

MEMORANDUM OF LEASE

CERTIFICATE OF TITLE BEING LEASED

Portion of the land comprised in Certificate of Title Register Book Volume 5015 Folio 748, and known as Unit 2/ 9 McGowan Street, Pooraka SA 5095.

ESTATE AND INTEREST

In fee simple

ENCUMBRANCES

Nil

LESSOR (Full Name and Address)

MAIONE CO PTY LTD (ABN: 35 087 297 327) of 16 Shelton Drive, Athelstone SA 5076.

LESSEE (Full Name, Address and Mode of Holding)

COREY FRIEDRICH and **CHRIS DURKIN** both of 1 Crozier Avenue, Modbury SA 5092

TERM OF LEASE

Two (2) years commencing on the 1st day of August 2015 and expiring on the 31st day of July 2017.

One (1) right of renewal, for a term of Three (3) years commencing 1st August 2017 and expiring 31st July 2020, subject in all respects to the provisions for renewal contained in **Clause 6.4** of this Lease.

RENT AND MANNER OF PAYMENT (OR OTHER CONSIDERATION)

NINETEEN THOUSAND DOLLARS (\$19,000.00) plus GST per annum payable in advance in equal calendar monthly payments of ONE THOUSAND FIVE HUNDRED AND EIGHTY THREE DOLLARS AND THIRTY THREE CENTS (\$1,583.33), plus GST due on the 1st day of each month.

Subject in all respects for provisions of rental increase contained in **Clause 6.2** of this Lease

OPERATIVE CLAUSE ^(a) delete the inapplicable

The Lessor LEASES TO THE LESSEE the land ^(a) ABOVE described and the LESSEE ACCEPTS THIS LEASE of the land for the term and at the rent stipulated, subject to the covenants and conditions expressed ^(a) herein and to the powers and covenants implied by the Real Property Act 1886 (except to the extent that the same are modified or negatived below).

DEFINE THE LAND BEING LEASED INCORPORATING THE REQUIRED EASEMENT(S) ETC.

Not applicable.

CONSENTS OF MORTGAGEES AND SECTION 32 DEVELOPMENT ACT 1993 CERTIFICATION

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

See Annexure A for Consents of Mortgagees

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

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1. DEFINITIONS

In this Lease unless the contrary intention appears:

- 1.1 “**accounting period**” means each period:
 - 1.1.1 from the Commencement Date to midnight on the next 30 June;
 - 1.1.2 from 1 July to midnight on the next 30 June; and
 - 1.1.3 from 1 July to the expiration of the Term.
- 1.2 “**Building**” means all buildings and improvements now or hereafter erected or to be erected on the Land and includes the interior and exterior of all buildings erected upon the Land, in which the leased premises are located, together with all improvements now or hereafter erected on or made to the Land and its improvements or structures and includes, but without limitation, all air conditioning, fire protection and other plant machinery and equipment and all fixtures and fittings of the Lessor and all conveniences, services and amenities and any part of the foregoing.
- 1.3 “**Commencement Date**” means the date of commencement of the Original Term.
- 1.4 “**Common Areas**” means the entrances, exits, car parks, pathways, walkways, corridors, toilets and stairways of the building that the Lessor may from time to time designate.
- 1.5 “**Consumer Price Index**” means the Consumer Price Index All Groups for the city of Adelaide as published by the Australian Bureau of Statistics or its successor, and includes any index published in substitution of the Consumer Price Index.
- 1.6 “**Land**” means the part of the land described in **Item 1** of the First Schedule of this Lease.
- 1.7 “**Landlord and Tenant Act**” means the *Landlord and Tenant Act 1936* (SA) as at the date of this Lease and any subsequent amendments to the Landlord and Tenant Act which have retrospective and mandatory operation in relation to this Lease.
- 1.8 “**Lease**” means, depending on the context, this document; or the leasehold estate arising on execution or registration of this document; or any other legal or equitable interest, such as an agreement for lease, an equitable lease, a periodic tenancy, a tenancy at will or other tenancy, arising from entry into possession of the Premises and/or payment or acceptance of money for the right to occupy and use the Premises under, resulting from or relating to this document or the leasehold estate. If the Lessee holds over at the end of the term of the leasehold estate, the term will be extended for as long as the Lessee holds over, and the expression “the Lease” will include the leasehold estate during the holding-over period.
- 1.9 “**Lessee**” means and includes the person or persons described in **Item 4** of the First Schedule (and if more than one then jointly and severally) and where the context so requires or admits the heirs, executors, administrators and assigns of

such person or of each such person (as the case may be) and/or the Company or Companies described in **Item 4** of the First Schedule (and if more than one then jointly and severally) and where the context so requires or admits the successors and permitted assigns of such Company or Companies (as the case may be).

- 1.10 "Lessee's Proportion"** means the proportion that the net lettable floor area of the Premises bears from time to time to the net lettable floor area of the Building measured in accordance with the method of measurement recommended for such premises by the Property Council of Australia current at the Commencement Date of the Term of the Lease. The Lessor and the Lessee acknowledge and agree that the Lessor may at any time (to the extent permitted by law) allocate to particular lessees or particular sections of the Building, any outgoings, costs and expenses identifiable in the opinion of the Lessor as incurred in respect of such lessees or sections and the Lessor may vary the Lessee's Proportion accordingly and exclude any particular Lessees or sections of the Building from any outgoings, costs and expenses for which other lessees or sections are liable.
- 1.11 "Lessor"** means and includes the person or persons described in **Item 3** of the First Schedule (and if more than one then jointly and severally) and where the context so requires or admits the heirs, executors, administrators and assigns of such person or of each such person (as the case may be) and/or the Company or Companies described in **Item 3** of the First Schedule (and if more than one then jointly and severally) and where the context so requires or admits the successors and permitted assigns of such Company or Companies (as the case may be).
- 1.12 "Outgoings"** means all rates, taxes, charges, costs and expenses now or in the future and reasonably assessed, charged or chargeable, paid or payable or otherwise assessed, levied, charged and incurred against, upon or, in respect of, the Land and the Building or any part of the land and Building or upon the Lessor in relation to the land and Building or in the conduct, control, management, repair and maintenance of the Building and the Land or any part of the land and Building or upon, or in respect of, the use or occupation of the same and any GST levied upon or in respect of the same, or the payment by or on behalf of the Lessee or Lessor or receipt by or on behalf of the Lessor of any payment of or contribution to the same and in particular without limiting the generality of the foregoing shall include:
- 1.12.1 administrative and management costs including:**
- 1.12.1.1** all management, audit, accounting, leasing, legal fees and other costs and expenses (inclusive of commissions, wages and other entitlements including statutory levies) of management, control and administration of the Land and Building; and
 - 1.12.1.2** all encroachment fees paid for the general purposes of the Building; and
 - 1.12.1.3** all costs of providing any amenities and facilities for the general benefit of the occupiers of or for the purposes of the Land and the Building including the supply of toilet requisites, security services, garden requisites and services and displays and Common Area amenities; and
 - 1.12.1.4** all costs and expenses associated with the effective operation of the car parks and any extensions of the car

- 1.12.1.5 parks from time to time available in the Common Area inclusive of any costs or remuneration paid to any contractor engaged by the Lessor to operate such area; and
 - 1.12.1.6 promoting the use of the Building by the public or promoting any business carried on, in or about, the Building (inclusive of wages); and
 - 1.12.1.7 providing for the security of the Building; and
 - 1.12.1.8 providing caretaking and superintendent's services for the Building; and
 - 1.12.1.9 any such administrative and management costs prescribed by regulation pursuant to the Retail and Commercial Leases Act as referable to the Land and/or the Building;
- 1.12.2 government rates, taxes and charges and in particular:
- 1.12.2.1 all rates, taxes and charges, assessments, duties, impositions, fines, penalties and fees of any public municipal or government body, authority or department assessed, imposed or levied in respect of the Land and the Building including water and sewerage rates, excess water charges and council rates including any charge, tax or levy payable under the Emergency Services Funding Act 1998; and
 - 1.12.2.2 all fees, charges, receipts, levies and other duties paid or payable pursuant to this Lease or in consequence of the Lessor having any estate or interest in the Land and/or the Building; and
 - 1.12.2.3 all stamp duty and other Federal and State Government duties and levies on money or cheques received or paid by or on behalf of the Lessor in respect of the Building and the Land;
- 1.12.3 insurance costs, premiums, charges, fees and stamp duty paid or payable by the Lessor in respect of:
- 1.12.3.1 the Building and all improvements, plant and machinery, fixtures and fittings in or upon the Building or on the Land in insuring the same for their full insurable reinstatement and replacement value against fire, lighting, storm, tempest, earthquake, rainwater and other water damage including flood, concussion, explosion, malicious damage, riots and strikes, impact of vehicles and impact by aircraft and articles dropped there from and sprinkler leakage and civil commotion and including consequential loss and removal of debris; and
 - 1.12.3.2 all damage to glass including plate glass in all external doors and windows in the Building in insuring the same for their full insurable replacement value; and

- 1.12.3.3 breakdown of plant and machinery in the Building or on the Land insuring against the same; and
 - 1.12.3.4 public risk insurance in respect of the Building; and
 - 1.12.3.5 public risk insurance, workers compensation, common law and statutory liability insurance in respect of employees employed on, in or about the Common Area (or any National Insurance or Health Levy or contribution payable by the Lessor in respect thereof); and
 - 1.12.3.6 consequential loss and loss of rent insurance for 12 months; and
 - 1.12.3.7 such other risks (referable to the Building or the Land or the Lessor or in relation to the Lessor's ownership or interest therein) as the Lessor may deem necessary or desirable as notified to the Lessee in writing from time to time;
- 1.12.4 maintenance costs being all costs, expenses, fees and charges of and incidental to:
- 1.12.4.1 operating, maintaining, renewing, repairing and/or renovating the Building and/or the Land including:
 - 1.12.4.2 all costs (other than, if this Lease is required to comply with section 13 of the Retail and commercial Leases Act) in the nature of reimbursement of capital expenditure by or on behalf of the Lessor in respect of the Premises or the Building, of repairs, maintenance, renovations, renewals and replacements of and to the Building and the Land other than work of a structural nature; and
 - 1.12.4.3 all painting repair and other maintenance work and all cleaning of the Building, the Common Area and all signs and directory boards; and
 - 1.12.4.4 the maintenance, upkeep and replacement of the gardens and landscaping in the Building or on the Land including direct and indirect costs of gardening staff and in particular wages, salaries, holiday pay, sick leave loadings, payroll tax, workers compensation and other like or unlike employer or employee related expenses; and
 - 1.12.4.5 the control and eradication of pests; and
 - 1.12.4.6 all costs (other than, if this Lease is required to comply with section 13 of the Retail and Commercial Leases Act) in the nature of reimbursement of capital expenditure by or on behalf of the Lessor in respect of the Premises or the Building, incurred by the Lessor in effecting any repairs or alterations to the building including works of a structural nature required to be effected by the Crown or any Statutory Authority having jurisdiction or authority over, or in respect of the Building or the Land or the use, or any part or the Building and/or the Land;

