

D & M MAIONE SF



Glynde

516 Lower North East Road
Campbelltown SA 5074

t 08 8336 3899
f 08 8337 2566
e glynde@ljh.com.au

Brett Cumming
29 Woodland Road
Elizabeth Downs SA 5113

Dear Brett,

RE: LEASE EXTENTION: 1/9 McGowan Street, Pooraka SA

Please see enclosed Disclosure Statement for the Extension of Lease of the above mentioned property.

The basic terms of the agreement are:

Net Rent: ↔ \$17,000.00 Net + GST
Term: Two (2) Years will Nil options to renew
Increases: CPI

To agree to terms and to secure the extension of lease please sign and return the Disclosure Statement and this letter at your convenience.

Many thanks,

A handwritten signature in black ink, appearing to read 'Stephen Collins', written over a horizontal line.

Stephen Collins
Commercial Leasing Manager
0428 839 425
Scollins.glynde@ljh.com.au

Signed By Brett Cumming:

A large, stylized handwritten signature in black ink, appearing to read 'Brett', written over a horizontal line.

Date:

18/2/16

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Lessor Disclosure Statement

section 12 of *Retail and Commercial Leases Act 1995*

Information for lessees

Please read the following information carefully.

What is a lease?

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

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

What should I look for in a lease?

The main features to consider are—

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

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

If the lease is a sublease, you should seek information about the lessor's rights and obligations under the head lease that are relevant to the lease of the shop.

What information is the lessor required to give me?

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

What should I do before signing a lease or other binding document?

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

Before signing a lease or other binding document, you should obtain independent legal and financial advice.

- You should discuss the lease (or any agreement for a lease) and the disclosure statement with your own lawyer or leasing adviser.

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- You should seek advice about the financial commitments under the lease from your own accountant or recognised financial or business adviser.
- You should also seek advice from an association representing the interests of lessees.

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

Before signing a lease or other binding document, the lessee should sign an acknowledgment of receipt of the disclosure statement.

1—Details of Shop/ Commercial Premise	
Address: <i>[Provide sufficient details to identify the shop.]</i>	Being portion of the building erected upon land comprised in Certificate of Title Volume 5015 Folio 747 Known as 1/9 McGowan Street Pooraka
Lettable area: <i>[Specify in square metres.]</i>	Approx. 330sqm
The shop may only be used for: <i>[Specify the permitted uses.]</i>	Storage of cars including panel beating and spraying of cars.
2—Term of lease	
Term of lease:	Two (2) years Commencing: 29/3/16 Expiring: 28/3/18
3—Renewal or extension of lease <i>[Tick 1 box.]</i>	
<input checked="" type="checkbox"/> There is no right to renew or extend the term of the lease.	
<input type="checkbox"/> The lease gives a right to renew or extend the term of the lease as follows:	NA

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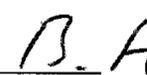
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4—Access to shop	
Hours during which the lessee will have access to the shop outside trading hours:	24 Hours
Date on which the shop will be available for occupation:	Lessee already in occupation
5—Monetary obligations	
The lessee's obligations to pay rent, to pay or reimburse outgoings, to make or reimburse capital expenditure and any other monetary obligations imposed on the lessee are set out in Appendix A.	
6—Retail shopping centre details	
<i>[Tick 1 box.]</i>	
<input type="checkbox"/> The shop is in a retail shopping centre within the meaning of the <i>Retail and Commercial Leases Act 1995</i> . See Appendix B for details.	<input checked="" type="checkbox"/> The shop is not in a retail shopping centre within the meaning of the <i>Retail and Commercial Leases Act 1995</i> .

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7—Consequences of breach

The legal consequences of **early termination of the lease** by the lessee as set out in the Memorandum of the Lease but are not limited to such clauses. The consequences of early termination of the lease by the lessee are as follows:

Depending on the nature of the early termination by the Lessee, the Lessor may do one of the following:

1. Sue the Lessee for damages, with or without accepting the early termination.
2. Sue the Guarantors (if any) for damages
3. Make demand on a Bank Guarantee (if any) or seek to recover the amount from a Security Bond.
4. Accept the Lessee’s termination and re-enter the Premises (with or without claiming damages)
5. The Lessee is liable for any arrears and all rent until the end of the term. This amount will be reduced if the Lessor leases the premises to another tenant. The Lessor must use reasonable endeavours to re-lease the premises.
6. The Lessee is liable for all other losses caused to the lessor and all costs (including legal costs) incurred by the Lessor because of the early termination.
7. Items which the lessee has fixed to the premises may become the property of the Lessor.
8. The Lessor may appoint itself as the Lessee’s attorney for the purposes of surrendering the Lease.

