

LEASE AGREEMENT

(Pursuant to the *Retail & Commercial Leases Act 1995*)

**THE LESSEE HEREBY OFFERS TO LEASE FROM THE LESSOR THE PREMISES
HEREINAFTER DESCRIBED ON THE FOLLOWING TERMS AND CONDITIONS.**

1. PARTIES

LESSOR:

Maione Co. Pty Ltd
16 Shelton Drive
ATHELSTONE SA 5076
Contact: Domenic Maione

LESSEE:

G&P Australia Pty Ltd
16 Haven Road
MANSFIELD SA 5012
Contact: Mrs Jaskiran Preet Kaur Hundal – (Director)
Phone: 0450 618 610

2. LESSOR'S AGENT

The Lessor's agent is:

LJ Hooker Glynde
516 Lower North East Road
CAMPBELLTOWN SA 5074
Phone: 8336 3899

3. LEGAL DESCRIPTION

Whole of the land described in Certificate of Title Register book [CT reference of premises (Vol 5112 Folio 1) being area marked Allotment 11 Deposited Plan 11032 in the area named Pooraka Hundred of Yatala annexure hereto.

4. PREMISES

The address of the premises is 5 Langford Street, Pooraka SA 5095

5. TENANCY

The premises is known as: 5 Langford Street, Pooraka SA 5095 marked as Allotment 11 Deposited Plan 11032 in the area named Pooraka Hundred of Yatala on the attached plan.



6. AREA

The lettable area of the lease premises is :
Building Area : 675 - Sq. metres / m² - (Approximately)
Site Area : 1,412 - Sq. metres / m² - (Approximately)

7. TENANCY %

The premises is 100% of the total lettable area of the property.

8. PERMITTED USE

The permitted use shall be for Music / Video Production / Photography Studio and Used Auto Parts Dismantling services only.

It is the Lessee's obligation to ascertain from the local Council prior to taking occupation of the premises and at the Lessee's cost, as to whether or not the permitted use is permitted by the local Council. The Lessee hereby indemnifies the Lessor in respect of any claim, loss or damage suffered by the Lessor due to the Lessee's use of the premises or failure to observe and satisfy this obligation.

9. LEASE TERM

The period of the lease term is Three (3) years.

Note: A Lawyer's Certificate is required if the period of term and renewals do not amount to five (5) years.

10. LEASE COMMENCEMENT DATE

The lease shall commence on :

To Be Advised / Mutually agreed between Lessor and Lessee

11. RENTAL COMMENCEMENT DATE

The first payment of rent shall be due on :

To Be Advised / Mutually agreed between Lessor and Lessee

Note : Outgoings remains payable from the lease commencement date.

12. RENEWALS

The Lessee shall have One (1) right of renewal for a term of Three (3) years each term.

13. DATE OF OCCUPATION

The Lessee is permitted to occupy the Premises on [To be Advised / Mutually agreed between Lessor and Lessee] to commence fit-out PROVIDED THAT:

- 13.1. the Lessee has returned this signed/initialled Lease Agreement.
- 13.2. the Lessor has accepted this Lease Agreement.
- 13.3. the Lessee has provided the Lessor with the Bank Guarantee.
- 13.4. a copy of the Insurance Certificates have been provided by the Lessee to the Lessor.
- 13.5. the Lessee has paid the rent and security deposits and legal fees.

The Lessee acknowledges that any monies spent in relation to this Lease Agreement or the premises are at the Lessee's own risk and not recoverable from the Lessor, other than what is agreed to in this Lease Agreement. Occupation is on the condition that the terms of the lease other than the payment of rental and outgoings will apply from the date of occupation.

14. BASE RENTAL

The rental payable is Thirty Five Thousand Dollars (**\$35,000.00**) per annum plus GST and outgoings.

Rental shall be payable monthly in advance at a rate of 1/12th of the annual amount payable in advance in equal calendar monthly payments of (**\$2,916.66**) due on the 1st day of each month plus GST thereon if so required.

Rent is due and payable on the first day of each month. In the event that rent and other charges remain outstanding for a period of seven (7) days from the due date, the Lessor may at its discretion, terminate the lease, or take other action as appropriate to remedy such breach.

