

NATOLI HOWELL

L A W Y E R S

LEASE OF REAL ESTATE

BETWEEN

COSTANZO SF PTY. LTD.

(ACN 160 391 177)

(Landlord)

- and -

SHARPS CONTAINMENT PTY. LTD.

(ACN 163 120 590)

(Tenant)

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LEASE EXECUTION

EXECUTED AS A DEED ON

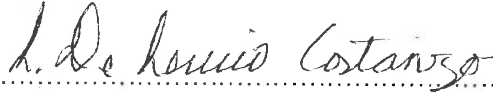
DATE: the 28 day of June, 2013

EXECUTION & ATTESTATION:

EXECUTED BY COSTANZO SF PTY. LTD.]
(ACN 160 391 177) in accordance with]
Section 127 of the Corporations Act 2001]



Giuseppe Costanzo – **Director**
of 16A Rubicon Street, Reservoir



Lucia Costanzo - **Secretary**
of 16A Rubicon Street, Reservoir

EXECUTED BY SHARPS CONTAINMENT]
PTY. LTD. (ACN 163 120 590) in accordance]
with Section 127(1) of the Corporations Act]
2001 (Cth)]



Giuseppe Costanzo
of 16A Rubicon Street, Reservoir
Sole Director / Sole Secretary

LEASE OF REAL ESTATE
(WITH GUARANTEE & INDEMNITY)
(Commercial Property)

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The **landlord** leases the **premises** to the **tenant** for the **term** and at the **rent** and on the conditions set out in this lease together with all necessary access over any **common areas**.

The **guarantor**, if any, agrees to be bound by the **guarantor's** obligations set out in this lease.

LEASE CONDITIONS

1. DEFINITIONS AND INTERPRETATION

1.1 The listed expressions in **bold** print have the meaning set out opposite them -

EXPRESSION	MEANING
accounting period	the period of 12 months ending 30 June or other period of 12 months adopted by the landlord in respect of this lease for recovery of building outgoings and includes any broken periods at the start and end of the term
Act	the <i>Retail Leases Act 2003</i> (Vic)
building	any building in which the premises are located, including the landlord's installations
building outgoings	any of the following expenses (excluding capital expenses and expenses whose recovery from the tenant would be contrary to applicable legislation) incurred in respect of the land , the building , the premises or any premises in the building which include the premises - <ol style="list-style-type: none">rates, levies and assessments imposed by any relevant authorities;taxes including land tax (unless the Act applies), calculated on the basis that the land is the only land of the landlord liable to tax and is not subject to a trust but excluding income tax and capital gains tax;the costs of maintaining and repairing the building and the landlord's installations and carrying out works as required by relevant authorities (but excluding any amount recovered in respect of maintenance or repair by the landlord from its insurer);premiums and charges for the following insurance policies taken out by the landlord -<ol style="list-style-type: none">damage to and destruction of the premises for their replacement value for the risks listed in item 11,removal of debris,breakdown of landlord's installations,breakage of glass,public risk for any single event for the amount stated in item 12 (if none is stated, \$10 million) or other amount reasonably specified from time to time by the landlord, andloss of rent and outgoings for the period stated in item 13 or, if none is stated, 12 months,and excesses paid or payable on claims, and, if the premises occupy only a part of the lettable area of the building , the following further items - <ol style="list-style-type: none">costs incurred in providing services to the building and the land including -<ol style="list-style-type: none">heating,

- (ii) cooling,
 - (iii) air-conditioning,
 - (iv) cleaning,
 - (v) pest control,
 - (vi) waste collection,
 - (vii) lighting,
 - (viii) landscaping and garden maintenance,
 - (ix) security, and
 - (x) fire safety prevention, detection and control;
- (f) accountancy and audit fees; and
- (g) costs of whatever description, reasonably incurred by the **landlord** in the administration, management or operation of the **building** and the **land**,

whether incurred by the **landlord** directly or as owners corporation levies, at cost to the **landlord** on the basis that an expense is deemed to have been paid at the time it fell due for payment

building rules	any rules adopted from time to time for the building , including the rules of any owners corporation affecting the premises
common areas	areas in the building or on the land that are under the control of the landlord and are used or intended for use - <ul style="list-style-type: none"> (a) by the public; or (b) in common by tenants of premises in the building in relation to the carrying on of businesses on those premises, <p>other than areas which are let or licensed, or intended to be let or licensed, other than on a casual basis</p>
Consumer Price Index	the consumer price index published by the Australian Government Statistician under the heading All Groups, Melbourne
CPI review date	a date specified in item 16(b)
fixed review date	a date specified in item 16(c)
GST	GST within the meaning of the GST Act
GST Act	<i>A New Tax System (Goods and Services Tax) Act 1999 (Cth)</i>
guarantor	the person named in item 3
item	an item in the schedule to this lease
land	the parcel of land on which the building is erected and which is described in item 4(b)
landlord	the person named in item 1 , or any other person who will be entitled to possession of the premises when this lease ends
landlord's installations	the installations of the landlord in the premises or the building or on the land and those installed by the landlord after the lease starts and including the installations listed in item 5
lettable area	unless the Act applies and requires otherwise - <ul style="list-style-type: none"> (a) in relation to the premises, the area let; and (b) in relation to the building, the total area of the building that is let or licensed or intended to be let or licensed, other than on a casual basis.