- 1.12.5 providing, operating, maintaining, repairing or replacing plant, equipment, machinery and/or fixtures and other services in, or on, the Building or the Land and in particular:
- 1.12.5.1 all licence and inspection fees in respect of any plant, equipment, machinery and/or fixtures and other services installed in or about the Building or the Land for the general purposes or benefit of the same; and
 - 1.12.5.2 all costs of ventilation, air conditioning, heating or cooling of the Building and/or any part of the Building but without limiting the generality of the foregoing all running and operation costs including all costs of electricity and any other source of power used or associated with the running or operation and all costs of servicing, maintenance, repair and replacement of all air conditioning, air handling, ventilation, heating or cooling, plant and equipment installed by the Lessor in the Building and all fees and/or premiums payable to staff and contractors employed by the Lessor and the cost of materials used by the Lessor in or about the maintenance and servicing of that plant and equipment and all costs of and incidental to any service repair and/or maintenance agreement entered into by the Lessor in respect thereof; and
 - 1.12.5.3 all costs of the operation, maintenance, repair and replacement of all electrical and plumbing services and other facilities provided in the Building or on the Land and the cost of leasing any equipment such as illuminated signs; and
 - 1.12.5.4 all costs of operating, maintenance, repair, replacement and testing of all fire detection, fighting, protection and suppression equipment installed in and/or serving the Building including sprinkler installations, hydrants, fire extinguishers, smoke detectors and fire fighting equipment together with charges rendered by any authority in respect of the supply, maintenance, servicing and monitoring of fire alarms; and
 - 1.12.5.5 any operating expense prescribed by regulation pursuant to the Retail and Commercial Leases Act as referable to the Land and/or the Building.
- 1.13 **"Notice"** means notice in writing given in accordance with the provisions of this Lease.
- 1.14 **"Permitted Use"** means the use to which the Lessee will put the Premises, being the use described in **Item 6** of the First Schedule.
- 1.15 **"Premises"** means and includes that portion of the Building described in **Item 2** of the First Schedule and where the context so requires or admits means and includes all the Lessor's improvements, fixtures, fittings, plant, equipment and chattels installed in or on the Land or Building and all the conveniences, services and amenities as well as any alterations, additions, improvements or modifications made to the Land or Building from time to time.

1.16 “**Retail and Commercial Leases Act**” means the *Retail and Commercial Leases Act 1995* (SA) as at the date of this Lease and any subsequent amendments to the Retail and Commercial Leases Act which have retrospective and mandatory operation in relation to this Lease.

1.17 “**Term**” means the period of this Lease and any renewal of the lease described in **Item 5** of the First Schedule and any period during which the Lessee holds over.

2 INTERPRETATION

2.1 Words importing the singular will embrace the plural and words importing one gender will embrace the other gender and vice versa respectively.

2.2 Any reference to a person will be deemed to include a body corporate and vice versa.

2.3 Where the Lessee or Lessor comprise more than one person this Lease binds those persons jointly and severally.

2.4 Headings, indexes or margin notes in this Lease are for convenience of reference only and do not affect the construction or interpretation of the covenants of this Lease.

2.5 Reference to a statute includes all amendments for the time being in force and any other statute enacted in substitution therefore and the regulations or by-laws for the time being under that statute and any notice, demand, order, direction, requirement or obligation under or pursuant to that statute or those regulations or by-laws and the expressions “statute”, “Act” and “Act of Parliament” mean any State or Federal statute and the regulations or by-laws for the time being in force thereunder and any notice, demand, order, direction, requirement or obligation that is issued, made, given or imposed under or pursuant to any statute, regulation or by-law.

2.6 Where the words ‘Not Applicable’ appear opposite any Item in the Schedule then each and every clause in this Lease in which specific reference is made to that Item is of no effect.

3 GRANT OF LEASE

3.1 Grant of Lease

The Lessor grants the Lessee the rights:

3.1.1 to possess and use the Premises; and

3.1.2 to possess and use the Lessor’s fixtures and fittings provided by the Lessor but only in connection with the Premises

for the Term stated in **Item 5** of the First Schedule and according to the provisions of the Lease.

3.2 Term of the Lease

The Term will begin and end on the dates stated in **Item 7** of the First Schedule and will include each of those dates.

3.3 Amount of Annual Rental

The Annual Rental is the amount described in **Item 8** of the First Schedule.

4 LESSEE'S OBLIGATIONS

The Lessee covenants with the Lessor, throughout the Term of the Lease and any extended or renewed term or any period during which the Lessee holds over or remains a tenant or otherwise is in occupation of the Premises, as follows:

4.1 Rent

- 4.1.1 In return for the right to possess and use the Premises and the fixtures and fittings, the Lessee will pay to the Lessor the rent at times stipulated in this Lease in such manner as the Lessor from time to time during the Term directs, free and clear of all deductions, outgoings and abatements.
- 4.1.2 The Lessee will pay the Annual Rent in advance by monthly instalments, each of which will be the sum stated in **Item 9** of the First Schedule.
- 4.1.3 The Lessor acknowledges the receipt of the sum of \$1,583.33 plus GST as a deposit which shall be applied to the first month's rent and thereafter rent shall be payable from the date in **Item 10** of the First Schedule.
- 4.1.4 Any payment by cheque will be deemed not to have been paid until the cheque is cleared.
- 4.1.5 Any payment made by Electronic Funds Transfer (EFT) will be deemed not to have been paid until the Transfer has cleared.
- 4.1.6 The Lessee will pay to the Lessor all goods and services tax payable on each monthly Rental instalment at the current rate of 10%.

4.2 Interest on overdue monies

The Lessee will pay interest to the Lessor on any monies due and payable under the Lease that are not paid when due or on any judgment for the Lessor in an action arising from the Lease until all outstanding monies, including any accrued interest, are paid in full. The applicable rate of interest to be applied to overdue monies is provided in **Item 11** of the First Schedule.

4.3 Utilities and Outgoings –

- 4.3.1 The Lessee will pay all outgoings of a recurring nature including all charges, taxes, duties, excises, surcharges, levies or imposts, whether imposed on the owner or occupier of the Premises, which are payable in respect of the Premises during the term of the Lease.
- 4.3.2 The Lessee's proportion of all such charges is stipulated in **Item 12** of the First Schedule.
- 4.3.3 The Lessee acknowledges that section 30 of the Retail and Commercial Leases Act is applicable to this Lease and the Lessor does not require payment of land tax by the Lessee however the Lessee will be liable to pay all other outgoings to the Lessor specifically

as defined in this Lease. The Lessee also acknowledges that pursuant to section 30 of the Retail and Commercial Leases Act that the Lessor's liability for land tax in respect of the Premises may be taken into account in the assessment of rent.

- 4.3.4 Before this Lease is entered into and thereafter at least one (1) month before the commencement of each accounting period the Lessor shall give to the Lessee a written statement giving details for the accounting period of the nature of the outgoings and the Lessor's estimate of the Lessee's liability for each category of the outgoings ('Lessor's Estimate').
- 4.3.5 The Lessee will pay to the Lessor the Lessee's Proportion of the outgoings for each accounting period in equal monthly instalments in respect of which:
 - 4.3.5.1 those monthly instalments are to be calculated by dividing the Lessor's Estimate for the accounting period by the number of months which such estimate relates; and
 - 4.3.5.2 the first instalment is to be paid by the Commencement Date (being a proportionate instalment if appropriate) and then by the first day of every subsequent month.
- 4.3.6 Within three (3) months after an accounting period the Lessor shall give to the Lessee a report setting out:
 - 4.3.6.1 the amount actually incurred by the Lessor on account of outgoings in that accounting period;
 - 4.3.6.2 the amount payable by the Lessee on account of the Lessee's Proportion of the Outgoings for that accounting period; and
 - 4.3.6.3 the adjustment between the Lessor and the Lessee taking into account any underpayment or overpayment by the Lessee and if there is an overpayment by the Lessee then the Lessor shall (as the Lessor elects) refund such excess or credit such excess towards discharging the Lessee's liabilities under this Lease; or
 - 4.3.6.4 an underpayment the Lessee shall within seven (7) days of receipt of such written report pay the amount due to the Lessor.
- 4.3.7 That if this Lease is assigned or transferred by the Lessee any payment or repayment in accordance with such adjustment shall be made to or by the Lessor by or to the person who is actually in occupation of the Premises at the time when such payment or repayment becomes payable.