If the Lease Commencement Date is not the first day of the month the rent will be pro-rated for the first month and thereafter payable on the first day of each month during the term of the Lease (and any renewal period).

15. RENT REVIEWS

The rent shall be reviewed as follows:

During the term of the Lease, rental is subject to annual review by Method of CPI Adelaide All Groups Index and Market rent review upon renewal of Lease.

16. UTILITIES

The Lessee shall be liable to pay all utilities in respect of the tenancy (ie electricity, telephone, gas, etc) together with the provision of any afterhours air-conditioning or other service costs (if applicable).

17. OUTGOINGS

As from the Lease commencement date, and any renewal thereof, the Lessee shall be responsible for the payment of:

17.1. All operating expenses and outgoings separately assessed against the Premises.

17.2. If not separately assessed, 100% of the Lessee marked outgoings as set out in the attached Disclosure Statement

17.3. All other outgoings as defined in the draft memorandum of lease.

17.4. Estimated outgoings are as follows: **\$8,727.91** per year - *See the Disclosure Statement for further detail.*

The Lessee will pay one twelfth (1/12th) of the total (or the proportion of the outgoings applicable to these premises) to the Lessor monthly in advance at the same time that rent is payable. An adjustment will be made by the Lessor following the end of each financial year comparing what is budgeted and paid by the Lessee and actual amounts expended by the Lessor whereby the Lessor will either debit or credit the Lessee accordingly.

The Lessee is aware that if section 30 of the *Retail and Commercial Leases Act 1995* (SA) is applicable to this tenancy then the Lessor may not require payment of Land Tax by the Lessee. However, the Lessee will be liable to pay all other outgoings to the Lessor as defined in the memorandum of lease.

Estimated Outgoings Budget for 2016 / 2017

Category of outgoings	Lessee's Actual Annual Liability 2016/2017	
Local government rates and charges	\$ 3,497.05	per year
Emergency Services Levy	\$ 674.91	per year
SA Water & Sewer rates/taxes, River Murray Levy and any extra water usage	\$ 1,630.69	per year
Electricity (Public Lighting)	\$ LESSEE COST	per year
Insurance - Building/fire,storm etc Budget	\$ 1,922.07	per year
Insurance – Plate Glass, Public Liability, Burglary and break-in	\$ LESSEE COST	per year
Cleaning	\$ LESSEE COST	per year
Audit Fees	\$ LESSEE COST	per year
Management costs	\$ 1,750.00	per year
General Maintenance and repairs	\$ LESSEE COST	per year
Electrical Maintenance	\$ LESSEE COST	per year
Plumbing Maintenance	\$ LESSEE COST	per year
Gardening	\$ LESSEE COST	per year
Gas and oil	\$ LESSEE COST	per year
Sewerage disposal and sullage	\$ LESSEE COST	per year
Energy Management Systems	\$ LESSEE COST	per year
Air conditioning/ventilation	\$ LESSEE COST	per year
Building intelligence and emergency systems	\$ LESSEE COST	per year
Fire protection	\$ LESSEE COST	per year
Security	\$ LESSEE COST	per year
Lifts and escalators	\$ LESSEE COST	per year
Signs	\$ LESSEE COST	per year
Pest control	\$ LESSEE COST	per year
Car parking	\$ NA	per year
	Lessor is unable to provide an per year estimate of the date of provision of this Disclosure Statement as the future cost of the same is indeterminable at this time	
GST Liability	The Lessee will be liable for any and the amount of GST imposed in respect of any of the above rates, taxes, charges, outgoings etc. where the provision of the same by or on behalf of the Lessor or any payment by the Lessee to or on behalf of the Lessor constitutes a taxable Supply under any law imposing GST in the Commonwealth of Australia and the State of South Australia	
Total	\$ \$8,727.91	per year

Lessee's share of outgoings is 100% which is **\$8,727.91** per annum plus GST payable in monthly instalments of **\$727.32** plus GST and in a similar manner to rental payments. Outgoings are reviewed and adjusted annually in July.