When it is necessary to measure the **lettable area** of the **building** or any part of the **building**, the measurement is to be carried out using the most recent revision of the relevant Property Council of Australia method of measurement

market review date a date specified in **item 16(a)**

permitted use	the use specified in item 15
premises	the premises described in item 4(a) and fixed improvements and the landlord's installations within the premises
rent	the amount in item 6 , as varied in accordance with this lease
review date	a date specified in item 16
start of the lease	the first day of the term but, if this lease is a renewal under an option in an earlier lease (whether or not this lease is on terms that are materially different to those contemplated by the earlier lease), the starting date of the first lease to contain an option for renewal.
tenant	the person named in item 2 , or any person to whom the lease has been transferred
tenant's agents	the tenant's employees, agents, contractors, customers and visitors to the premises
tenant's installations	the installations listed in item 7 and those installed by the tenant after the lease starts
term	the period stated in item 8
valuer	a person holding the qualifications or experience specified under section 13DA(2) of the <i>Valuation of Land Act 1960</i> (Vic) and, if the Act applies, a specialist retail valuer.

- 1.2 References to laws include statutes, regulations, instruments and by-laws and all other subordinate legislation or orders made by any authority with jurisdiction over the **premises**. Illegal means contrary to a law as defined in this sub-clause.
- 1.3 This lease must be interpreted so that it complies with all laws applicable in Victoria. If any provision of this lease does not comply with any law, then the provision must be read down so as to give it as much effect as possible. If it is not possible to give the provision any effect at all, then it must be severed from the rest of the lease.
- 1.4 The law of Victoria applies to this lease.
- 1.5 Any change to this lease must be in writing and signed by the parties.
- 1.6 If a party consists of more than one person –
 - (a) the acts and omissions of any of them bind all of them; and
 - (b) an obligation imposed by this lease on or in favour of more than one person binds or benefits them separately, together and in any combination.
- 1.7 The use of one gender includes the others and the singular includes the plural and vice versa.
- 1.8 If the **landlord**, **tenant** or **guarantor** is an individual, this lease binds that person's legal personal representative. If any of them is a corporation, this lease binds its transferees.
- 1.9 This lease, including all guarantees and indemnities, is delivered and operates as a deed.
- 1.10 The **tenant** is bound by and answerable for the acts and omissions of the **tenant's agents**.
- 1.11 If there is a conflict between a provision in the schedule and one of these lease conditions then the provision in the schedule is to prevail.
- 1.12 "Include" and every form of that word is to be read as if followed by "(without limitation)".
- 1.13 This lease includes the schedule.
- 1.14 The parties consider that the application of the **Act** to this lease is as specified in **item 15** and, if **item 15** states that the **Act** does not apply, that the reason is as specified in **item 15**.

2. TENANT'S PAYMENT, USE AND INSURANCE OBLIGATIONS

- 2.1 The **tenant** must -
 - 2.1.1 pay the **rent** without any set-off (legal or equitable) or deduction whatever to the **landlord** on the days and in the way stated in **item 9** without the need for a formal demand. The **landlord** may direct in writing that the **rent** be paid to another person. The **rent** is reviewed on each **review date** specified in **item 16** -
 - (a) on a **market review date**, the **rent** is reviewed in accordance with clause 11,
 - (b) on a **CPI review date**, the **rent** is reviewed in accordance with clause 18, and
 - (c) on a **fixed review date**, the **rent** is either increased by the fixed percentage or changed by or to the fixed amount, in either case as specified in **item 16** in respect of that **fixed review date**.

- tenant** does not comply with the notice, the **landlord** may carry out the repairs and the **tenant** must repay the cost to the **landlord** within 7 days of a request.
- 3.2.10 only use persons approved by the **landlord** to repair and maintain the **premises** but, if the **Act** applies, only use persons who are suitably qualified.
 - 3.2.11 comply with all reasonable directions of the **landlord** or the insurer of the **premises** as to the prevention, detection and control of fire.
 - 3.2.12 on vacating the **premises**, remove all signs and make good any damage caused by installation or removal.
 - 3.2.13 take reasonable precautions to secure the **premises** and their contents from theft, keep all doors and windows locked when the **premises** are not in use and comply with the **landlord's** directions for the use and return of keys or keycards.
 - 3.2.14 permit the **landlord** or its agent access to the **premises** at reasonable times by appointment to show the **premises** -
 - (a) to valuers and to the **landlord's** consultants,
 - (b) to prospective purchasers at any time during the **term**, and
 - (c) to prospective tenants within 3 months before the end of the **term** (unless the **tenant** has exercised an option to renew this lease)
 and to affix "for sale" or "to let" signs in a way that does not unduly interfere with the **permitted use**.
 - 3.2.15 maintain any grounds and gardens of the **premises** in good condition, tidy, free from weeds and well-watered.
 - 3.2.16 maintain and keep in good repair any heating, cooling or air conditioning equipment exclusively serving the **premises**.
 - 3.3 The **tenant** is not obliged -
 - 3.3.1 to repair damage against which the **landlord** must insure under clause 6.2 unless the **landlord** loses the benefit of the insurance because of acts or omissions by the **tenant** or the **tenant's agents**.
 - 3.3.2 to carry out structural or capital repairs or alterations or make payments of a capital nature unless the need for them results from -
 - (a) negligence by the **tenant** or the **tenant's agents**,
 - (b) failure by the **tenant** to perform its obligations under this lease,
 - (c) the **tenant's** use of the **premises**, other than reasonable use for the **permitted use**, or
 - (d) the nature, location or use of the **tenant's installations**, in which case the repairs, alterations or payments are the responsibility of the **tenant**.
 - 3.3.3 to carry out any work that applicable legislation makes the responsibility of the **landlord**.