4.4 Insurance

- 4.4.1 The Lessee, at its own expense, will effect and maintain at all times during the Term of this Lease or any extended or renewed term or any period during which the Lessee holds over or remains a tenant or otherwise is in occupation of the Premises:
 - 4.4.1.1 a public risk insurance policy that provides for a minimum cover for each accident, claim or event of the amount specified in

Item 13 of the First Schedule. The cover provided under this policy must not be contributory with any policy taken out by the Lessor; and

- 4.4.1.2 a policy of insurance in respect of all the plate glass doors, door frames and window frames in the Premises on a replacement and reinstatement basis.
- 4.4.2 The Lessee has a duty not to invalidate any of the insurance policies and therefore must not do anything or allow anything to be done which:
 - 4.4.2.1 might result in any insurance relating to the Premises or the Building becoming void, voidable or invalidated; or
 - 4.4.2.2 result in an increase in the premium on any insurance policy relating to the Premises or the Building.
- 4.4.3 The Lessee will pay the extra amount of any increased insurance premiums or charges which result from the use to which the Premises are put by the Lessee.
- 4.4.4 The Lessee will at all times upon the request of the Lessor or the Lessor's agent deliver a copy of the insurance policies required under the Lease to the Lessor and produce the Certificate of Currency for each insurance policy.
- 4.4.5 On each and every occasion that circumstances occur which may give rise to a claim upon the insurance policies stipulated in the Lease, the Lessee will immediately notify the relevant insurer in writing of such circumstances and will claim indemnity from the insurers under the relevant insurance policy.
- 4.4.6 The Lessee will give notice to the Lessor immediately upon making any claim under the insurance policies in the Lease.
- 4.5 **Plant and Equipment, including Air Conditioning Hot Water Service and Alarm Systems**
 - 4.5.1 All plant and equipment including any air conditioning, hot water service and/or alarm systems on the Premises is to be maintained in all respects at the Lessee's cost.
 - 4.5.2 The Lessee acknowledges that any air conditioning unit, hot water service, and/or alarm systems that are attached to the Premises or to be provided for the Lessee's exclusive use will be fully maintained by the Lessee in all respects. If these said items break down or require repairs or fail to operate at any time during the Term of the Lease or any extension thereof then the Lessee will be obligated to repair, service or replace these items at the Lessee's own cost if so required.
- 4.6 **Clean, Repair and Maintain**
 - 4.6.1 The Lessee will keep the Premises and every fixture and fitting in them in good and substantial repair, order and condition, subject to fair wear and tear.
 - 4.6.2 The Lessee will maintain and keep the Premises in good and substantial repair, having regard to their condition at the beginning of the Lease, including:

- 4.6.2.1.1 immediately make good any damage to the Premises or the Building caused by the negligence or misconduct of the Lessee or any damage for which the Lessee is responsible;
- 4.6.2.1.2 immediately replace non-functioning electric bulbs in the Premises;
- 4.6.2.1.3 regularly maintain and keep in good repair the Lessor's fittings and accessories which are located in the Premises; and
- 4.6.2.1.4 clear all blockages to drainage and, before the end of the term of the Lease, reinstate all floors, walls and ceilings where any Lessee's fixtures and fittings have or will be removed.

4.6.3 The Lessee need not carry out:

- 4.6.3.1.1 any structural works, unless damage to the structure has been caused by negligence or misconduct of the Lessee or structural works for which the Lessee is responsible; or
- 4.6.3.1.2 repairs due to fair wear and tear; or
- 4.6.3.1.3 repairs due to some natural disaster or other serious event that is beyond the reasonable control of the Lessee or the Lessor.

4.6.4 In the event that the Lessee does not carry out its obligations to repair under this Lease within 14 days after the Lessor has given the Lessee notice to repair, the Lessee will pay to the Lessor all costs of repairs incurred by the Lessor.

4.7 Fit-out and Structural Alterations and Defects

- 4.7.1 In the event that the Lessee wishes to fit out the Premises, the Lessee must provide to the Lessor, or the Lessor's Agent, all details of the proposed fit out and obtain consent from the Lessor before doing any fit-out work to the Premises. The Lessor will not unreasonably withhold consent.
- 4.7.2 The Lessee must not make or allow to be made any structural alterations to the Premises unless the Lessee has obtained prior written consent from the Lessor in each case.
- 4.7.3 The Lessee will not deface any wall, ceiling, floor or any other surface of the Premises or the Building unless permitted under the Lease or unless the Lessee has obtained prior written consent from the Lessor in each case.
- 4.7.4 As soon as the Lessee becomes aware of any defect, breakage or damage to the Premises or any of the Lessor's equipment or any circumstances which might lead to damage, breakage or deterioration in the Premises or any of the Lessor's Equipment or which may pose a risk

or hazard to health and safety, the Lessee must immediately notify the Lessor in writing.

- 4.7.5 All Lessee fit outs and structural alterations to the Premises will be at the Lessee's sole expense.

4.8 Painting of Premises

- 4.8.1 The Lessee will paint all interior walls and ceilings of the Premises in a thorough and professional manner and using good quality paints (and in colours approved by the Lessor) at the following times:

- 4.8.1.1 not less frequently than every (3) years;
- 4.8.1.2 Within (3) months of the expiration or sooner determination of the renewed term of this Lease:
and
- 4.8.1.3 at any other time when such painting is in the opinion of the Lessor reasonably necessary to maintain and Preserve the Premises (or any part of them) and or to maintain a clean, neat and tidy appearance.

4.9 Right of entry

Subject to sections 37 and 38 of the Retail and Commercial Leases Act 1995, the Lessee will permit the Lessor and/or its agents to enter the Premises at all reasonable times, or at any time in the case of an emergency, during the Term of the Lease for any one of the following purposes:

- 4.9.1 to comply with the terms of any statute affecting the Premises;
- 4.9.2 to carry out any structural works that the Lessor reasonably believes should be carried out;
- 4.9.3 to install any services such as air-conditioning, automatic fire sprinklers, gas pipes, water pipes, drainage pipes, cables or electric wiring;
- 4.9.4 to carry out repairs to the Premises that the Lessor reasonably believes should be carried out;
- 4.9.5 to carry out any works to the adjoining leased premises that the Lessor reasonably believes should be carried out;
- 4.9.6 to take inventories of fittings and accessories;
- 4.9.7 to paint the Premises;
- 4.9.8 to remedy any defects of which the Lessor has notified the Lessee under the provisions of this Lease and the Lessee has not remedied within the required time.

In carrying out the works referred to in this Clause, the Lessor will not cause unnecessary interference with the use of the Premises by the Lessee.

4.10 Statutory Requirements

- 4.10.1 The Lessee will comply with the requirements of all public, municipal, statutory and all other authorities relating to the Premises. The Lessee will carry out these requirements at its own expense and the Lessee will give to the Lessor prompt notice in writing of such notices, orders or directions upon receipt. If the Lessee defaults on the conditions in this clause then the Lessor may, but is not bound to, enter the Premises and carry out the necessary work at the Lessee's expense.
- 4.10.2 Nothing in this Clause will impose upon the Lessee the obligation of making structural alterations to the Premises unless the structural alterations or additions are rendered necessary by the nature of the business carried on by the Lessee.

4.11 Rubbish, Pests, Noisy Trades, Dangerous Substances and Electrical and Heavy Equipment

- 4.11.1 The Lessee will not allow any rubbish to accumulate in the Premises or in the Building unless it is confined to suitable containers.
- 4.11.2 The Lessee at its own expense will keep the Premises free of pests.
- 4.11.3 The Lessee will not allow any loud noise or any other nuisance or disturbance to be made in or to emanate from the Premises.
- 4.11.4 The Lessee will not bring, or permit to be brought, into or onto the Premises or the Building any noxious, explosive or dangerous substance or thing.
- 4.11.5 The Lessee will not, without the prior written consent of the Lessor, install or use any electrical equipment on the Premises which may overload the cables, switchboard or any sub-boards through which electricity is conveyed to the Premises.
- 4.11.6 The Lessee will not without the prior written consent of the Lessor bring on to the Premises any machinery plant or equipment of such weight size or nature as (in the Lessor's opinion) to cause or potentially cause any structural or other damage to the Premises or unreasonable noise or vibrations and to inform the Lessor of the Lessee's intention to bring any such machinery plant and equipment on to the Premises and to comply with all directions of the Lessor as regards the installation and location of such machinery plant and equipment.

4.12 Keys

- 4.12.1 If the Lessee loses, damages or suffers the theft of any keys or other security devices provided by the Lessor in respect of the Premises, the Lessee will immediately give notice to the Lessor of the loss, damage or theft of the keys or other security devices provided by the Lessor in respect of the Premises and the Lessor will replace the same at the Lessee's own cost.

- 4.12.2 Upon the expiration or termination of this Lease, the Lessee will return to the Lessor all keys of the Premises which are in the Lessee's possession or control and will not permit such keys at any time to come into the possession or control of any person other than the Lessee or the Lessee's servants or agents.

4.13 Fire Safety

Subject to the Retail and Commercial Leases Act the Lessee will take such precautions against fire in respect of the Premises as are required pursuant to any present or future laws or by any relevant authority including without limitation to comply with sprinkler and fire alarm laws in respect of the sprinkler and fire alarm systems installed in or about the Premises and will pay to the Lessor the cost of any alterations or additions to the sprinkler or fire alarm systems which the Lessor may be required to make by reason of the Lessee's use or occupation of the Premises or the non-compliance by the Lessee with such laws or requirements of a relevant authority.

The Lessee will take all precautions against fire in respect of the Premises. The Lessee to have fire extinguishers properly maintained, serviced and replaced at their own cost.

4.14 Signs and Aerials

- 4.14.1 The Lessee will not inscribe, paint, fix or exhibit any notice, sign, advertisement, painting, placard, board, antenna, aerial, loud-speaker system, film screen or any device similar to these described, without obtaining the prior consent from the Lessor in each instance as well as consent from the local Council if necessary, at the Lessee's own cost.
- 4.14.2 At the end of the Term of the Lease the Lessee is to remove, in a manner approved by the Lessor, anything the Lessee has inscribed, painted, fixed or exhibited.

4.15 Windows

- 4.15.1 The Lessee will not darken, obscure or obstruct any windows on the Premises.
- 4.15.2 The Lessee will not allow any new windows, door or other opening to be made in or on the Premises without the prior written consent of the Lessor.
- 4.15.3 The Lessee will keep the internal and external sides of all windows on the Premises clean.

4.16 Partitions and Air-Conditioning

- 4.16.1 The Lessee shall pay all costs and expenses of and in connection with the operation, servicing, maintenance and repair of any air conditioning plant and equipment which services or operates in the demised premises.

4.17 Permitted Use, Trading Hours and Restrictions on Use

- 4.17.1 The Lessee will use the Premises only for the Permitted Use described in **Item 6** of the First Schedule.