18. INSURANCES

The Lessee shall take out and maintain public risk insurance for a minimum of \$20,000,000 and shall also insure the plate glass (for all insurable risks) in and around the tenancy. Such policies shall be in the joint names of the Lessor and the Lessee and certificates of currency are to be made available to the Lessor if so requested. The Lessee will also be responsible for insurance for their own stock, fixtures and fittings and other insurances referred to under the draft memorandum of lease.

Policies, certificates of currency or cover notes in relation to such insurances shall be made available to the Lessor for inspection upon request within 7 days.

19. LESSEE TENANCY WORKS AND ALTERATIONS

All tenancy works, alterations or modifications to the premises including the fit-out (if any) required by the Lessee, must be at the Lessee's expense and subject to the local Council's approval (if required) and Lessor's prior written approval. The Lessee must make good the tenancy prior to vacation having regard to the condition of the premises upon taking occupation.

Any Lessee works are to be carried out by a certified builder in accordance with the current Australian Building Codes. The Lessee must provide the Lessor with a certificate of completion by the relevant trade. If this certificate is not received the Lessor may engage their own trade to check the work and the cost thereof is payable by the Lessee.

20. LESSOR WORKS

N/A

21. CLEANING AND MAINTENANCE

The Lessee shall be responsible for the cleaning of the tenancy and for a proportion of the cost of cleaning the common areas of the property including the cost of rubbish removal and the provision of toilet requisites. This service shall be arranged by the Lessor and recharged to the Lessee at cost.

The Lessee must make good any damage caused to the Premises by the Lessee, its employee(s) or others under its control and otherwise in accordance with the provisions of the Lease.

22. AIR CONDITIONING

The maintenance, repairs and upkeep of all associated air conditioning units within the tenancy is at the cost of the Lessee.

23. FIRE

Fire extinguishers are to be supplied by the Lessee and serviced in accordance with the Australian Standard by the Lessee.

Tag and test of electrical equipment within the premises is to be done each year by the Lessee.

24. SIGNAGE

The Lessee shall be responsible for the cost of any signage (eg tenant's directory board, window graphics) which will be subject to relevant Council approvals (if required) and the Lessor's prior consent. The onus is on the Lessee to obtain Council approvals.

Any signage is to keep within the character of the building.

Any signage is to be manufactured/installed by a person/s with the appropriate qualifications and insurances.

25. CAR PARKING

Car parking available

26. LEGAL COSTS

- 26.1. If the *Retail and Commercial Leases Act 1995* (SA) applies to the lease, then the following will be payable by the Lessee or the Lessor (or both):
- 26.1.1. costs and other expenses of and incidental to the preparation of the Lease together with disbursements including the cost to prepare the Disclosure Statement – 50% Lessor / 50% Lessee
 - 26.1.2. mortgagee's consent and title production fees, including the cost of attendances for the purpose of stamping and registration this Lease – 50% Lessor / 50% Lessee
 - 26.1.3. costs and other expenses of and incidental to the preparation and registration of a survey plan for registration purposes – 100% Lessee
 - 26.1.4. LTO registration Fees and Stamp Duty – 100% Lessee
- 26.2. If the *Retail and Commercial Leases Act 1995* (SA) does not apply to this lease, then the Lessee will be responsible for all of the above costs (including all of the Lessor's costs), on a full indemnity basis.
- 26.3. The Lessee will pay the whole of the Lessor's costs and expenses of and incidental to:
- 26.3.1. negotiation drawing and engrossment of any assignment or transfer of this Lease and of any guarantee of the Lessee's obligations hereunder and any other incidental documentation;
 - 26.3.2. all stamp duty and registration fees payable on this Lease and upon any renewal or extension thereof;

The Lessee will pay all costs charges and expenses (including all reasonable legal fees on a full indemnity basis) which may be incurred or expended by the Lessor in consequence of any default in the performance or observance of any covenant or agreement herein contained on the part of the Lessee to be observed or performed or on the exercise or enforcement by the Lessor of any covenant agreement power or authority herein contained.