4. LEASE TRANSFERS AND SUBLETTING

- 4.1 The **tenant** must not transfer this lease or sublet the **premises** without the **landlord's** written consent, and section 144 of the *Property Law Act 1958* (Vic) and clause 9.1 do not apply.
- 4.2 The **landlord** -
 - 4.2.1 subject to sub-clause 4.2.2, must not unreasonably withhold consent to a transfer of this lease or a sublease of the **premises** if the **tenant** has complied with the requirements of clause 4.3. If the **Act** applies, the **landlord** may only withhold consent to a transfer of this lease in accordance with the **Act**.
 - 4.2.2 may withhold consent at the **landlord's** discretion if the **Act** does not apply, and a transfer of this lease would result in the **Act** applying, or applying if this lease is renewed for a further term.
- 4.3 To obtain the **landlord's** consent to a transfer or sublease the **tenant** must -
 - 4.3.1 ask the **landlord** in writing to consent to the transfer or sublease,
 - 4.3.2 give the **landlord** -
 - (a) in relation to each proposed new tenant or sub-tenant such information as the **landlord** reasonably requires about its financial resources and business experience and if the **Act** does not apply, any additional information reasonably required by the **landlord** to enable it to make a decision, and
 - (b) a copy of the proposed document of transfer or sublease, and
 - 4.3.3 remedy any breach of the lease which has not been remedied and of which the **tenant** has been given written notice.
- 4.4 If the **Act** applies and -

- 4.4.1 the **tenant** has asked the **landlord** to consent to a transfer and complied with clause 4.3 and section 61 of the **Act**, and
- 4.4.2 the **landlord** fails to respond by giving or withholding consent to the transfer within 28 days,
- then the **landlord** is to be taken as having consented.
- 4.5 If the **landlord** consents to the transfer or sublease, the **landlord**, **tenant** and new tenant or sub-tenant and the **guarantor** must execute the documents submitted under sub-clause 4.3.2(b). The directors of the new tenant (if it is a corporation) must execute a guarantee and indemnity in the terms of clause 15.
- 4.6 The **tenant** must pay the **landlord's** reasonable expenses incurred in connection with an application for consent or the granting of consent and the completion of the documents, as well as any stamp duty on the documents.
- 4.7 Except by a transfer or sublease to which the **landlord** has consented, the **tenant** must not give up possession or share occupancy of the **premises** or grant a licence to anyone else or mortgage or charge its interest under this lease or enter into any arrangement that gives a person the right to enter into occupation of the **premises** without the **landlord's** written consent. Consent is at the **landlord's** discretion.
- 4.8 Subject to the **Act**, if it applies, the obligations to the **landlord** of every **tenant** who has transferred this lease continue until this lease ends. They do not continue into any period of overholding after this lease ends, nor into any renewed term: at those times they are the responsibility only of the **tenant** in possession. This clause does not prevent the **landlord** from enforcing rights which arise before this lease ends.
- 5. GENERAL AGREEMENTS BETWEEN LANDLORD AND TENANT**
- 5.1 When the **term** ends, the **tenant** must -
- 5.1.1 return the **premises** to the **landlord** clean and in the condition required by this lease, and
- 5.1.2 remove the **tenant's installations** and other **tenant's** property from the **premises** and make good any damage caused in installing or removing them.
- If the **tenant** leaves any **tenant's installations** or other **tenant's** property on the **premises** after the end of the lease, unless the **landlord** and **tenant** agree otherwise -
- 5.1.3 all items of **tenant's installations** and **tenant's** property will be considered abandoned and will become the property of the **landlord**, but the **landlord** may remove any of the **tenant's installations** or other property of the **tenant** and recover the costs of removal and making good as a liquidated debt payable on demand; and
- 5.1.4 the parties intend that clause 5.1.3 operate in relation to **tenant's installations** and **tenant's** property in place of any legislation that might otherwise apply to goods remaining on the **premises**.
- 5.2 The **tenant** indemnifies the **landlord** against any claim resulting from any act or failure to act by the **tenant** or the **tenant's agents** while using the **premises**.
- 5.3 The **tenant** -
- 5.3.1 uses and occupies the **premises** at its own risk, and
- 5.3.2 releases the **landlord** from and indemnifies the **landlord** against all claims resulting from accidents occurring on the **premises** except to the extent that the accident is caused by the **landlord** or a person for whom the **landlord** is responsible.
- 5.4 In relation to **building outgoings**, the parties agree -
- 5.4.1 the **landlord** must pay the **building outgoings** when they fall due for payment but may require the **tenant** to pay when due a **building outgoing** for which the **tenant** receives notice directly and to reimburse the **landlord** within 7 days of a request all **building outgoings** for which notices are received by the **landlord**.
- 5.4.2 the **tenant** must pay or reimburse the **landlord** the proportion specified in **item 10**.
- 5.4.3 at least 1 month before the start of an **accounting period**, the **landlord** may (but if the **Act** applies, the **landlord** must) give the **tenant** an estimate of **building outgoings** for the **accounting period**.
- 5.4.4 despite clause 5.4.1, the **tenant**, if the **landlord** requires it, must pay its share of the estimated **building outgoings** by equal monthly instalments during the **accounting period** on the days on which **rent** is payable (after allowing for **building outgoings** paid directly or separately reimbursed by the **tenant**).