- 4.17.2 The Lessee will conduct its business on the Premises reputably and in a professional manner.
- 4.17.3 The Lessee will not hold or allow anyone to hold any auction or liquidation closing down or like sale on the Premises.
- 4.17.4 The Lessee will obtain and comply with all consents approvals and licences from all relevant authorities necessary or incidental to the use of the Premises for the Permitted use.
- 4.17.5 The Lessee will promptly on demand provide the Lessor with copies of all such approvals consents and licences.
- 4.17.6 The Lessee will keep the Premises open for business during the usual operating or opening hours for trading from the Premises and to the extent permitted by law.
- 4.17.7 The Lessee will keep the Premises open for business during the trading hours specified in **Item 14** of the First Schedule.
- 4.17.8 The Lessor does not warrant that the Premises are, or will be for the duration of the Term of the Lease, or any extended or renewed term or any period during which the Lessee holds over or remains a tenant or otherwise is in occupation of the Premises, suitable for the Lessee's intended use of the Premises. Refer to the Second Schedule of the Lease.
- 4.17.9 The Lessee will not permit the Premises to be used for any illegal purpose; any offensive business; any residential purpose; or any purpose which may damage (structural or otherwise) or impair the appearance of the Premises.
- 4.17.10 The Lessee will not keep any animal or bird on the Premises.
- 4.17.11 The Lessee will warehouse in the Premises only goods as the Lessee intends for retail sale from the Premises within a reasonable time after receipt of the goods and other goods that may be required by the Lessee for the proper conduct of its business in the Premises.

4.18 Assignment and Other Dealings

- 4.18.1 The Lessee will not transfer or assign this Lease without the Lessor's consent which consent may be withheld if:
 - 4.18.1.1 the proposed transferee or assignee proposes to change the use to which the Premises is put; or
 - 4.18.1.2 the proposed assignee is unlikely to be able to meet the financial obligations of the Lessee under this Lease; or
 - 4.18.1.3 the Lessor reasonably considers that the proposed assignee's business skills are inferior to those of the assignor; or
 - 4.18.1.4 the Lessee has not complied with the procedural requirements for obtaining the Lessor's consent as set

out in Section 45 of the Retail and Commercial Leases Act.

- 4.18.2 Where the Lessee is a company (other than a company or a subsidiary a company the voting shares of which are listed on an Australian stock exchange) there shall be deemed an assignment of this Lease requiring the Lessor's consent if:
- 4.18.2.1 the issue of any share or the transfer (except by inheritance) of the legal or beneficial ownership of any issued share of the Lessee of the ultimate holding company of the Lessee alters the effective control of the Lessee; or
 - 4.18.2.2 any change to the constitution of the Lessee varies the rights attaching to any of the issued shares of the Lessee.
- 4.18.3 The Lessee will not sublease, licence, part with possession of, or mortgage, charge or encumber this Lease or the Premises without the Lessor's consent.
- 4.18.4 In respect of all such dealings in this Lease or the Premises the Lessee shall not be released from its liabilities and obligations under this Lease for the balance of the Term.
- 4.18.5 If the Lessee requests that the Lessor consent to any such proposed dealing in this Lease or the Premises the Lessee shall immediately on demand from the Lessor to do so (and irrespective of whether the Lessor consents to such dealing):
- 4.18.5.1. pay all arrears of rent and other money owing under this Lease and remedy all outstanding breaches and defaults; and
 - 4.18.5.3 pay such money as the Lessor reasonably estimates is required for the Lessee to comply with the terms of this Lease including without limitation those relation to the state of repair and cleaning and painting of the Premises; and
 - 4.18.5.4 submit a true copy of all agreements entered or to be entered into in respect of such dealing and evidence satisfactory to the Lessor that the proposed transferee, assignee or sublessee is respectable, responsible, solvent and suitable and information reasonably required by the Lessor about the financial standing and business experience of the proposed transferee, assignee or sublessee; and
 - 4.18.5.4 pay to the Lessor the reasonable costs in respect of enquiries concerning the proposed dealing or the persons concerned in such dealing and of the perusal preparation and stamping of the documents required by the Lessor;

and if such consent is given the Lessee shall ensure that prior to the date of any transfer or assignment the proposed transferee or assignee:

- 4.18.5.5 enters into a covenant direct with the Lessor to observe the conditions of this Lease; and
- 4.18.5.6 furnishes such guarantees of the performance of such person's obligations under this Lease as the Lessor may require.

4.18.6 If the Lessee grants a mortgage of this Lease the rights of the Lessor under this Lease shall be in priority to the rights of the mortgagee and the provisions of Section 139 of the Real Property Act 1886 shall not apply to such mortgage.

4.19 Maintain Possession

- 4.19.1 The Lessee will keep possession of the Premises at all times during the Term of the Lease.
- 4.19.2 The Lessee will not leave the Premises vacant or unattended during normal business hours for more than two (2) weeks without the prior consent of the Lessor, which consent may be given on the condition that the Lessee notify any insurer of the Premises and pay any increase in premium that may be charged by any such insurer.

4.20 Reletting

- 4.20.1 The Lessee will permit the Lessor, or the agent of the Lessor, at times not more than one (1) month prior to expiration or sooner determination of the Term of the Lease to place "To Let" notices in conspicuous places outside or inside the Premises.
- 4.20.2 The Lessee will permit the Lessor, or the agent of the Lessor, to enter into the Premises at all reasonable times for the purpose of erecting and exhibiting the notices and also for the purpose of showing prospective tenants over the Premises.

4.21 Yield Up

At the expiration or sooner determination of the Term of the Lease, the Lessee will:

- 4.21.1 quietly and peaceably leave the Premises; and
- 4.21.2 deliver up to the Lessor the Premises together with all of the Lessor's fixtures and fittings in good repair and condition.

4.22 No Caveat

The Lessee will not lodge or cause or permit to be lodged any absolute caveat on the Certificate(s) of Title for the Land and will indemnify the Lessor against and in respect of any, and all, actions, claims, demands, losses, damages, costs and expenses which the Lessor may incur in respect of the lodgement, removal or withdrawal of any such caveat.

5 LESSOR'S OBLIGATIONS

The Lessor covenants with the Lessee, throughout the Term of the Lease, as follows:

5.1 Quiet enjoyment

If the Lessee pays the rent and duly observes and performs the Lessee's obligations under the Lease, the Lessee may use and occupy the Premises during the Lease without any interference from the Lessor or any person claiming through or under the Lessor, subject to the provisions of the Lease and the Lessor's rights under it.

5.2 Removal of Lessee's Fixtures

- 5.2.1 The Lessee may at or prior to the expiration of the Lease take, remove or carry away from the Premises all fixtures, fittings, plant equipment or other articles upon the Premises in the nature of trade or tenant's fixtures brought onto the Premises by the Lessee.
- 5.2.2 The Lessee will, in such removal, do as little damage as possible to the Premises and will immediately make good any damage which the Lessee may cause to the Premises, and if required by the Lessor, will re-alter any alterations made by the Lessee so that the Premises will be converted back to their original condition.
- 5.2.3 The Lessor may at its option cause any fixtures or fittings of the Lessee described in clause 5.2.1 to be removed and any damage done in the removal to be made good and any alteration to be re-altered and the Lessor may recover any costs incurred by the Lessor in doing so from the Lessee as a liquidated debt payable on demand.
- 5.2.4 Any fixtures or fittings not removed by the Lessee either as of right or by requirement of the Lessor will be deemed abandoned by the Lessee and will become the property of the Lessor absolutely.

5.3 Rates and Taxes

- 5.3.1 The Lessor will pay, water rates, sewer rates, building insurance & landlord liability, car parking and Emergency Services Levy made payable in respect of the Premises or Land during the Term (excluding amounts covenanted to be paid by the Lessee under clauses 4.3 and 4.4).
- 5.3.2 Refer to **Item 12** of the First Schedule.

5.4 Fire Precautions

- 5.4.1 The Lessor warrants that at the date of commencement of this Lease the Premises comply with all Building Act regulations relating to fire precautions.

6 MUTUAL OBLIGATIONS

The Lessor and Lessee further covenant and agree, throughout the term of the Lease and any extended or renewed term or any period during which the Lessee holds over or remains a tenant or otherwise is in occupation of the Premises, as follows:

6.1 Damage of Premises

- 6.1.1 Subject to the provisions of section 40 of the Retail and Commercial Leases Act, if the Premises or any part of them is destroyed or substantially damaged, without any negligence on the part of the Lessee or any person in the employ or under the control of the Lessee, by any insured risk or any other accidental cause whatsoever so as to be rendered unfit for use in connection with the Permitted Use or any other use adopted by the Lessee with the Lessor's consent then the rent will be suspended until the Premises are rendered fit for the Permitted Use.
- 6.1.2 If the Premises are substantially destroyed and no insurance monies are recoverable in respect of the loss or the insurance monies recoverable are insufficient for complete reinstatement and the Premises are not substantially destroyed as a result of a wilful act or omission on the part of the Lessee, the Lessee's servants or agents, the Lessor may elect to determine the tenancy under this Lease if the Lessor does not propose to reinstate the Premises within one month from the date of destruction or damage to the Premises.
- 6.1.3 The Lessor will not in any event be bound to rebuild or restore the premises to their exact former condition.

6.2 Rent Reviews

- 6.2.1 The annual rent will be reviewed on a date specified in **Item 15** of the First Schedule and thereafter on each anniversary of the first review date during the Term of the Lease and any extended or renewed term or any period during which the Lessee holds over or remains a tenant or otherwise is in occupation of the Premises.
- 6.2.2 The annual rent current at the review date as well as subsequent years will be calculated in the manner prescribed in **Item 16** of the First Schedule.
- 6.2.3 Where the Consumer Price Index is to be used, the rental will be calculated as follows:

$$R = \frac{A \times C}{B}$$

where:

- R = the rent payable during the second or relevant subsequent year.
- A = the Consumer Price Index (All Groups) for the city of Adelaide issued by the Australian Bureau of Statistics or its successor and expressed in points for the quarter of the year ending on the last day of March, June, September or December as the case may be immediately prior to the commencement of the second or subsequent year, as the case may be.
- B = the Consumer Price Index (All Groups) for the city of Adelaide issued by the Australian Bureau of Statistics or its successor for the quarter of the year ending on the last day of March, June, September or December as the case may be immediately prior to the commencement date of the term.

C = the rent for the first year of the term immediately preceding the review date

PROVIDED HOWEVER THAT where, before the commencement of a period in respect of which an amended rental is to be calculated the CPI has ceased to exist or the basis of calculating the CPI has substantially changed, the rent to be reserved and paid during such year and likewise during any subsequent year will be as agreed between the parties and failing agreement before the commencement of that year as is fixed as a fair rent for the Premises by a licensed valuer appointed by the President for the time being of the Australian Property Institute Inc (South Australian Division) who, in fixing such rent will be acting as an expert not as an arbitrator and accordingly the provisions of the Commercial Arbitration Act will not apply.