The above is not a complete list of the consequences of early termination and does not limit the Lessor’s rights under the lease or otherwise. Please refer to the lease and seek independent legal advice.

In addition to the consequences for early termination of the lease by the Lessee, the legal consequences of **other breaches** are as follows:

1. If the Lessee does not rectify the breach within a certain time, the lessor can terminate the lease
2. The Lessor may choose to rectify any breach by the Lessee and recover the costs of so doing from the Lessee.
3. If the Lessor decides to terminate the lease because of the breach, the Lessee may be liable for all rent until the end of the term. This amount will be reduced if the Lessor leases the premises to another tenant. The Lessor must use reasonable endeavours to re-lease the premises.
4. The Lessee may be liable for all other losses caused to the lessor and all costs (including legal costs) incurred by the lessor because of the breach.
5. The Lessor may distrain for unpaid rent, i.e. enter the premises and change the locks, seize and sell the Lessee’s goods and chattels to cover any arrears or rental plus costs (including legal costs)
6. The Lessor may choose not to terminate but instead sue the lessee for its loss. In this case, the lessee must continue complying with the terms of the lease.
7. The Lessor may instruct to de-register the lease
8. Any amount outstanding under the lease will accrue interest at a specified rate from the due date until full payment.
9. Items which the lessee has affixed to the premises may become the property of the lessor.

The above is not a complete list of the consequences of other breaches and does not limit the Lessor’s rights under the lease or otherwise. Please refer to the lease and seek independent legal advice.



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8—Warnings

Oral representations made by the lessor or the lessor's agent on which the lessee has relied should be reduced to writing and signed by or on behalf of the lessor before the lessee enters into the lease.

The lessee should obtain independent legal and financial advice before entering into the lease.

Date:

Signature

Signed by / for and on behalf of the Lessor

Name of Lessor:

Address: c/o – 516 Lower North East Road, CAMPBELLTOWN, SA 5074

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Acknowledgment of receipt

I acknowledge receipt of this disclosure statement including:

[Tick 1 or more boxes as applicable.]

- Appendix A—Monetary obligations under lease
- Appendix B—Retail shopping centre details
- Attachment—Shop fitting or refitting obligations
- Attachment—Fixtures, plant or equipment obligations
- Attachment—Sinking fund obligations
- Attachment—Proposed changes to shopping centre
- Attachment—Current tenant mix
- Attachment—Proposed changes to current tenant mix
- Attachment—Details of tenant association
- Attachment— Precedent Memorandum of Lease dated 2013 held by tenant

IMPORTANT NOTICE TO LESSEE BEFORE SIGNING LEASE

*Retail & Commercial Leases Act 1995: Section 18
Retail & Commercial Lease Regulations (2010) Regulation 6*

Exclusion of warranty of fitness for purpose

The Lessor does not warrant that the premises you are about to lease will for the duration of your lease, be structurally suitable for the lessee’s particular business.

Brett

Signature of Lessee (acknowledging above)

LESSEE’S DETAILS AND SIGNATURE

Name: *Brett*

Address:

.....

Signature of Lessee (acknowledging receipt of Disclosure Statement)

Date:



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Appendix A—Monetary obligations under lease

Part 1—Rent

1—Base rent	
The base rent payable for the shop is or is calculated as follows: <i>[Insert amount or formula.]</i>	Seventeen Thousand Dollars (\$17,000.00) per annum NET PA + GST
2—Basis on which base rent may be changed	
The base rent may be changed on the following basis: <i>[Insert description of rent review arrangements.]</i>	Rent to be reviewed annually on the anniversary of the commencement date of the lease by the Consumer Price Index (CPI) All Groups for Adelaide and at exercise of option to extend lease by Market Review
3—Other rent	
Other rent payable for the shop is or is calculated as follows: <i>[Insert amount or formula.]</i>	Not Applicable

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Part 2—Capital expenditure

4—Permissible obligations (section 13 of *Retail and Commercial Leases Act 1995*)

The lessee will be liable for capital expenditure as follows:
[Tick 1 or more boxes as applicable.]

<p><input checked="" type="checkbox"/> to pay or reimburse the cost of making good damage to the premises arising when the lessee is in possession or entitled to possession of the premises</p>	<p><input checked="" type="checkbox"/> to fit or refit the shop as set out in the attachment marked "Shop fitting or refitting obligations" <i>[The attachment must include sufficient details to enable the lessee to obtain an estimate of the likely cost of complying with the obligation.]</i></p>
<p><input type="checkbox"/> to provide fixtures, plant or equipment as set out in the attachment marked "Fixtures, plant or equipment obligations" <i>[The attachment must include sufficient details to enable the lessee to obtain an estimate of the likely cost of complying with the obligation.]</i></p>	<p><input type="checkbox"/> to contribute to a sinking fund to cover major items of repair or maintenance as set out in the attachment marked "Sinking fund obligations" <i>[The attachment must include reasonable details of the lessee's obligations.]</i></p>