An estimate of the Lessee's cost to prepare the lease is: \$550.00

27. DEPOSIT

A deposit in the sum of [**\$4,558.37**] is payable with this offer made payable to the Lessor's Agent Trust Account (L J Hooker Trust Account). The mount of the deposit represents:

- 27.1. _1st month's rental of **\$3,208.32** (inclusive of GST);
- 27.2. _1st month's outgoings of **\$800.05** (inclusive of GST);
- 27.3. The estimated cost of the Lessee's share of lease preparation costs **\$550.00** (inclusive of GST);
- 27.4. The estimated cost to prepare Deed of Guarantee and Indemnity of (TBA) (inclusive of GST);

The deposit is to be paid within 7 days of the Lessee signing this Lease Agreement. If this offer is accepted by the Lessor, then that part of the deposit set out in clauses 27.1 and 27.2 is to be applied towards the 1st month's rental and outgoings.

In the event that this offer is not accepted by the Lessor, the full amount of the deposit will be refunded to the Lessee. If, through any fault of the Lessee, the Agreement to Lease is not executed as required in paragraph 29 hereof, this deposit will be forfeited to the Lessor provided that such forfeiture will be without prejudice to any other rights and remedies the Lessor may have against the Lessee in respect of such a default.

28. GUARANTEES

In consideration of the Lessor accepting the offer of the Lessee, at the request of the persons who have signed this offer as Guarantors (hereinafter jointly and severally referred to as the "Guarantors"), the Guarantors HEREBY GUARANTEE the payment by the Lessee of the rent and any other moneys payable by the Lessee pursuant to this Agreement and the observance and performance of all of the Lessee's obligations as specified or implied by this Agreement AND FURTHER HEREBY INDEMNIFY the Lessor in respect of any failure by the Lessee to pay the aforesaid rent or moneys, or to observe or perform any of the aforesaid obligations. The Guarantors shall execute (within fourteen (14) days of presentation or such later time as notified by the Lessor) such formal Deed of Guarantee and Indemnity as may be prepared by the Lessor's solicitors to embody the terms of this condition of the Agreement. Failure by any of the Guarantors to so execute such formal Guarantee and Indemnity will be deemed to be a default by the Lessee and Guarantors under this Agreement, but will in no way prejudice or affect the binding nature of this guarantee and indemnity. The names and addresses of the Guarantors are as follows:-

Name: Mrs Jaskiran Preet Kaur Hundal

Address: 16 Haven Road, MANSFIELD SA 5012

Name:

Address:

The Lessor's reasonable legal costs and other expenses of and incidental to the negotiation and preparation of the Deed of Guarantee and Indemnity will be borne by the Lessee. The estimate of the Lessee's cost is: [Insert]

29. LEASE AGREEMENT AND EXECUTION OF FORMAL LEASE

The Lessee hereby agrees that upon execution of the Lease Agreement by the Lessee and Lessor, this offer is legally binding and does not rely upon any further documentation.

The formal lease shall be prepared by the Lessor's solicitors.

The Lessee agrees to execute the formal lease within fourteen (14) days of its submission to the Lessee. Failure to do so shall not in any way affect the binding nature of the agreement constituted by the acceptance of this office.

30. DEFAULT

Without limiting the Lessor's rights as against the Lessee or Guarantors at law or in equity or otherwise in the event of a breach of the obligations of the Lessee or Guarantors pursuant to the terms of this Agreement, the Lessee hereby agrees that the first month's rental shall be forfeited to the Lessor and that any legal costs and disbursements incurred by the Lessor pursuant to this Agreement or arising out of the breach of same by the Lessee, will be payable by the Lessee. Further and without

limitation as aforesaid, all costs of and incidental to procuring another tenant to lease the premises including all loss of rental and outgoings, will be payable by the Lessee.

31. LESSEE ACKNOWLEDGMENTS

The Lessee hereby acknowledges that:

31.1. Exclusion Warranty

Prior to the Lessee entering into this lease, a notice under Section 18(2) and Regulation 7 of the *Retail and Commercial Leases Act 1995* (SA) was served on and drawn to the attention of the Lessee, which notice confirms that the Lessor does not warrant that the leased premises will, for the duration of this lease, be structurally suitable for the type of business which the Lessee intends to conduct at the premises.

31.2. Disclosure Statement

Prior to entering into this lease, a Disclosure Statement was provided to the Lessee in compliance with Section 12 of the Act.

