12 takes effect the **Tenant** shall:

- (a) remedy any default by the **Tenant** under this **Lease** unless the **Landlord** has waived it;
- (b) ensure that the proposed new **Tenant** signs a deed of covenant in favour of the **Landlord** relating to the transfer such deed to be prepared by the **Landlord's** solicitors at the reasonable cost of the **Tenant**, and to be in a form reasonably required by the **Landlord**;
- (c) ensure that any guarantee or guarantee and indemnity (from directors or from a parent company) reasonably required by the **Landlord** is given;
- (d) comply with and ensure that the proposed new **Tenant** complies with all the **Landlord's** reasonable requirements;
- (e) ensure that all moneys payable by the **Tenant** to the **Landlord** under this **Lease** are paid to the date of transfer, including the **Landlord's** reasonable costs of dealing with the request for approval under clause 12.1.

12.4 Change in control of Tenant

If:

- (a) the **Tenant** is a company which is not a company listed on Australian Stock Exchange Limited; and
- (b) there is a proposed change in the shareholding of the **Tenant** so that a different person or group of persons will control the composition of the board of directors or more than fifty per centum (50%) of the shares giving a right to vote at general meetings,

then the **Tenant** may not make that change unless it obtains the **Landlord's** approval in accordance with this clause as if the person or group of persons acquiring control were a proposed new tenant.

12.5 Other dealings

The **Tenant** may not sublet or licence or otherwise part with possession of the **Premises** without first obtaining the **Landlord's** consent in accordance with clause 12.1 herein.

12.6 Securities

The **Tenant** may only create or allow to come into existence:

- (a) a security over the **Tenant's** interest in this **Lease**; or
- (b) a lease or security affecting the **Tenant's Property**,

with the **Landlord's** approval (which it may not unreasonably withhold). The **Tenant** is excluded from obtaining the **Landlord's** approval where the **Tenant** grants a fixed and floating charge over its assets and undertaking in the ordinary course of its business.

13. LANDLORD'S ADDITIONAL OBLIGATIONS AND RIGHTS

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13.1 Quiet enjoyment

While the **Tenant** complies with its obligations under this **Lease**, it may occupy the **Premises** during the **Term** without interference by the **Landlord** or any person lawfully claiming under the **Landlord**, except as may be authorised by this **Lease**.

13.2 Consents

If the **Landlord** has agreed to obtain a person's consent in connection with this **Lease** (including any mortgagee of the **Premises**), then the **Landlord** shall do everything reasonably necessary to obtain that consent. If as a condition of that consent the **Tenant** is requested to execute a document it shall execute that document promptly. Such document shall be on terms reasonably required by the **Landlord**.

13.3 Landlord's right to enter

The **Landlord** may enter the **Premises** at reasonable times on reasonable notice to see if the **Tenant** is complying with its obligations under this **Lease** or to do anything the **Landlord** must or may do under this **Lease** or to view the condition of the **Premises** generally.

If the **Landlord** decides there is an emergency, the **Landlord** may enter at any time without notice.

13.4 Prospective Tenants or purchasers

After giving reasonable notice, the **Landlord** may:

- (a) enter the **Premises** to show prospective purchasers, mortgagees or **Tenant's** through the **Premises**;
- (b) display for a reasonable time from the **Premises** a sign indicating that the **Premises** is available for purchase; and
- (c) display during the last 3 months of the **Term** a sign indicating that the **Premises** are available for lease.

13.5 Change of Landlord / Pre-emptive right to purchase

If the **Landlord** deals with its interest in the **Premises** so that another person becomes **Landlord**:

- (a) the **Landlord** must first obtain a covenant from that other person ("New **Landlord**") to observe and fulfil the **Landlord's** obligations under this **Lease** from the date the New **Landlord** acquires its interest; and
- (b) upon obtaining the covenant referred to in clause 13.7(a), the **Landlord** is released from its obligations under this **Lease** arising after it ceases to be **Landlord**.

13.6 Landlord may rectify

After giving the **Tenant** reasonable notice of what is to be done, the **Landlord** may do anything which the **Tenant** should have done under this **Lease** but which it has not done in accordance with that notice or which the **Landlord** considers it has not done properly, and may recover from the **Tenant** the cost thereof.

13.7 Agents

The **Landlord** may appoint agents or others to exercise any of its rights or perform any of its duties under this **Lease**. Communications from the **Landlord** override those from the agents or others if they are inconsistent.