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Part 3—Outgoings**5—Categories and estimate of annual liability**

The lessee will be liable to pay or reimburse the following categories of outgoings:

Category of Outgoings	Estimate of Lessee's Annual Liability	
Local Government Rates & Charges (individually assessed)	\$1,505.13	per year
Emergency Services Levy (individually assessed)	\$502.58	per year
S A Water & Sewerage, usage & excess water charges	\$885.37	per year
State Land Tax	Not applicable	
Air-conditioning Maintenance	Lessee's responsibility	per year
Audit Fees	Lessee's responsibility	per year
Building Insurance	\$1,227.19	per year
Cleaning	Lessee's responsibility	per year
Common Power & Lighting	Lessee's responsibility	per year
Fire Protection Services	Lessee's responsibility	per year
General Maintenance & Repairs (Elect. & Plumbing)	Lessee's responsibility	per year
Graffiti Removal	Lessee's responsibility	per year
Lifts & Escalator Maintenance	Not Applicable	per year
Management Fees	\$790.00	per year
Pest Control	Lessee's responsibility	per year
Sanitary Hygiene Ladies Toilet	Lessee's responsibility	per year
Security & Alarm Monitoring	Lessee's responsibility	per year
Strata / Community Corporation Fees	If applicable	per year
Waste Removal (incl. Cardboard recycling)	Lessee's responsibility	per year
Others (<i>specify</i>)		
TOTAL OUTGOINGS		
Lessee's Proportionate Share of Outgoings at 100 % for the FY 15/16 (excluding GST) per annum	\$4,910.27	per year
Lessee's Proportionate Share of Outgoings for the FY 15/16 (excluding GST) per month	\$409.19	Per month

NOTE: The Lessee's amount payable for the outgoings may increase in accordance with the increases applied from time to time by the rating body or due to increasing labour costs or the increased cost of materials. The Lessee's Outgoings are an estimate of the annual budgeted property outgoings. Actual outgoings will be reconciled following the end of the financial year.

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[Tick 1 box.]

- The lessee is liable for the full amount of the outgoings.
- The lessee is liable for a proportion of the outgoings calculated according to the following formula:

100 % of all listed outgoings as defined within the Lease or on a prorate basis relative of tenants who utilise any particular service exclusively, and liable for the full amount of the outgoings where it is individually assessed.

The budgeted amount for the year ending 30 June 2016 being the sum of Four Thousand, Nine Hundred and Ten Dollars, Twenty Two cents (\$4,910.27) per annum, payable in advance in equal calendar monthly payments of Four Hundred and Nine Dollars, Nineteen Cents (\$409.19) per month.

6—Margin of profit

[Tick 1 box.]

- | | |
|--|---|
| <ul style="list-style-type: none"> <input checked="" type="checkbox"/> The amount the lessee is required to pay towards outgoings does not include a margin of profit for the lessor. | <ul style="list-style-type: none"> <input type="checkbox"/> The amount the lessee is required to pay towards outgoings includes a margin of profit for the lessor as follows:
 <i>[Provide the percentage profit or the basis on which the profit is to be calculated.]</i>
 The lessor charges electricity usage at the current rates set by AGL South Australia Pty Ltd. The lessor buys the electricity in bulk and therefore has a margin of profit. |
|--|---|

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Part 4—other monetary obligations

7—Other <i>[Tick 1 box.]</i>	
<input type="checkbox"/> The lessee will not be liable for any other kinds of monetary obligations.	<input checked="" type="checkbox"/> The lessee will also be liable for the following kinds of monetary obligations: <i>[Provide details of other kinds of monetary obligations and, if possible, an estimate of the annual cost of complying with those obligations.]</i> 1. Cost of water, electricity, telephone and other services consumed in the premises. 2. Cost of preparation of lease documents, plus fees and disbursements, including but not limited to registration fees. 3. Insurance for the shop 4. Security, electricity, cleaning and air-conditioning for after-hours operation.

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ATTACHMENT

Shop Fitting or Refitting Obligations

The Lessee is required to fit out the Premises with quality fittings, fixtures and other items. Such fit out is subject to the prior approval of the Lessor with all costs (including the Lessor's costs) payable by the Lessee.

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Fixtures, Plant or Equipment Obligations

The Lessee is required to provide all fixtures, plant, and equipment as are necessary to conduct the Lessee's business from the Premises. The Lessee is also required to pay for the connections and the separate meters or similar equipment for recording or measuring services or substances supplied to or consumed in the Premises. The Lessee must pay the costs of any upgrade or alternations to such building services or plant which is required to connect the Lessee's items to the existing facilities.

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