31.3. Others

31.3.1. The Lessee has conducted its own due diligence enquiries, investigations and inspections in respect of the Premises included the Lessor's plant and equipment and their suitability or adequacy and acknowledges and agrees that the Lessor makes no representation or warranty whatsoever in respect of the same and further agrees and covenants to lease the Premises in its current state and condition, subject to the prior completion of the Lessor works as set out in this Lease Agreement.

31.3.2. This Lease Agreement supersedes all previous lease proposals that may have been previously discussed, documented, or issued to the Lessee or Lessor.

31.3.3. The Lessor has provided the Lessee with a draft memorandum of lease which will contain most (but not all) of the terms of the formal lease in compliance with Section 11 of the Act.

32. BINDING AGREEMENT

The Lessor and Lessee agree that upon acceptance of the Lessee's offer by the Lessor, the agreement thereby constituted shall be binding upon both parties and shall be enforceable by each of them.

33. APPROVAL

The terms and conditions of this agreement shall be subject to the formal written approval of the Lessor as evidenced herein.

34. REINSTATEMENT

The Lessee shall make good the tenancy prior to vacation having regard to the condition of the premises upon taking occupation subject to fair wear and tear including the painting of the leased areas (two coats) in colours to be approved by the Lessor.

Painting of the premises is to take place within the three (3) months immediately preceding the expiration (or sooner determination) of the term.



Painting of the premises is also to take place if the term or further terms are renewed, within the three (3) months immediately preceding the expiration (or sooner determination) of the renewed term or further renewed term.

The Lessee is also required to make good the Premises when vacating with regard to the following matters:

- Remove all rubbish, maintain the front of the building and clean any rubbish to rear that relates to the business.
- Remove the lessee's fittings and fixtures and equipment from premises.
- All the Lessor's plant and equipment must be left in full and proper working order.
- The Lessee will ensure all amenities are left clean and in working order, eg, toilets, basins, kitchen. The Lessor is to repair damage in ceilings and leaks from gutters unless the gutters have been damaged by the Lessee whereby the Lessee is responsible for all such repairs.

If the Lessee fails to make good the tenancy to the Lessor's reasonable satisfaction the Lessor may make good the tenancy at the Lessee's expense.

35. SECURITY AND BANK GUARANTEE

As security for future rental payments the Lessee is required to pay rent one month in advance.

The Lessee will contemporaneously with execution of the memorandum of lease but with effect from the date of commencement of the Term provide a guarantee in the amount of Four (4) months gross rental of **\$16,033.55** from its bankers to and in favour of and for the benefit of the Lessor by way of security for the due and punctual performance by the Lessee of its obligations under the memorandum of lease.

Provided to the landlord prior to lease commencement.

If the Bank Guarantee is not received by the Lessor they have the option of "locking" the doors of the Premises until a Bank Guarantee is received. All costs thereof are to be paid by the Lessee.

36. SPECIAL CONDITIONS

36.1. N/A

37. GOODS AND SERVICES TAX (GST)

The amount of any other payment (other than the base rental figure) from the Lessee to the Lessor does not include GST. In addition to paying those amounts the Lessee agrees to pay to the Lessor any GST on those amounts to the extent permitted by law.

38. TERMINATION BY LESSOR

The Lessee acknowledges that until such time as the formal lease is executed by the Lessee, the Lessor may at its discretion, terminate the tenancy created by the acceptance of this offer by giving to the Lessee one (1) month's notice in writing.

39. END OF LEASE

At the end of the Lease the Lessee must:

- Vacate the Premises, subject to any option provision that may be exercised according to the provision set forth in the Lease.
- Remove all signage and corporate colour schemes and in doing so ensure any decal imprints and/or residual markings resulting from the removal are not visible and make good any damage caused by such removal at its cost.

- Ensure all maintenance and repairs are carried out before handover.
- Clean the Premises.
- Ensure the property is returned to substantially the same standard and open floor plan provided by the Lessor on the initial handover date and does not present a significant risk of harm to human health.
- Hand over the Premises in accordance with the provisions of the Lease.



THIS OFFER BY THE LESSEE, IF ACCEPTED BY THE LESSOR, SHALL CONSTITUTE A LEGALLY BINDING AGREEMENT, WHICH AGREEMENT IS NOT CONDITIONAL UPON THE EXECUTION OF ANY FURTHER DOCUMENT.