14. EXPIRY OR TERMINATION

Title Reference 507220665

14.1 Tenant to vacate

The **Tenant** shall vacate the **Premises** on the earlier of the **Expiry Date** and the date this **Lease** is terminated and leave them in the same condition they were in at the **Commencement Date** except for fair wear and tear and the other exceptions referred to in clause 11.4(a) and in a clean and tidy condition.

14.2 Removal of Tenant's property

At the expiry of the **Term** or earlier if the **Lease** is terminated the **Tenant** must remove all of the **Tenants Property** making good any damage caused as a result thereof and put the **Premises** back to the condition they were in at the **Commencement Date**. Anything left for longer than fourteen (14) days after the end of the **Lease** will, if the **Landlord** chooses, become property of the **Landlord** and the **Landlord** may recover from the **Tenant** the costs of removing it and making good any damage caused by such removal.

14.3 Risk

The **Tenant's Property** is at the **Tenant's** risk at all times.

14.4 Return of keys etc

On the day the **Tenant** must vacate the **Premises**, the **Tenant** shall give the **Landlord** the keys, access cards and similar devices for the **Building** and the **Premises** held by the **Tenant**, the **Tenant's Employees** and **Agents** and any other person they have given them to.

15. HOLDING OVER

15.1 Monthly tenancy

If the **Tenant** continues to occupy the **Premises** after the **Expiry Date** with the **Landlord's** approval, it does so under a tenancy for a fixed term of one (1) month and then from month to month:

- (a) which either party may terminate on one (1) month's notice ending on any day; and
- (b) at a rent which is one twelfth (1/12) of the **Rent**.

15.2 Terms of monthly tenancy

Subject to clause 15.1, the monthly tenancy is on the same terms as this **Lease** except for those changes which:

- (a) are necessary to make this **Lease** appropriate for a monthly tenancy; or
- (b) the **Landlord** requires as a condition of giving its approval to the holding over.

16. DAMAGE TO BUILDING OR PREMISES

16.1 Full abatement

If the **Building** is damaged so that the **Premises** cannot be used or are inaccessible, then the **Tenant** is not liable to pay **Rent** or any amount payable to the **Landlord** for **Outgoings** or other charges payable to the **Landlord** for the period that the **Premises** cannot be used or are inaccessible.

16.2 Partial abatement

If the **Premises** are still useable but the useability is diminished because of the damage, the **Tenant's** liability to pay **Rent** and amounts payable for **Outgoings** is reduced in proportion to the reduction in useability.

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16.3 Termination if reinstatement not proposed

If the **Landlord** gives the **Tenant** a notice that the **Landlord** considers that the damage is such that repairing it is impracticable or undesirable, then the **Landlord** or the **Tenant** may terminate this **Lease** by giving not less than seven (7) days notice to the other and no compensation is payable for that termination.

16.4 Termination if reinstatement not timely

If the **Landlord** does not repair the damage within a reasonable time after the **Tenant** gives the **Landlord** a notice asking it to do so, the **Tenant** may terminate this **Lease** by giving seven (7) days notice to the **Landlord**.

16.5 Landlord's rights not affected

This clause 16 does not affect any rights the **Landlord** may have if:

- (a) the damage is caused by; or
- (b) rights under an insurance policy in connection with the **Building** or **Premises** are prejudiced or a policy is cancelled or payment of a premium or a claim is refused by the insurer because of

the act, negligence or default of the **Tenant** or of the **Tenant's Employees and Agents**. In either of those events clauses 16.1 and 16.2 shall not apply.

16.6 No obligation to reinstate

This clause 16 does not oblige the **Landlord** to restore or reinstate the **Building** or the **Premises**.

16.7 Dispute resolution

If there is any dispute or difference between the parties as to the amount of just and reasonable abatement to be paid or allowed to the **Tenant** by the **Landlord** under this clause 16 then:

- (a) the amount of the abatement which in the **Landlord's** opinion is a just and reasonable abatement shall be paid or allowed to the **Tenant** in accordance with clause 16.2 or 16.3;
- (b) without limitation to clause 16.2 or 16.3, the dispute shall be determined, at the request of either party, by a suitably qualified individual nominated (at the request of either party) by the President for the time being of the Real Estate Institute of Queensland. The person appointed shall act as a mediator and not as an arbitrator. The mediator's costs shall be borne equally by the parties (or in such proportions as the mediator in its discretion thinks fit in the circumstances). The mediator's decision shall be final and binding on the parties; and
- (c) within fourteen (14) days of the mediator's determination, an adjustment shall be made between the parties on account of any difference in the amount of the abatement determined by the **Landlord** and paid to the **Tenant** in accordance with clause 16.1 or 16.2 and the amount of the abatement determined by the mediator in accordance with clause 16.7(b).