- 5.4.5 if the **Act** applies, the **landlord** must make a statement of **building outgoing** available during each **accounting period** as required by the **Act**.
- 5.4.6 within three months after the end of an **accounting period**, the **landlord** must give the **tenant** a statement of the actual **building outgoing** for the **accounting period** (if the **Act** applies and requires that the statement be accompanied by a report by a registered company auditor, the statement must be accompanied by a report complying with section 47(5); if the **Act** applies but does not require that the statement be accompanied by a report by a registered company auditor, the statement must be accompanied by the items specified in section 47(6)(b)).
- 5.4.7 the **tenant** must pay the amount short paid or the **landlord** must repay the amount over paid for **building outgoing**, as the case may be, within 1 month after a statement is provided under clause 5.4.6 or within 4 months after the end of the **accounting period**, whichever is earlier.
- 5.4.8 an appropriate adjustment must be made in relation to a **building outgoing** incurred in respect of a period beginning before the start of the **term** or extending beyond the end of the **term**.
- 5.5 If the freehold of the **premises** (or the **building**) is transferred, the transferor **landlord** released from all lease obligations falling due for performance on or after the date of the instrument of transfer.

6. LANDLORD'S OBLIGATIONS

- 6.1 The **landlord** must give the **tenant** quiet possession of the **premises** without any interruption by the **landlord** or anyone connected with the **landlord** as long as the **tenant** does what must under this lease.
- 6.2 The **landlord** must take out at the start of the **term** and keep current policies of insurance the risks listed in **item 11** against -
- 6.2.1 damage to and destruction of the **building**, for its replacement value,
 - 6.2.2 removal of debris,
 - 6.2.3 breakdown of **landlord's installations**, and
 - 6.2.4 breakage of glass, for its replacement value.
- 6.3 The **landlord** must give to the **tenant** the written consent to this lease of each mortgage whose interest would otherwise have priority over this lease by endorsement on this lease the terms set out following the 'execution and attestation' section.
- 6.4 The **landlord** must keep the structure (including the external faces and roof) of the **building** and the **landlord's installations** in a condition consistent with their condition at the start of the lease, but is not responsible for repairs which are the responsibility of the **tenant** under clauses 3.1, 3.2 and 3.3.2.

7. EVENTS OF DEFAULT AND LANDLORD'S RIGHTS

- 7.1 The **landlord** may terminate this lease, by re-entry or notice of termination, if -
- 7.1.1 the **rent** is unpaid after the day on which it falls due for payment,
 - 7.1.2 the **tenant** does not meet its obligations under this lease,
 - 7.1.3 the **tenant** is a corporation and -
 - (a) an order is made or a resolution is passed to wind it up except for reconstruction or amalgamation,
 - (b) goes into liquidation,
 - (c) is placed under official management,
 - (d) has a receiver, including a provisional receiver, or receiver and manager of any of its assets or an administrator appointed,
 - (e) without the **landlord's** written consent, there is a different person in effective control of the **tenant** as a result of changes in -
 - (i) membership of the company or its holding company,
 - (ii) beneficial ownership of the shares in the company or its holding company, or
 - (iii) beneficial ownership of the business or assets of the company
- but this paragraph does not apply if the **tenant** is a public company on the Australian Stock Exchange, or a subsidiary of one.
- "Effective control" means the ability to control the composition of the board of directors or having more than 50% of the shares giving the right to vote at general meetings,
- 7.1.4 a warrant issued by a court to satisfy a judgement against the **tenant's guarantor** is not satisfied within 30 days of being issued,
- 7.1.5 a **guarantor** is a natural person and -