- 6.2.4 In the event that the rent increase has not been determined by the review date, the rent payable during and immediately preceding the review date will continue to be payable until the rent increase has been determined and once determined the rent increase will be payable from the commencement of the review date.

6.3 Notices

Where the Lease provides that one party is to notify the other, any notice will be served by the following methods:

- 6.3.1 by personal delivery to the person to be served;
- 6.3.2 by facsimile or by email to the person to be served;
- 6.3.3 by post to the person to be served:
 - 6.3.3.1.1 addressed to the premises, in the case of the Lessee; or
 - 6.3.3.1.2 addressed to the person's last-known place of business, in any case; or
 - 6.3.3.1.3 addressed to the registered office or principal place of business or in the case of a managing director, the general manager, the principal administrative officer or at least two directors, in the case of a corporation; or
 - 6.3.3.1.4 addressed to the person's last-known place of residence, in the case of a natural person.

6.4 Renewal

- 6.4.1 Subject to the Lessee serving the Notice of Exercise of Option referred to in Clause 6.4.2, if the Lessee:
- 6.4.1.1.1 has paid rent regularly during the Lease; and
 - 6.4.1.1.2 has not seriously or persistently breached the Lease; and

- 6.4.1.1.3 notifies the Lessor in writing; and
- 6.4.1.1.4 between the time of notification and the expiration of the Lease, pays the rent as due and does not breach the Lease, then, subject to Clause 6.4.2 below, at the end of the Lease, the Lessor must grant a further lease of the premises with the provisions set out in paragraph 6.4.3 below.
- 6.4.2 A Notice of Exercise of Option:
 - 6.4.2.1.1 must state clearly that the tenant wishes to take a further lease of the premises according to the option contained in the Lease; and
 - 6.4.2.1.2 must be served not earlier than six months and not later than three months before the end of the Term of the Lease.
- 6.4.3 The provisions of the further lease will be for the term specified in **Item 5** of the First Schedule and will be the same as the provision of this Lease, with the exception that the new lease will begin immediately after the end of the Term of the Lease.
- 6.4.4 In circumstances where there is a guarantor of the Lease, the Lessor need not grant the Lessee a further extension of the Lease of the Premises unless the Lessee provides the Lessor with a further guarantee, either by the guarantor or by another guarantor acceptable to the Lessor on terms commensurate with the guarantee of the Lease.

6.5 Rent Reviews After Exercise of Right of Renewal

- 6.5.1 Within two (2) calendar months or such other period of time that may be agreed between the Lessee and the Lessor prior to the expiration of the initial Term of the Lease specified in **Item 5** of the First Schedule the Lessor may give to the Lessee written notice of the amount the Lessor considers to be the appropriate market rental of the Premises as from the review date until the next review date, or until the expiry of the Lease if there are no subsequent review dates.
- 6.5.2 The rental stipulated in the written notice given by the Lessor to the Lessee pursuant to Clause 6.5.1 will become the rent payable under the Lease from the particular review date until the next review date, or until the expiry of the Lease if there are no subsequent review dates, provided that:
 - 6.5.2.1 the Lessee agrees; or
 - 6.5.2.2 the Lessee does not object in writing within one (1) calendar month of the date of the Lessor's written notice.
- 6.5.3 Rental during the term of the lease shall be subject to annual review to Adelaide CPI Index increase. For the first year of extended term rental subject to market rent review to CPI Adelaide index increase for balance of term.

6.6 Procedure for Determining New Market Rent

If the Lessee does not agree with the rental stipulated in the written notice given by the Lessor to the Lessee pursuant to Clause 6.5.1 then:

- 6.6.1 The Lessee will within one (1) calendar month of the date of the Lessor's written notice give to the Lessor a written notice of objection, which notice also contains the amount the Lessee considers to be the market rental appropriate for the Premises as from the particular review date.
- 6.6.2 If agreement cannot be reached between the Lessor and the Lessee as to the market rental appropriate for the Premises as from the particular review date within one (1) calendar month of the Lessee issuing the Lessor the notice of objection pursuant to Clause 6.6.1 then the Lessor and the Lessee will agree on a licensed valuer to determine the market rental.
- 6.6.3 If the Lessor and Lessee cannot agree on a suitably qualified valuer pursuant to Clause 6.6.2 then within seven (7) days the Lessor will request the President of the Australian Institute of Valuers (South Australian Division) to appoint a suitably qualified valuer who will make a determination of the market rental of the Premises as from the particular review date until the next review date, or until the expiry of the Lease if there are no subsequent review dates.
- 6.6.4 In determining such market rental the valuer will:
 - 6.6.4.1.1 be acting as an expert and not as an arbitrator;
 - 6.6.4.1.2 exclude the goodwill of the Lessee's business, the value of the Lessee's fixtures and fittings in the Premises and any adverse condition of the Premises if this adverse condition results from any breach of any term of the Lease by the Lessee;
 - 6.6.4.1.3 have regard to the terms and conditions of the Lease, particularly the Lessee's liability to pay a contribution to the Outgoings and the period of time until the next review date, or expiry of the Lease if there is no subsequent review dates;
 - 6.6.4.1.4 have regard to the rental value of comparable premises;
 - 6.6.4.1.5 determine a new rental for the Premises which, in any event, will not be less than the rent payable at the time of the valuation and will not be diminished by any restriction to the use of the Premises under this Lease.
- 6.6.5 The cost of the suitably qualified valuer is to be borne equally by the Lessor and the Lessee.
- 6.6.6 Any determination by a valuer pursuant to Clause 6.6.2 or Clause 6.6.3 is final and binding on the Lessor and the Lessee.

- 6.6.7 Any increase in the rent resulting from the determination by a valuer pursuant to Clause 6.6.2 or Clause 6.6.3 will take effect on and from that particular review date.
- 6.6.8 If the Lessor fails to give the Lessee written notice pursuant to Clause 6.5.1 within the time referred to in Clause 6.5.1 prior to the expiration of the initial Term of the Lease specified in **Item 5** of the First Schedule the notice pursuant to Clause 6.5.1 may be given by the Lessor to the Lessee at any time after the relevant review date prior to the next review date, or prior to the expiry of the Lease or expiry of an extended term if there is no further review date. Any such failure or delay on the Lessor's part will not prevent the rent being reviewed from and as at each review date specified in **Item 5** of the First Schedule.
- 6.6.9 In the event that a higher rate of rent is agreed or determined after any applicable review date the monthly instalments of rent payable under the Lease will be adjusted accordingly. Any rent increase accruing from the relevant review date to the first date for the payment of rent following the agreement or determination date will be paid by the Lessee to the Lessor together with the adjusted instalment rate on the first date for the payment of rent following the agreement or determination of the higher rate of rent.
- 6.6.10 In the event that the rate of rent to apply from any particular review date has not been agreed or determined within thirty (30) days after the relevant review date, or a determination has been made but the Lessee is disputing the determination and not paying rent at the determined rate, the Lessor will be entitled to receive and the Lessee will pay to the Lessor interest specified in **Item 11** of the First Schedule. The interest will be adjusted on a daily basis on the amount of any increase in rent subsequently agreed or determined, with such interest to be paid from the date or respective dates on which such instalments of rent fell due at the higher rate subsequently agreed or determined. Any interest accruing from the relevant review date to the first date for the payment of rent following the subsequent agreement or determination date will be paid by the Lessee to the Lessor together with the adjusted instalment rate on the first date for the payment of rent following the subsequent agreement or determination of the higher rate of rent.

6.7 Essential Conditions

- 6.7.1 Clauses 4.1, 4.3, 4.4, 4.5, 4.6, 4.7, 4.10, 4.11, 4.17, 4.18, 4.21, 6.10, 11 and 12, are essential conditions of this Lease and the Lessor may at its option treat any breach or default by the Lessee in the observance or performance of its obligations under any of such clauses as a repudiation by the Lessee of this Lease; and
- 6.7.2 the Lessor's acceptance of rent arrears will not constitute a waiver of the essential and fundamental nature of the Lessee's obligation to pay rent as and when due.

6.8 Default

This Lease is granted on the express condition that if:

- 6.8.1 the Lessee is in breach of any obligation, covenant or condition of this Lease including, but not limited to, the payment of rent and other monies payable under this Lease by their due date for payment, including any breach which is not capable of remedy;
- 6.8.2 where the breach is capable of remedy, the Lessee fails to remedy the breach within fourteen (14) days after the Lessor has served on the Lessee a notice under section 10 of the Landlord and Tenant Act 1936, specifying the breach or breaches and requiring the Lessee to remedy the breach or breaches OR where the breach is not capable of remedy within fourteen (14) days then requiring the Lessee to commence within fourteen (14) days and diligently to continue without any delay whatsoever all such action, procedures and works as may be necessary to remedy the breach or breaches in the shortest possible time;
- 6.8.3 the Lessee fails to observe or perform any rule or regulations made by the Lessor under this Lease;
- 6.8.4 any mortgage, encumbrance, lien, debenture, or floating or other charge is given or made over the assets, property or undertakings of the Lessee having priority over the payment of rent or other monies payable by the Lessee under this Lease;
- 6.8.5 the Lessee becomes bankrupt or executes any deed of assignment for the benefit of the Lessee's creditors or makes any composition or arrangement with the Lessee's creditors or stops payment or is unable to pay its debts;
- 6.8.6 the Lessee is a company and:
 - 6.8.6.1.1 goes into liquidation (other than a voluntary liquidation for the purposes of reorganisation; or
 - 6.8.6.1.2 a ground exists which would enable a court to order the winding up of the company or the company resolves itself up or has a summons served on it for its winding up or an order is made for its winding up; or
 - 6.8.6.1.3 any receiver or manager of the Lessee or of the Lessee's agents, property or undertakings is appointed; or
 - 6.8.6.1.4 enters into a scheme of arrangement with its creditors;
- 6.8.7 the Lessee, if a natural person, or any director or secretary of the Lessee, if the Lessee is a company, is convicted of an indictable offence or of any other offence whether indictable or not which arises out of any activity on or associated with the Premises;
- 6.8.8 the Premises, or a substantial part of the Premises, is left vacant or unattended for any period exceeding seven (7) days without the written consent of the Lessor or if possession of the Premises is surrendered or attempted to be surrendered without the written consent of the Lessor;

- 6.8.9 any guarantor of the Lessee's obligations, covenants, terms and agreements contained or implied in this Lease becomes bankrupt or executes any deed of assignment for the benefit of creditors or makes any composition or arrangement with creditors or stops payment or is unable to pay its debts;

then it will be lawful for the Lessor, at any time thereafter, to re-enter the Premises and the Lease will be determined absolutely, but without prejudice to any rights of the Lessor against the Lessee, or any guarantor of the Lessee, for any breach of any obligation, covenant or condition of this Lease.