17. DEFAULT

17.1 Definition of default

The **Tenant** shall be in default:

- (a) if the **Rent** or any other moneys payable by the **Tenant** to the **Landlord** on a specific date are not paid in full within seven (7) days from the due date;

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- (b) if any moneys payable by the **Tenant** to the **Landlord** on demand are not paid in full within fourteen (14) days of the making of demand for payment;
- (c) if the **Tenant** has not commenced or completed the matters required by any notice given in terms of clause 6 within a reasonable time after the giving of such notice;
- (d) if the **Tenant** fails to observe perform or fulfil any of its obligations contained in this **Lease** on the part of the **Tenant** whether positive or negative;
- (e) if the **Tenant** being a company becomes an externally administered body corporate (as defined in Section 9 of the Corporations Law) or if it should pass or attempt to pass (except for the purpose of amalgamation or reconstruction with the prior approval of the **Landlord**) a resolution for winding up or enter into or attempt to enter into any composition or scheme of arrangement;
- (f) if the interest of the **Tenant** under this **Lease** is attached or taken in execution under any legal process;
or
- (g) if the **Tenant** suffers or permits any mortgagee or chargee or any appointee of any mortgagee or chargee to enter into possession or act as receiver or manager of the **Tenant's Business**.

17.2 Forfeiture of Lease

If the **Tenant** is in default as defined in clause 17.1 the **Landlord** may at its option after first giving notice where required by law:

- (a) re-enter and take possession of the **Premises**;
- (b) by notice in writing to the **Tenant** terminate this **Lease** and from the date of giving such notice this **Lease** shall terminate; or
- (c) by notice in writing to the **Tenant** convert the **Term** to a periodic tenancy in which event this **Lease** shall terminate as from the giving of such notice and thereafter the **Tenant** shall hold the **Premises** from the **Landlord** as **Tenant** for a term of one (1) month and thereafter from month to month at a monthly rent equal to the monthly instalments on account of the **Rent** (such rent being payable monthly in advance) but otherwise on the terms and conditions of this **Lease** so far as they can be applied to a periodic tenancy. Any such periodic tenancy may be terminated in accordance with Section 134 of *Property Law Act 1974* provided that if the **Tenant** shall default in the performance of its obligations after such conversion the tenancy may be terminated on not less than seventy two (72) hours notice to the **Tenant** expiring at any time.

17.3 Tender after determination

Any moneys tendered by the **Tenant** after the termination of this **Lease** in the manner described in clause 17.2 and accepted by the **Landlord** will be applied firstly on account of any **Rent** and other moneys due but unpaid at the date of termination and secondly on account of the **Landlord's** costs of terminating of this **Lease**.

17.4 Damages for breach

If the **Tenant** commits a breach of a fundamental obligation of this **Lease** (whether positive or negative) which the **Landlord** elects to treat as a repudiation of this **Lease** by the **Tenant** and as a result the **Landlord** terminates this **Lease** the **Landlord** may without prejudice to any other remedy it may have at law against the **Tenant** recover damages from the **Tenant** for loss of bargain.

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17.5 Moratorium not applicable

Unless application is mandatory by law any statute proclamation order regulation or moratorium present or future shall not apply to this Lease so as to prejudicially affect any rights powers remedies or discretions given or accruing to the Landlord.

17.6 Concurrent Remedies

All the remedies available to the Landlord as a result of any default by the Tenant shall be without prejudice to any other remedies which might otherwise be available and the Tenant shall not be released from liability in respect of the breach or non-observance of any obligation by reason of the exercise by the Landlord of any such remedy.