- (a) becomes bankrupt,
 - (b) takes or tries to take advantage of Part X of the *Bankruptcy Act* 1966 (Cth),
 - (c) makes an assignment for the benefit of their creditors, or
 - (d) enters into a composition or arrangement with their creditors,
 - 7.1.6 a **guarantor** is a corporation and one of the events specified in (a) to (e) of clause 7.1.3 occurs in relation to it, or
 - 7.1.7 the **tenant**, without the **landlord's** written consent -
 - (a) discontinues its business on the **premises**, or
 - (b) leaves the **premises** unoccupied for 14 days.
 - 7.2 Termination by the **landlord** ends this lease, but the **landlord** retains the right to sue the **tenant** for unpaid money or for damages (including damages for the loss of the benefits that the **landlord** would have received if the lease had continued for the full **term**) for breaches of its obligations under this lease.
 - 7.3 For the purpose of section 146(1) of the *Property Law Act* 1958 (Vic), 14 days is fixed as the period within which the **tenant** must remedy a breach capable of remedy and pay reasonable compensation for the breach.
 - 7.4 Before terminating this lease under clause 7.1 for an event to which section 146(1) of the *Property Law Act* 1958 (Vic) does not extend, the **landlord** must give the **tenant** the same notice that it would be required to give if that section did extend to a termination for that event.
 - 7.5 Breach by the **tenant** of any of the following clauses of this lease is a breach of an essential term and constitutes repudiation: 2.1.1, 2.1.5, 2.1.6, 2.1.10, 2.1.11, 2.2.1, 2.2.2, 2.2.7, 2.2.8, 2.2.9, 2.2.11, 2.2.13, 2.3, 3.2.11, 4.1, 4.7, 5.4.2, 5.4.7, 13 and 17. Other **tenant** obligations under this lease may also be essential.
 - 7.6 Before terminating this lease for repudiation (including repudiation consisting of the non-payment of rent), the **landlord** must give the **tenant** written notice of the breach and a period of 14 days in which to remedy it and to pay reasonable compensation for it. A notice given in respect of a breach amounting to repudiation is not an affirmation of the lease.
 - 7.7 Even though the **landlord** does not exercise its rights under this lease on one occasion, it may do so on any later occasion.
- 8. DESTRUCTION OR DAMAGE**
- 8.1 If the **premises** or the **building** are damaged so that the **premises** cannot be used or accessed for the **permitted use** -
 - 8.1.1 a fair proportion of the **rent** and **building outgoings** is to be suspended until the **premises** are again wholly fit and accessible for the **permitted use**, and
 - 8.1.2 the suspended proportion of the **rent** and **building outgoings** must be proportionate to the nature and extent of the damage or inaccessibility.
 - 8.2 If the **premises** or the **building** are partly destroyed, but not substantially destroyed, the **landlord** must reinstate the **premises** or the **building** as soon as reasonably practicable.
 - 8.3 If the **premises** or the **building** are wholly or substantially destroyed -
 - 8.3.1 the **landlord** is not obliged to reinstate the **premises** or the **building**, and
 - 8.3.2 if the reinstatement does not start within 3 months, or is not likely to be completed within 9 months, the **landlord** or the **tenant** may end this lease by giving the other written notice.
 - 8.4 The **tenant** will not be entitled to suspension of **rent** or **building outgoings** under sub-clause 8.1.1 nor to end the lease under sub-clause 8.3.2 and the **landlord** will not be obliged to reinstate the **premises** or the **building** under clause 8.2 if payment of an insurance claim is properly refused in respect of the damage or destruction because of any act or omission by the **tenant** or the **tenant's agents**.
 - 8.5 If the **Act** does not apply and there is a dispute under this clause, either party may request the President of the Australian Property Institute, Victorian Division, to nominate a practising valuer member of that Institute to determine the dispute or the parties may refer the dispute to mediation under clause 16 unless **item** 21 states that the mediation procedure does not apply to this lease. The valuer acts as an expert and not as an arbitrator and the determination is binding.
- 9. CONSENTS AND WARRANTIES BY THE PARTIES**
- 9.1 Subject to the **Act** (if it applies), the **landlord** must not unreasonably withhold its consent or approval to any act by the **tenant** or matter which needs consent or approval unless any other clause provides otherwise, but -
 - 9.1.1 the **landlord** may impose reasonable conditions on any consent or approval, and

- 9.1.2 the **tenant** must reimburse the **landlord's** reasonable expenses resulting from an application for its consent or approval, including fees paid to consultants.
- 9.2 This lease, together with (if the Act applies) any disclosure statement, contains the whole agreement of the parties. Neither party is entitled to rely on any warranty or statement in relation to -
 - 9.2.1 the conditions on which this lease has been agreed,
 - 9.2.2 the provisions of this lease, or
 - 9.2.3 the **premises**
 which is not contained in those documents.