Any goods or chattels or fixtures or fittings of the Lessee which may be at the Premises at the expiration or sooner determination of the Lease may be removed by the Lessor and stored in such place as the Lessor thinks fit in all respects at the cost and risk of the Lessee and the Lessor will not be responsible in any respect whatsoever to the Lessee or to any person claiming through the Lessee for any loss or damage, however resulting, from such removal or storage and the cost of any damage to the Premises occasioned by such removal, and of such removal and storage, will be a debt due to the Lessor by the Lessee and be recoverable in the same manner as rent.

- 6.8.10 Without limiting the provisions of Clause 6.5 or the rights of the Lessor against the Lessee in law or equity, upon default or breach of obligation, covenant, term or agreement of this Lease by the Lessee, the Lessee agrees to pay to the Lessor:

- 6.8.10.1.1 all reasonable legal costs and disbursements incurred by the Lessor arising out of the default or breach of obligation, covenant, term or agreement of this Lease by the Lessee; and
- 6.8.10.1.2 all reasonable costs of and incidental to securing another tenant to lease the Premises, including all loss of rental.

6.9 Consequential Loss

The Lessor will not be liable to the Lessee or to any other person:

- 6.9.1 for any damage directly or indirectly caused by or due to the escape of or any introduction into the Premises of water by, through, or in consequence of or occasioned by defect in any plumbing, sprinkler or other pipe or sewerage system or by the bursting, running or leaking of any tank, washstand, closet or waste or other pipes in or about the Premises or the Building of which the Premises are a part or for any damage occasioned by water being upon or coming through the roof, skylight, vent, trapdoor or otherwise, or for any damage arising from any acts or negligence of the Lessor or their servants, agents, workmen or any person or persons whatsoever; and
- 6.9.2 should any gas, electrical or water fitting, air conditioning plant, or other fitting, appliance or service installed in the Building fail to function or malfunction from any cause whatsoever or should the Lessor for the purpose of maintenance, repair or replacement desire or cause such fitting appliance or service to be shut off or removed from the Building the Lessee will not be entitled to determine this Lease nor will the Lessee have any right or action or claim for compensation or damages against the Lessor.

The Lessor will attend to such maintenance, repair or replacement as soon as practicable after the necessity for it becomes known to the Lessor and the Lessor will ensure that, in doing so, the Lessee and the business of the Lessee will not suffer any undue disruption of its use and enjoyment of the Premises.

6.10 Consent to Use

6.10.1 If the Lessee proposes from time to time or at any time to use the Premises for any purpose or use, whether permitted or not under any form of planning legislation in force in South Australia, and in order to be lawful the proposed use requires the consent or approval of any State, Local Government or statutory authority either under planning legislation in force in South Australia or under any regulations made pursuant to the legislation or under any other legislation and, whether or not the Lessor has or has not consented to the proposed use either expressly or impliedly,

6.10.1.1.1 the Lessee will do all acts, matters and things and execute any documents and pay all fees necessary to comply with any consents and approvals necessary to be obtained pursuant to such laws and regulations; and

6.10.1.1.2 the Lessee will indemnify the Lessor against all actions, claims, demands, losses, damages, costs and expenses which the Lessor may sustain or incur or for which the Lessor may become liable whether during or after the Term of the Lease in respect of or arising from or occasioned by the neglect or default of the Lessee or any servant, agent or any other person claiming through or under the Lessee to observe or perform any of the obligations and covenants of the Lessee contained in this Lease; and

6.10.1.1.3 the Lessee further covenants and agrees that the provisions contained in this Lease and the covenants and agreements on the part of the Lessee in this Lease will bind the Lessee irrespective of whether or not any consent or approval is obtained by the Lessee.

6.11 Holding Over

6.11.1 In the event of the Lessee holding over after the expiration or sooner determination of the Term granted by this Lease with the consent of the Lessor the Lessee will become a monthly tenant only of the Lessor determinable by either party giving one calendar month's prior notice to quit expiring at any time at a monthly rental equivalent to a monthly proportion of the total annual rent payable by the Lessee at the expiration or sooner determination of such term (which may be subject to review from time to time) otherwise on the same terms and conditions (*mutatis mutandis*) as those contained in this Lease, as far as applicable, provided that if the Retail and Commercial Leases Act applies to this Lease the period of holding over shall cease immediately without notice

being given by either party at the expiration of six months from the expiration or sooner determination of the Term.

- 6.11.2 In the event that the Lessee vacates the Premises on the expiration or sooner determination of the Lease, notwithstanding that the Lessee is not in physical occupation of the Premises, the Lessee will be deemed to be holding over on a daily basis at a rental to be determined in the manner specified in Clause 6.2 of this Lease and otherwise on the same terms and conditions (*mutatis mutandis*) as those contained in this Lease until the Lessee has complied with the provisions of this Lease relating to rectification of the Premises and removal of the Lessee's signs and notices, fixtures and fittings, and plant and equipment to the reasonable satisfaction of the Lessor.

6.12 Lessor's Right of Entry to Inspect and Repair

- 6.12.1 The Lessee reserves to the Lessor, and the Lessor's servants and licensees, and to all other persons granted such similar rights whether before or after the date of this Lease the free and uninterrupted passage of gas, water and electricity through and along the pipes, wires and drains which now are and may at any time hereafter be on or under or passing through the Premises with power in the Lessor, the Lessor's servants and workers and other persons authorised by the Lessor at all reasonable times to enter into and upon the Premises for the purpose of inspecting or repairing the exterior walls and the roof of the Premises as well as for the any other specified purpose.
- 6.12.2 In the exercise of the powers and rights contained in Clause 6.9.1, there will be occasioned to the Lessee as little disturbance and damage as is practicable and all such inspections and works will be carried out without undue delay and the Lessor will restore and make good any damage to the fixtures and fittings of the Lessee and to the Premises.

6.13 Lessor's Right to Sell the Premises

The Lessor at any time or from time to time may sell, transfer, assign, mortgage, encumber or charge the Premises and the Lessor's right, interest, title or estate in the Premises is subject always to this Lease.

6.14 Sale or Re-leasing of Premises

During the last two (2) months of the Term or at any time the Lessor wishes to offer the premises for sale by public auction or private treaty (subject always to the interest of the Lessee under this Lease) the Lessee will permit the Lessor or its servants or agents to enter upon the Premises at all reasonable times with persons desirous of viewing the same and to affix and display on the Premises a notice for re-letting or sale of the Premises.

6.15 No Waiver

- 6.15.1 No waiver by the Lessor of any breach of any covenant or condition of this Lease or grant of any time or indulgence by the Lessor in relation to this Lease will operate as a waiver of another breach of the same or any other covenant or condition of this Lease or any right, action or remedy of the Lessor.
- 6.15.2 In respect of the Lessee's obligation to pay Rent, the acceptance by the Lessor of arrears or of any late payment of rent will not constitute a

waiver of the essentiality of the Lessee's obligation to pay Rent in respect of those arrears or of the late payments or in respect of the Lessee's continuing obligation to pay Rent during the Term.

6.16 Damage in Respect of Repudiation or Breach of Lease

- 6.16.1 In the event that the Lessee's conduct, whether by way of act or omission, constitutes a repudiation of this Lease, or the Lessee's obligations under this Lease, or constitutes a breach of any covenant contained in this Lease, the Lessee will compensate the Lessor for the loss or damage suffered by reason of the repudiation or the breach.
- 6.16.2 The Lessor may recover damages against the Lessee in respect of repudiation or breach of covenant for the damage suffered by the Lessor during the entire Term of this Lease and any extended or renewed term or any period during which the Lessee holds over or remains a tenant or otherwise is in occupation of the Premises.
- 6.16.3 The Lessor's entitlement to recover damages is not affected or limited by any of the following:
 - 6.16.3.1.1 if the Lessee abandons or vacates the Premises;
 - 6.16.3.1.2 if the Lessor elects to re-enter or to terminate the estate of the Lessee;
 - 6.16.3.1.3 if the Lessor accepts the Lessee's repudiation;
 - 6.16.3.1.4 if the parties' conduct constitutes a surrender by operation of law.
- 6.16.4 The damages recoverable pursuant to Clause 6.16.2 include damages for the periods before and after the Lessee has vacated the Premises, and before and after the abandonment, termination, repudiation, acceptance of repudiation, or surrender by operation of law, whether the proceedings are instituted before or after such conduct.
- 6.16.5 In the event of the Lessee vacating the Premises, whether with or without the Lessor's consent, the Lessor will take reasonable steps to mitigate the Lessor's damages and to endeavour to re-lease the Premises at a reasonable rent and on reasonable terms.
- 6.16.6 The Lessor's entitlement to damages will be assessed on the basis that the Lessor should have observed the obligation to mitigate damages. The Lessor's conduct in pursuance of the duty to mitigate damages will not by itself constitute acceptance of the Lessee's breach or repudiation or surrender by operation of law.