18. COSTS, CHARGES AND EXPENSES

18.1 In connection with this Lease and any document or matter in connection with it, the Tenant shall pay promptly:

- (a) 50% of the legal costs for the negotiation and preparation of the Lease;
- (b) 50% of survey fees associated with the registration of the lease;
- (b) 50% of the Landlord's reasonable expenses in obtaining the consent of its mortgagee to the lease, if any;
- (c) 50% of all stamp duty and registration fees;
- (d) all reasonable costs, charges and expenses in connection with works the Tenant carries out, including, but not limited to, those incurred by the Landlord in considering, approving and supervising such works and those of modifying or varying the Building or Premises because of such works.

18.2 The Landlord may recover from the Tenant:

- (a) its reasonable costs (including legal expenses) associated with any request for consent to any assignment under this lease;
- (b) its reasonable costs associated with any breach of this lease, other than a breach by the Landlord.
- (c) on demand, the Landlord's reasonable costs, charges and expenses of obtaining any consents the Landlord must obtain before giving approvals, considering requests for approvals and exercising rights.

19. NOTICES AND APPROVALS

19.1 Method of giving notice

A notice consent or approval shall be:

- (a) in writing; and
- (b) left at or posted by certified mail to the address of the party as set out in Item 7 of the Reference Schedule, as varied by notice.

19.2 Deemed receipt

A notice or approval is taken to be given

- (a) if posted, on the third day after posting.

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20. MISCELLANEOUS

20.1 Waiver and variation to be in writing

A provision of or a right under this Lease may not be waived or varied except in writing signed by whoever is to be bound.

20.2 No deemed waiver

If the Landlord:

- (a) accepts Rent or other money under this Lease (before or after termination);
- (b) does not exercise or delays exercising any right under clause 17;
- (c) gives any concession to the Tenant; or
- (d) attempts to mitigate its loss,

it is not a waiver of any breach or of the Landlord's rights under this Lease. An attempt by the Landlord to mitigate its loss is not a surrender of this Lease.

20.3 Prior breaches

Expiry or termination of this Lease does not affect any rights in connection with a breach of this Lease before then.

20.4 Warranties and undertakings

The Tenant warrants that it has relied only on its own enquiries in connection with this Lease and not on any representation or warranty by the Landlord or any person acting or seeming to act on the Landlord's behalf.

20.5 Undertakings

The Tenant shall comply on time with undertakings given by or on behalf of the Tenant in connection with this Lease.

20.6 Severability

In case any provision of this Lease is invalid illegal or unenforceable in any respect, the remaining provisions are not in any way affected or impaired.

20.7 Counterparts

This Lease may consist of a number of counterparts and the counterparts taken together constitute one and the same instrument.

20.8 Entire agreement

This Lease contains the entire agreement between the parties and supersedes all previous correspondence and negotiations.

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21. POWER OF ATTORNEY

21.1 Power of attorney

After the right of re-entry has arisen the Landlord, as the Tenant's attorney, may sign:

- (a) a surrender of this Lease;
- (b) a withdrawal of any caveat lodged by the Tenant; or
- (c) any other document concerning this Lease.

21.2 Appointment

The Tenant irrevocably appoints the Landlord and each of its officers as the Tenant's attorney to act under clause 21.1.

22. OPTION

22.1 Notice of exercise

This clause 22 applies only if details of further term(s) are specified in Item 8 of the Reference Schedule. The Tenant must give notice in writing to the Landlord not more than six (6) months and not less than three (3) months prior to the Expiry Date that it wishes to exercise the option for renewal for the Option Period. If at the date of giving that notice and at the Expiry Date there is no subsisting breach by the Tenant, the Landlord must grant to the Tenant a new lease for the Option Period commencing on the day after the Expiry Date on the same terms and conditions as this Lease except that:

- (a) the rent figure for the first Lease Year (appearing in Item 1 of the Reference Schedule) shall be omitted and the new rental figure to be inserted will be the amount determined under clause 3.3 (the commencement date of the further term being a Market Review Date);
- (b) item 4 Market Review Dates will be amended by deleting the reference to the First Option Period and will refer to a Market Review Date for the commencement date of the Second Option Period; and
- (c) Item 8 of the Reference Schedule will be amended by deleting the reference to the First Option Period and will refer to an option to renew for the Second Option Period as specified in Item 8 of the Reference Schedule and this clause 22 will be amended accordingly.

22.2 Execution of variation

If the option is exercised all parties shall execute a new Lease or an Amendment to the Lease (to be prepared by the Landlord) to record the option term and the variations set out in clause 22.1. The Tenant must pay the legal costs for the preparation of the new lease or Amendment to Lease.