10. OVERHOLDING AND ABANDONMENT OF THE PREMISES

- 10.1 If the **tenant** remains in possession of the **premises** without objection by the **landlord** after the end of the **term** -
 - 10.1.1 the **tenant**, without any need for written notice of any kind, is a monthly tenant on the conditions in this lease, modified so as to apply to a monthly tenancy,
 - 10.1.2 either party may end the tenancy by giving one month's written notice to the other which may expire on any day of the month,
 - 10.1.3 the monthly rent starts at one-twelfth of the annual **rent** which the **tenant** was paying immediately before the **term** ended unless a different rent has been agreed, and
 - 10.1.4 the **landlord** may increase the monthly rent by giving the **tenant** one month's written notice.
- 10.2 If the **tenant** vacates the **premises** during the **term**, whether or not it ceases to pay **rent** -
 - 10.2.1 the **landlord** may -
 - (a) accept the keys,
 - (b) enter the **premises** to inspect, maintain or repair them, or
 - (c) show the **premises** to prospective tenants or purchasers, without this being re-entry or an acceptance of repudiation or a waiver of the **landlord's** rights to recover **rent** or other money under this lease.
 - 10.2.2 this lease continues until a new tenant takes possession of the **premises**, unless the **landlord** -
 - (a) accepts a surrender of the lease, or
 - (b) notifies the **tenant** in writing that the **landlord** accepts the **tenant's** repudiation of the lease, or
 - (c) ends the lease in accordance with clause 7.1.

11. RENT REVIEWS TO MARKET

- 11.1 In this clause "review period" means the period following each **market review date** until the next **review date** or the end of this lease.
The review procedure on each **market review date** is -
 - 11.1.1 each review of **rent** may be initiated by either party unless **item 17** states otherwise but, if the **Act** applies, review is compulsory.
 - 11.1.2 a party may initiate a review by giving the other party a written notice stating the current market rent which it proposes as the **rent** for the review period. Unless the **Act** applies, if the party receiving the notice does not object in writing to the proposed rent within 14 days, it becomes the **rent** for the review period.
 - 11.1.3 If -
 - (a) the **Act** does not apply and the party receiving the notice serves an objection to the proposed rent within 14 days and the parties do not agree on the **rent** within 14 days after the objection is served, or
 - (b) the **Act** applies and the parties do not agree on what the **rent** is to be for the review period,
 the parties must appoint a **valuer** to determine the current market rent.
If the **Act** does not apply and if the parties do not agree within 28 days after the objection is served on the name of the **valuer**, the **valuer** must be nominated by the President of the Australian Property Institute, Victorian Division, at the request of either party. If the **Act** applies, the **valuer** is to be appointed by agreement of the parties, or failing agreement, by the Small Business Commissioner.
 - 11.1.4 In determining the current market rent for the **premises** the **valuer** must -
 - (a) consider any written submissions made by the parties within 21 days of their being informed of the **valuer's** appointment, and
 - (b) determine the current market rent as an expert

and, whether or not the **Act** applies, must make the determination in accordance with the criteria set out in section 37(2) of the **Act**.

11.1.5 The **valuer** must make the determination of the current market rent and inform the parties in writing of the amount of the determination and the reasons for it as soon as possible after the end of the 21 days allowed for submissions by the parties.

11.1.6 If -

- (a) no determination has been made within 45 days (or such longer period as is agreed by the **landlord** and the **tenant** or, if the **Act** applies, as is determined in writing by the Small Business Commissioner) of the parties
 - (i) appointing the **valuer**, or
 - (ii) being informed of the **valuer's** appointment, or
- (b) the **valuer** resigns, dies, or becomes unable to complete the valuation, then the parties may immediately appoint a replacement **valuer** in accordance with sub-clause 11.1.3.

11.2 The **valuer's** determination binds both parties.

11.3 The **landlord** and **tenant** must bear equally the **valuer's** fee for making the determination and if either pays more than half the fee, the difference may be recovered from the other.

11.4 Until the determination is made by the **valuer**, the **tenant** must continue to pay the same **rent** as before the **market review date**. Within 7 days of being informed of the **valuer's** determination, the parties must make any necessary adjustments.

11.5 If the **Act** does not apply, a delay in starting a market review does not prevent the review from taking place and being effective from the **market review date** but if the market review is started more than 12 months after the **market review date**, the review takes effect only from the date on which it is started.

12. FURTHER TERM(S)

12.1 The **tenant** has an option to renew this lease for the further term or terms stated in **item 18** and the **landlord** must renew this lease for that further term or those further terms if -

- 12.1.1 there is no unremedied breach of this lease by the **tenant** of which the **landlord** has given the **tenant** written notice,
- 12.1.2 the **tenant** has not persistently committed breaches of this lease of which the **landlord** has given written notice during the **term**, and
- 12.1.3 the **tenant** has requested the renewal in writing not more than 6 months nor less than 3 months before the end of the **term**. The latest date for exercising the option is stated in **item 19**.

12.2 The renewed lease -

- 12.2.1 starts on the date after this lease ends,
- 12.2.2 has a starting **rent** determined in accordance with clause 11 as if the first day of the further term were specified as a **market review date** in **item 16(a)**, and
- 12.2.3 must contain the same terms as this lease but with no option for renewal after the last option for a further term stated in **item 18** has been exercised, including any provisions appearing in this document that may have been read down or severed to comply with any applicable law that has ceased to be applicable as if they had not been read down or severed.

12.3 If the **tenant** is a corporation and was required to provide directors' guarantees for this lease, the **tenant** must provide guarantees of its obligations under the renewed lease by its directors in the terms of clause 15.

13. SECURITY DEPOSIT

13.1 The **tenant** must pay a security deposit to the **landlord** of the amount stated in **item 20** and must maintain the deposit at that amount.