6.17 Lessor May Act Through Agents

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

6.18 Indemnity and Insurance

- 6.18.1 The Lessee will hold the Lessor free from all liability whatsoever and howsoever arising in respect of any loss or damage suffered by the Lessee as a result of fire or explosion or the escape of water, liquids or sewage or by reason of any fault or failure of the electrical installation or other apparatus including any fire, protective or alarm system or by the insufficiency or absence of light or from any other cause whatsoever occurring and the Lessee INDEMNIFIES the Lessor against any claims and demands in respect of such loss or damage PROVIDE ALWAYS that this provision will not apply in respect of any loss or damage occasioned by the negligence or wilful act of the Lessor or the Lessor's servants or agents.
- 6.18.2 The Lessee uses and occupies the Premises at the risk of the Lessee and the Lessee RELEASES, to the full extent permitted by the law, the Lessor and its servants, agents and contractors from any and all claims, demands and damages of every kind resulting from any accident, damage or injury occurring in the Premises except where deriving from the wilful act of the Lessor or an agent of the Lessor.
- 6.18.3 The Lessee EXPRESSLY AGREES that the Lessor will have no responsibility or liability for any loss or damage to fixtures, fittings or personal property of the Lessee.
- 6.18.4 The Lessee will not do anything, or permit anything to be done, which might prevent the Lessor recovering under, or reduce the amount that the Lessor can recover under, any insurance policy that the Lessor has in respect of the Building (including insurance cover for loss of or damage to buildings and personal property, and death of or injury to people)
- 6.18.5 The Lessee will take out and maintain at all times, in the joint names of the Lessor and the Lessee, the following insurance policies;
- 6.18.5.1 A policy insuring all plate glass in the Premises for the full replacement value from time to time;
 - 6.18.5.2 A public risk policy for an amount of not less than **TWENTY MILLION DOLLARS (\$20,000,000.00)** (or such other amount as the Lessor may specify from time to time) per claim.
- 6.18.6 The insurance policies must be with reputable insurance companies operating nationally and the Lessee must, on request provide the Lessor with a copy or copies of those insurance policies and with evidence, satisfactory to the Lessor, that they are current and up to date.
- 6.18.7 If and when any claim is made under any of these insurance policies, the Lessee will be liable to pay;
- 6.18.7.1 any excess or deductible;
 - 6.18.7.2 the shortfall (if any) between the amount of any loss or damage suffered and the amount received under such policy.

6.19 Severance of Offending Provision

- 6.19.1 If any covenant or provision or part thereof of this Lease is or becomes unlawful or invalid or infringes the Competition and Consumer Act 2010, the Landlord and Tenant Act 1936, the Retail and Commercial Leases Act 1995 or any other statutory provision, the offending provision will be severed from the Lease without affecting the validity and enforceability of the remainder of the Lease.
- 6.19.2 If any covenant relating to the payment of rent, rates and taxes and other charges assessed or levied on the Premises or the Land is severed from this Lease then notwithstanding the Term or any right of renewal or any other provision of this Lease, the Lessor on giving on (1) calendar month's notice in writing to the Lessee may terminate this Lease.

6.20 Trusts

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

6.21 Landlord and Tenant Act

Any notice given pursuant to Section 10 of the Landlord and Tenant Act 1936 shall provide that fourteen (14) days is the period within which the Lessee is to remedy any breach of this Lease if it is capable of remedy and to make reasonable compensation in money to the satisfaction of the Lessor and no period of notice shall be required in respect of non-payment of rent.

6.22 Abandoned Goods

Subject to the Retail and Commercial Leases Act any goods or other property left on the Premises by the Lessee at the expiration of the Term or any sooner termination of this Lease may be dealt with by the Lessor at the Lessee's cost in such manner as the Lessor chooses in its absolute discretion and the Lessor shall not be liable to the Lessee for any loss or damage in respect of such dealing.

7. COMMON AREAS

7.1 Common Areas

The Lessor from time to time may designate any part of the Land on which the Premises is situated or any part of the Building, including pedestrian walkways, hallways, roadways, lifts or other areas as common areas for parking and unloading of vehicles and the Lessor may alter the size, shape, area or purpose of Common Areas in such way as the Lessor may reasonably determine from time to time.

7.2 Lessee's Right to Common Areas

- 7.2.1 The Lessee and the Lessee's servants, employees, agents, customers, suppliers, licensees or invitees will have a non-exclusive right to use the common areas designated by the Lessor from time to time subject to the

provisions of this Lease and the Lessor may close and secure the Building or any part or parts thereof.

- 7.2.2 No Common Area or part thereof will be construed to be part of the Premises.

7.3 Regulation of Common Areas

The Lessor from time to time may give directions and may make rules for the proper use and regulation of Common Areas to the best advantage of the Premises, the Building, the tenants of the Lessor, and the public and, without limiting this provision, the Lessor may:

- 7.3.1 impose restrictions on the passage of vehicles or persons over the Common Areas or any part or parts thereof. The Lessee will not park any of its vehicles or allow any of its employees workmen or contractors to park any of their vehicles on any parts of the Common Areas reserved or dedicated from time to time by the Lessor for parking by customers of the Lessee or of other tenants or lessees in the Building.
- 7.3.2 designate specific areas for the parking of vehicles or for particular types of vehicles or for vehicles in which particular persons including the Lessee or the Lessee's servants, agents, employees or customers may park or stand motor vehicles;
- 7.3.3 restrict the times in which members of the public may enter in and upon or pass over the Common Areas or certain part or parts thereof.

7.4 Management of Common Areas

The Lessor may appoint to any agent or may delegate to any person the management and control of the Common Areas or any part or parts thereof and may delegate to that agent or person all or any of the rights, powers, authorities or privileges of the Lessor in or in relation to the common areas or any parts thereof.

7.5 Conduct in Common Areas

The Lessee will and the Lessee will cause the Lessee's servants, agents, employees, customers, suppliers, invitees and licensees to use the Common Areas properly, soberly and reasonably for the purposes for which the same are designated by the Lessor and without any unnecessary disturbance, noise or hindrance to any other person in the Common Areas or the tenants of the Building.

7.6 Delivery of Goods

The Lessee may accept delivery of goods, services or other items on or for the Premises from suppliers or carriers only at such times as may be reasonable and which do not cause any undue hindrance or obstruction to the Common Areas or any part thereof and will effect such unloading or loading as the case may be as expeditiously as possible.

7.7 Movement of Plant

The Lessee prior to moving or transporting any plant, equipment, safe, furniture or any large or any unwieldy object over the common areas or any part thereof will give not less than two (2) days' notice to the Lessor and will not move or

transport the same on to the Common Areas at any time or times which the Lessor may prohibit.

7.8 Litter

The Lessee will not cause or allow any litter, article or substance to be thrown, dropped, placed or fall onto the Common Areas or any part thereof.

7.9 Advertising and Soliciting

The Lessee will not cause or permit any advertising or soliciting for business or any distribution of handbills, posters or advertisements, or the exhibition of any signs or advertisements on the Common Areas or any part thereof without obtaining the prior written consent of the Lessor.

7.10 Noise

The Lessee will not cause or permit by means of any loud speaker, amplifier, television, radio, tape recorder, video cassette recorder, musical instrument or any other device or means any sound, light or visual image to be heard or seen as the case may be on or in the Common Areas or any part thereof and whether or not the same may be situated on the Premises or any part thereof without the prior written consent of the Lessor.

7.11 Toilet Facilities

The Lessee will use and will cause to be used all such toilet facilities, washrooms and other amenities as may be situated on the Common Areas or any parts thereof with all proper, care and respect.

7.12 Dispute as to Common Areas

The Lessee agrees that in the event of any dispute amongst the Lessee and any other Lessees of the Lessor as regards the use of the Common Area the Lessor's decision is final.

8 NO WARRANTY

The Lessee expressly acknowledges and agrees with the Lessor that the Lessor does not warrant that the Premises are structurally suitable for the business to be conducted at the Premises by the Lessee.

8.1 Notice Pursuant to the Retail and Commercial Leases Act

The Lessee expressly acknowledges that prior to the execution of this Lease by the Lessee a Notice pursuant to Section 18 of the Retail and Commercial Leases Act 1995 and Regulation 7 of the Retail and Commercial Leases Regulations 1995 was served on the Lessee by or on behalf of the Lessor. (Second Schedule of this Lease)

8.2 Exclusion of Warranty Acknowledgement

Without limiting the generality of the foregoing, the Lessee further acknowledges and declares that no promise, representation, warranty, assurance or undertaking has been given by the Lessor in respect of the suitability of the Premises for any purpose to be carried out therein or to the fittings, finish, facilities and amenities of the Premises otherwise than contained in this Lease.

9 ENTIRE AGREEMENT

9.1 It is expressly acknowledged by and between the parties to this Lease that the terms, covenants and conditions set out in this Lease contain the entire agreement as concluded between the Lessor and the Lessee, notwithstanding any negotiations or discussions prior to the execution of the Lease and notwithstanding anything contained in any brochure, report or other document prepared by the Lessor, its agents or architects for submission to potential tenants of the Premises.

9.2 The Lessee further acknowledges that the Lessee has not been induced to enter into this Lease by any representation, verbal or otherwise, made by or on behalf of the Lessor which is not set out in the body of this Lease.

10. PREPARATION AND REGISTRATION OF LEASE, LEGAL COSTS AND DISBURSEMENTS

The Lessor and the Lessee agree that:

10.1 the costs of preparing the Lease in registrable form and of the attendances of the Lessor or its solicitors or agents upon the Lessee in respect of the preparation and execution of the Lease shall, subject to the Retail and Commercial Leases Act 1995 be borne on a 50/50 basis by the Lessor/Lessee with respect to the following costs:

- 10.1.1 the legal fees for preparing the Lease;
- 10.1.2 the fees for search copies for the relevant certificate/s of title and disbursements;
- 10.1.3 any fees to obtain the mortgagee's consent to the Lease; and
- 10.1.4 any fees for the production of the relevant Certificate of Title by any mortgagee.

10.2 The Lessee shall pay in full all costs (100%) of and incidental to the registration of the Lease including the following costs:

- 10.2.1 the cost and fees for a licensed surveyor to prepare a certified surveyed lease plan if necessary;
- 10.2.2 Stamp Duty payable on the Lease and any other associated documentation;
- 10.2.3 registration fees for the Lease and any certified surveyed lease plan if necessary; and
- 10.2.4. registration fees for any associated documentation (e.g. guarantees, debenture charges etc.)

11. GOODS AND SERVICES TAX

11.1 The amount payable by the Lessee to the Lessor for or in connection with a taxable supply under this Lease does not include any GST.

11.2 The Lessee must pay the Lessor an additional amount on account of GST equal to the amount payable by the Lessee for the relevant taxable supply multiplied by the prevailing GST rate as and where required under the Act, but only if so required by the Lessor, who may or may not be registered for GST.

11.3 The additional amount is payable (where required) at the same time as when the amount for the relevant taxable supply is payable by the Lessee to the Lessor.

11.4 Within 14 days of receipt of the amount and additional amount (where required), the Lessor must provide the Lessee with a tax invoice.

- 11.5 For the purposes of this clause each of 'GST', 'taxable supply' and 'tax invoice' have the same meaning as those terms have in A New Tax System (Goods and Services Tax) Act 1999.