22.3 Rent for initial term of new lease

Despite clause 22.1(a) (and if the Landlord and the Tenant have not already agreed on what the Rent on the Commencement Date of the new lease is to be), the Tenant may give the Landlord a notice within the period beginning six (6) months before and ending three (3) months before the last day on which this option may be exercised asking for a determination of the current market rent at the date the notice is given.

22.4 Notice from Tenant

If the Tenant gives a notice asking for that determination within the time required under clause 22.3, the Landlord must give the Tenant a notice within one (1) month after the Tenant gives its notice stating the Landlord's assessment of the current annual market rent at the date the Tenant's notice is given. If the Tenant

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does not accept the Landlord's assessment as a determination of that rent at that date within one (1) month after the Landlord gives its notice, then that rent is to be determined in accordance with clause 3.3 (but on the basis that the "Market Review Date" is the date the Tenant's notice is given under this clause 22.4). If the Tenant accepts the Landlord's assessment as a determination, then for the purpose of clause 22.5 the Tenant is taken to have been given a notice that the Rent has been determined.

22.5 Variation

If the Tenant gives a notice under clause 22.4, clause 22.1 is varied so that the last day on which the option can be exercised is twenty one (21) days after a notice is given to the Tenant that the Rent is determined.

22.6 Extension of Term

If notice of the determination of the Rent is not given to the Tenant within twenty one (21) days before the Expiry Date, the Tenant may exercise the option within twenty one (21) days after the notice of the determination is given to the Tenant (whether before or after the Term) and the Term is extended by the appropriate period to enable the Tenant to exercise the option after the Lease would otherwise expire.

23. BODY CORPORATE

23.1 Body Corporate

The Tenant will comply, to the extent that they have application to an occupier of the Lot, with:

- (a) the By-Laws of the Body Corporate;
- (b) all lawful directions of the Body Corporate;
- (c) all obligations imposed on occupiers by or in accordance with the Body Corporate and Community Management Act 1997 as amended; and
- (d) all obligations imposed on the occupiers by the community management statement for the Community Titles Scheme

except to the extent inconsistent with the Tenant's rights and privileges and the Landlord's obligations under this Lease.

23.2 Common Property

The Tenant must obtain the approval of the Body Corporate before doing anything that physically or aesthetically affects the Common Property, if such approval is required under the By-Laws of the Body Corporate or otherwise pursuant to clause 23.1.

23.3 Body Corporate Obligations

Despite anything contained in this Lease, if the Body Corporate is obliged (whether or not under any law, the By-Laws or the Community Titles Scheme) to perform the subject matter of an obligation imposed on the Landlord under this Lease, the Landlord does not have to be perform the obligation under this Lease to the extent that the Body Corporate is obliged to perform the subject matter of the obligation, but the Landlord must use reasonable endeavours to ensure that the Body Corporate performs the obligation.

23.4 Community Title Disputes

The Tenant will give to the Landlord written notice of any matter under the dispute resolution provisions of the Body Corporate and Community Management Act 1997 in the nature of:

- (a) an application by the Tenant relating to the Community Titles Scheme;

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- (b) an application by any other person that relates to the **Tenant** or the **Premises**; or
- (c) any order including interim orders affecting the **Premises** or the occupier of the **Premises**.

23.5 Community Title Dispute Resolutions

The **Tenant** will comply with the terms of all orders, interim orders, determinations and resolutions (including resolutions by agreement where the **Tenant** is a party to the agreement) arising from a community title dispute that relates to the **Premises**, except to the extent inconsistent with the **Tenant's** other rights and privileges under this **Lease**.

24. SECURITY

24.1 Security amount

Before the commencement date the tenant must give to the landlord the security amount in item 10 (in Australian dollars) by unconditional bank guarantee or cash. The bank guarantee must:

- (a) not contain an expiry date;
- (b) be on terms entirely acceptable to the landlord;
- (c) be issued by a bank licensed under the Banking Act 1959.

24.2 The landlord may use the security amount to recover any loss suffered by it due to any breach by the tenant. If the security is used by the Landlord then the tenant must promptly replace any amount used. When the lease ends and the tenant has vacated the premises, then the landlord must promptly refund to the tenant any part of the security amount not needed to recover its loss.

24.3 If the landlord sells the Premises, then the tenant must do whatever is necessary to give the new owner the benefit of the security amount.