13.2 Any security deposit not in the form of a guarantee must be invested in an interest bearing deposit and all interest accruing on it is treated as a supplementary payment of security deposit. When the **term** starts, the **tenant** must provide the **landlord** with the **tenant's** tax file number.

13.3 The **landlord** may use the deposit to make good the cost of remedying breaches of the **tenant's** obligations under this lease (or any of the events specified in clause 7.1) and the **tenant** must pay whatever further amount is required to bring the deposit back to the required level.

13.4 As soon as practicable after this lease has ended and the **tenant** has vacated the **premises** and performed all of its obligations under the lease, the **landlord** must refund the unused part of the deposit.

- 13.5 The **tenant** may, and if the **landlord** requires must, provide the security deposit by means of a guarantee by an ADI within the meaning of the *Banking Act 1959* (Cth).
- 13.6 If the freehold of the **premises** is transferred:
- 13.6.1 the **tenant** must provide a replacement guarantee in exchange for the existing guarantee if requested by the **landlord** in writing to do so, but the **landlord** must pay the reasonable fees charged by the ADI for the issue of the replacement guarantee, and
- 13.6.2 the **landlord** must transfer any security deposit held under this lease to the transferee.

14. NOTICES

- 14.1 A notice given under this lease may be given -
- 14.1.1 by post,
- 14.1.2 by facsimile, or
- 14.1.3 by delivery to the party's last known address, or
- 14.1.4 registered office, or
- 14.1.5 if to the **tenant**, at the **premises**.
- 14.2 Posted notices will be taken to have been received 72 hours after posting unless proved otherwise.
- 14.3 Notices delivered or sent by facsimile after 5.00p.m. will be taken to have been received at 9.00a.m. on the next business day at the place where it is received.

15. OBLIGATIONS OF GUARANTOR(S) UNDER GUARANTEE AND INDEMNITY

- 15.1 The **guarantor** in consideration of the **landlord** having entered into this lease at the **guarantor's** request —
- 15.1.1 guarantees that the **tenant** will perform all its obligations under this lease for the **term** and any renewed term or terms and during any period of overholding after the end of the **term**,
- 15.1.2 must pay on demand any amount which the **landlord** is entitled to recover from the **tenant** under this lease whether in respect of the **term**, any further term or terms or any period of overholding, and
- 15.1.3 indemnifies the **landlord** against all loss resulting from the **landlord's** having entered into this lease whether from the **tenant's** failure to perform its obligation under it or from this lease being or becoming unenforceable against the **tenant** and whether in respect of the **term**, any renewed term or terms or any period of overholding.
- 15.2 The liability of the **guarantor** will not be affected by -
- 15.2.1 the **landlord** granting the **tenant** or a **guarantor** time or any other indulgence, or agreeing not to sue the **tenant** or another **guarantor**,
- 15.2.2 failure by any **guarantor** to sign this document,
- 15.2.3 transfer (except in accordance with the **Act**, if the **Act** applies) or variation of this lease, but if this lease is transferred the **guarantor's** obligations, other than those which have already arisen, end when the **term** ends and do not continue into a term renewed by a new tenant nor a period of overholding by a new tenant,
- 15.2.4 the fact that this lease is subsequently registered at the Land Registry or not registered, or, for any reason, is incapable of registration, or
- 15.2.5 transfer of the freehold of the **premises**.
- 15.3 The **guarantor** agrees that —
- 15.3.1 the **landlord** may retain all money received including dividends from the **tenant's** bankrupt estate, and need allow the **guarantor** a reduction in its liability under this guarantee only to the extent of the amount received,
- 15.3.2 the **guarantor** must not seek to recover money from the **tenant** to reimburse the **guarantor** for payments made to the **landlord** until the **landlord** has been paid in full,
- 15.3.3 the **guarantor** must not prove in the bankruptcy or winding up of the **tenant** for any amount which the **landlord** has demanded from the **guarantor**, and
- 15.3.4 the **guarantor** must pay the **landlord** all money which the **landlord** refunds to the **tenant's** liquidator or trustee in bankruptcy as preferential payments received from the **tenant**.
- 15.4 If any of the **tenant's** obligations are unenforceable against the **tenant**, then this clause is to operate as a separate indemnity and the **guarantor** indemnifies the **landlord** against all loss

- resulting from the **landlord's** inability to enforce performance of those obligations. The **guarantor** must pay the **landlord** the amount of the loss resulting from the unenforceability.
- 15.5 If there is more than one **guarantor**, this guarantee binds them separately, together and in any combination.
- 15.6 Each of the events referred to in clauses 7.1.5 and 7.1.6 is deemed to be a breach of an essential term of this lease.