12. GUARANTEE

- 12.1 In the following guarantee provisions, a reference to rent, whether or not it is a reference to rent due and payable under the Lease, includes:
- 12.1.1 rent as defined in Clause 4.1 above;
 - 12.1.2 money for the right to occupy and use the Premises;
 - 12.1.3 other money; and
 - 12.1.4 damages, under, resulting from, relating to or arising from or, in the case of damages, arising from the breach of or from failure to perform or comply with a term or agreement contained in this Lease.
- 12.2 The guarantor is the person or persons referred to in **Item 17** of the First Schedule.
- 12.3 If the guarantor comprises more than one person:
- 12.3.1 each is liable even if the others do not execute the guarantee;
 - 12.3.2 each becomes liable as soon as he or she executes the guarantee;
 - 12.3.3 the liability of those that execute the guarantee will be joint and several.
- 12.4 In consideration of the Lessee entering into the Lease at the request of the guarantor, the guarantor:
- 12.4.1 guarantees to the Lessor that the Lessee will duly and punctually pay the rent and other monies payable under the Lease;
 - 12.4.2 guarantees to the Lessor that the Lessee will duly and punctually perform its obligations;
 - 12.4.3 undertakes to the Lessor that, with the Lessee, the guarantor will be jointly and severally liable to the Lessor for the payment of rent and other monies and the due and punctual observance and performance of the Lessee's obligations.
- 12.5 The guarantor's liability will not be discharged or reduced by:
- 12.5.1 the Lessor's granting at any time, concession or indulgence to the Lessee;
 - 12.5.2 the Lessor's entering into any composition or scheme or arrangement with the Lessee;
 - 12.5.3 the Lessor's waiving any breach or default by the Lessee;
 - 12.5.4 the Lessor's failure to enforce the terms of the Lease against the Lessee;
 - 12.5.5 the disclaimer of the Lease on the insolvency of the Lessee; and

12.5.6 any payment by the Lessee which is avoided or set aside under any statute relating to insolvency or under any other statute.

12.6 If the terms of the Lease are not enforceable against the Lessee for any reason, the guarantor will indemnify the Lessor against any loss it may suffer as a result. That loss will include all monies which would have been payable by the Lessee had the Lease been fully enforceable against the Lessee.

12.7 On assignment of the Lease the Lessee may obtain a further guarantee of the due and punctual observance of its obligations by guarantors acceptable to the Lessor on terms similar to the guarantees in the Lease. When the further guarantee has been obtained and delivered to the Lessor so as to bind the new guarantors, any further liability of the guarantor under the Lease will be discharged.

12.8 The guarantee and indemnity:

12.8.1 apply to any holding-over by the Lessee named in the Lease;

12.8.2 do not apply to any holding-over by an assignee, unless the assignee is also a Lessor named in the Lease; and

12.8.3 do not apply to any further leases granted after the end of this Lease.

Signed by
Guarantor:

Signed by Witness:

Name of Guarantor: Name of Witness:

Address of
Guarantor: Address of
Witness:

13. SPECIAL CONDITIONS

- Any air conditioning units, security alarm systems and/or or hot water service units left at the Premises are able to be used by the Lessee. The Lessee expressly acknowledges that the Lessor has not maintained, serviced or repaired these units and can offer no warranty as to their suitability or that they will operate for the Term of the Lease and any extension thereof. As such if the units break down or fail to operate or require repairs, all costs involved in such work and/ or replacement of any units, if required by the Lessee, will be at the sole cost of the Lessee for the Term of the Lease and any extensions thereof.

SCHEDULE ONE

- Item 1 The Land**
Certificate of Title Register Book Volume 5015 Folio 748.
- Item 2 The Premises**
Unit 2/ 9 McGowan Street, Pooraka SA 5095
- Item 3 The Lessor**
MAIONE CO PTY LTD (ABN: 35 087 297 327) of 16 Shelton Drive Athelstone
SA 5076
- Item 4 The Lessee**
CORY FRIEDRICH and CHRIS DURKIN both of 1 Crozier Avenue, Modbury SA
5092
- Item 5 Term of Lease**
Initial term: Two (2) years.
One (1) right of renewal, for a term of Three (3) years, commencing 1st August
2017 and expiring 31st July 2020.
- Item 6 Permitted Use**
Workshop/ Mechanic
- Item 7 Commencement Date and End Date**
Commencement date: 1st August 2015
End date: 31st July 2017
- Item 8 Annual Rental**
NINETEEN THOUSAND DOLLARS (\$19,000.00) plus GST per annum.

Subject in all respects for provisions of rental increase contained in **Clause 6.2** of
this Lease.
- Item 9 Monthly Rental**
Payable in advance in equal calendar monthly payments of ONE THOUSAND
FIVE HUNDRED AND EIGHTY THREE DOLLARS AND THIRTY THREE CENTS
(\$1,583.33) plus GST due on the 1st day of each month.
- Item 10 Rental Commencement Date**
1st September 2015.
- Item 11 Interest Rate on Overdue Monies**
The Lessee will pay to the Lessor, on demand, interest at a rate equal to two
percent (2%) greater than the rate charged from time to time by the Lessor's
bank on overdraft accounts on amounts no greater than the annual rental
payable under this Lease, on any rent or other monies due and payable by the
Lessee to the Lessor on any account whatsoever but unpaid on the due date of
payment. Such interest will be computed from the due date of the payment or
such rent or other monies until payment of the same.
- Item 12 Outgoings to be paid by the Lessee**
Lessee to pay 100% of Local Government rates and charges
Lessee to pay 100% of Emergency Services Levy
Lessee to pay 100% of SA Water & Sewer rates/taxes, River Murray Levy and
any extra water usage
Lessee to pay 100% of General Maintenance and repairs
Lessee to pay 100% of Electricity (public lighting)

Lessee to pay 100% of Gardening
 Lessee to pay 100% of Plumbing maintenance
 Lessee to pay 100% of Electrical maintenance
 Lessee to pay 100% of Energy Management Systems
 Lessee to pay 100% of Cleaning
 Lessee to pay 100% of Insurance – Plate Glass, Public Liability, Burglary and Break-in
 Lessee to pay 100% of Sewerage disposal and sullage
 Lessee to pay 100% of Air conditioning/ventilation
 Lessee to pay 100% of Fire protection
 Lessee to pay 100% of Security
 Lessee to pay 100% of Gas and oil
 Lessee to pay 100% of Pest Control (except termites)
 Lessee to pay 100% of Electricity
 Lessee to pay 100% of Telephone

Outgoings are reviewed and adjusted annually in July.

Item 13 Public Liability Insurance
 Twenty Million Dollars (\$20,000,000.00)

Item 14 Trading Hours
 24 hours per day

Item 15 Date of First Rent Review
 1 August 2016

Item 16 Method of Calculation of Rent Reviewed

During the term of the Lease rental to be subject to annual review to CPI Adelaide Index Increase. Rental subject to Market Rental Review for the first year of renewal term and thereafter annual review to CPI Adelaide Index Increase for balance of each term.

The Consumer Price Index (CPI) (All Groups) for the City of Adelaide as published by the Australian Bureau of Statistics or its successor, and includes any index published in substitution for the Consumer Price Index. See clause 6.2 for the formula for the calculation.

Item 17 Guarantor
 N/A

SCHEDULE TWO

RETAIL AND COMMERCIAL LEASES REGULATIONS 1995 – SCHEDULE THREE

IMPORTANT NOTICE**EXCLUSION OF WARRANTY FOR FITNESS FOR PURPOSE**

Retail and Commercial Leases Act 1995: Section 18

Retail and Commercial Leases Regulations 1995: Regulation 7

The Lessor does not warrant that the Premises you are about to lease are, or will be for the duration of the lease, be structurally suitable for the type of business you intend to carry on.

Signed by the Lessee



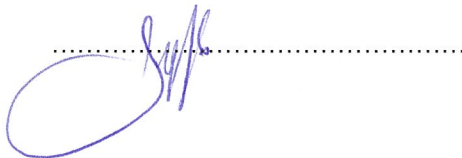
Date

10-2-16

Witnessed by

Stephen Collins (PLEASE PRINT NAME)

Witness signature



Signature of LESSEES – COREY FRIEDRICH
and CHRIS DURKIN

SIGNATURE

NAME (BLOCK LETTERS)

SIGNATURE

NAME (BLOCK LETTERS)

Signature of WITNESS – Signed in my presence by the LESSEES who are
either personally known to me or has satisfied me as to their identity. *

Print Full Name of Witness (BLOCK LETTERS)

Address of Witness

Business Hours Telephone No.

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

CONSENTS OF MORTGAGEES AND SECTION 32 DEVELOPMENT ACT 1993 CERTIFICATION

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

DATED.....

EXECUTION

Signature of LESSOR)	
MAIONE CO PTY LTD)	
(ABN: 35 087 297 327))	
In accordance with section 127 of the Corporations Act)	DIRECTORS SIGNATURE
2001 (Cth))	
)	
)	DIRECTORS NAME (BLOCK LETTERS)
)	
)	
)	DIRECTORS SIGNATURE
)	
)	
)	DIRECTORS NAME (BLOCK LETTERS)

.....
Signature of WITNESS – Signed in my presence by the LESSOR who are
either personally known to me or has satisfied me as to their identity. *

.....
Print Full Name of Witness (BLOCK LETTERS)

.....
Address of Witness

Business Hours Telephone No.

LANDS TITLES REGISTRATION
OFFICE
SOUTH AUSTRALIA

MEMORANDUM OF LEASE

FORM APPROVED BY THE REGISTRAR-GENERAL

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

Prefix
L
Series No.

BELOW THIS LINE FOR AGENT USE ONLY

CERTIFIED CORRECT FOR THE PURPOSES OF THE REAL PROPERTY ACT 1886
<hr/> Solicitor

AGENT CODE

Lodged by: Dixon Gallasch

Correction to :9/70 Walkerville Terrace, Walkerville SA 5081

TITLES, CROWN LEASES, DECLARATIONS ETC.

LODGED WITH INSTRUMENT (TO BE FILLED IN BY
PERSON LODGING)

PLEASE ISSUE NEW CERTIFICATE(S) OF TITLE AS FOLLOWS

DELIVERY INSTRUCTIONS (Agent to complete)
PLEASE DELIVER THE FOLLOWING ITEM(S) TO THE
UNDERMENTIONED AGENT(S)

ITEM(S)	AGENT CODE

CORRECTION	PASSED
REGISTERED	
REGISTRAR-GENERAL	