Dated the 05TH day of NOVEMBER 2016.

ANNEXURES

- Plan of Tenancy – (CT - Deposited Plan 11032)
- Disclosure Statement
- Draft Memorandum of Lease

SIGNED as an agreement by or for and on behalf of each party as follows:

(PROVISION FOR EXECUTION BY THE LESSEE)

signed: 

signed:

(PROVISION FOR EXECUTION BY THE GUARANTORS)

signed: 

signed:

THE LESSOR HEREBY ACCEPTS THE OFFER OF THE LESSEE ABOVEMENTIONED.

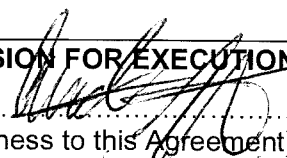
Dated the 08 day of NOVEMBER 2016.

(PROVISION FOR EXECUTION BY THE LESSOR)

signed: 

signed: 08/11/2016

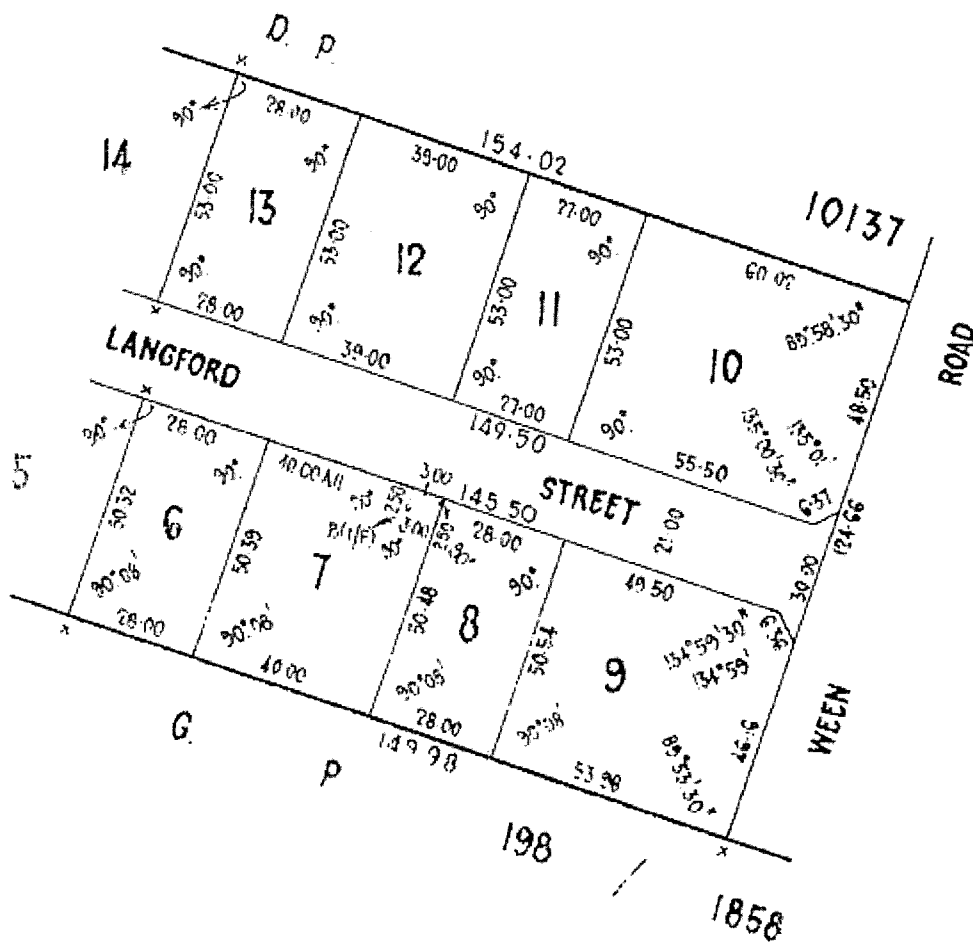
(PROVISION FOR EXECUTION BY THE AGENT)

signed:  CLAUDIO ASPETTI

(as a witness to this Agreement)

Dated: 08/11/2016

PLAN OF TENANCY
(CT - Deposited Plan 11032)



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