16. DISPUTE RESOLUTION

- 16.1 Unless the **Act** applies, if the words "The mediation procedure applies to this lease" are included in **item 21**, the mediation procedure applies to this lease. In that event the parties must attempt to resolve any dispute by the mediation procedure, except disputes about -
- 16.1.1 unpaid **rent** and interest charged on it,
- 16.1.2 review of **rent**, and
- 16.1.3 a dispute to be resolved in another way prescribed by any other provision of this lease.
- 16.2 The mediation procedure is -
- 16.2.1 a party may start mediation by serving a mediation notice on the other party.
- 16.2.2 the notice must state that a dispute has arisen and identify what the dispute is.
- 16.2.3 the parties must jointly request appointment of a mediator. If the parties fail to agree on the appointment within 7 days of service of the mediation notice, either party may apply to the President of the Law Institute of Victoria or the nominee of the President to appoint a mediator.
- 16.2.4 once the mediator has accepted the appointment the parties must comply with the mediator's instructions.
- 16.2.5 if the dispute is not resolved within 30 days of the appointment of the mediator, or any other period agreed by the parties in writing, the mediation ceases.
- 16.3 The mediator may fix the charges for the mediation which must be paid equally by the parties.
- 16.4 If the dispute is settled, all parties must sign the terms of agreement and these terms are binding on the parties.
- 16.5 The mediation is confidential and -
- 16.5.1 statements made by the mediator or the parties, and
- 16.5.2 discussions between the participants to the mediation, before after or during the mediation,
- cannot be used in any legal proceedings.
- 16.6 It must be a term of the engagement of the mediator that the parties release the mediator from any court proceedings relating to this lease or the mediation.
- 16.7 The mediator is not bound by the rules of natural justice and may discuss the dispute with a party in the absence of any other party.
- 16.8 If the **Act** applies, so that a dispute must be referred to the Victorian Civil and Administrative Tribunal, the parties agree that each may be represented by a legal practitioner or legal practitioners of its choice.

17. GST

- 17.1 Expressions used in this clause 17 and in the **GST Act** have the same meanings as when used in the **GST Act**.
- 17.2 Amounts payable and consideration provided under or in respect of this lease (other than under clause 17.3) are **GST** exclusive.
- 17.3 The recipient of a taxable supply made under or in respect of this lease must pay to the supplier, at the time the consideration for the supply is due, the **GST** payable in respect of the supply. This obligation extends to supply consisting of a party's entry into this lease.
- 17.4 An amount payable by the tenant in respect of a creditable acquisition by the **landlord** from a third party must not exceed the sum of the value of the **landlord's** acquisition and the additional amount payable by the **tenant** under clause 17.3 on account of the **landlord's** liability for **GST**.
- 17.5 A party is not obliged, under clause 17.3, to pay the **GST** on a taxable supply to it under this lease, until given a valid tax invoice for the supply.

18. CONSUMER PRICE INDEX

- 18.1 On a **CPI review date**, the **rent** is adjusted by reference to the **Consumer Price Index** using the following formula -

$$AR = R \times \frac{CPIB}{CPIA}$$

Where: "AR" means adjusted **rent**,

"R" means **rent** before adjustment,
"CPIB" means the **Consumer Price Index** number for the quarter immediately preceding the **CPI review date**, and
"CPIA" means the **Consumer Price Index** number for the quarter immediately preceding the most recent earlier **review date** or, where there is no earlier **review date**, the quarter immediately preceding the start of the **term**.

- 18.2 If CPIB is not published until after the **CPI review date**, the adjustment is made when it is published but the adjustment takes effect from the relevant **CPI review date**. In the meantime, the **tenant** must continue to pay the **rent** at the old rate and, when the adjustment is made, the **tenant** must immediately pay the shortfall or the **landlord** must immediately repay the excess, as the case may be.
- 18.3 If the base of the **Consumer Price Index** is changed between the two comparison dates an appropriate compensating adjustment must be made so that a common base is used.
- 18.4 Unless the **Act** applies and requires otherwise, if the **Consumer Price Index** is discontinued or suspended, then the calculation is to be made using whatever index is substituted for it. If no other index is substituted for it, the calculation is to be made using the index or calculator which the President of the Australian Property Institute, Victorian Division (acting as an expert and not as an arbitrator), determines is appropriate in the circumstances. This determination is binding.
- 18.5 Unless the **Act** applies, the adjustment is not made if it would result in a decrease in the **rent** payable.
- 19. IF PREMISES ONLY PART OF THE LETTABLE AREA OF THE BUILDING**
- 19.1 If the **premises** are only a part of the **lettable area** of the **building**, the provisions of this clause apply.
- 19.2 The **landlord** -
- 19.2.1 may adopt whatever name it chooses for the **building** and change the name from time to time, and
- 19.2.2 reserves all proprietary rights to the name of the **building** and any logo adopted for the **building**.
- 19.3 The **landlord** reserves for itself the use of all external surfaces of the **building** and areas outside the **building**.
- 19.4 The **building**, **common areas** and **landlord's installations** remain under the absolute control of the **landlord** which may manage them and regulate their use as it considers appropriate. In particular the **landlord** has the right -
- 19.4.1 to close off the **common areas** as often as the **landlord** reasonably considers appropriate to prevent rights of way or user arising in favour of the public or third parties,
- 19.4.2 to exclude persons whose presence the **landlord** considers undesirable,
- 19.4.3 to grant easements over any parts of the **land** which do not materially and adversely affect the **tenant's** use,
- 19.4.4 to install, repair and replace, as necessary, the pipes and conduits necessary and desirable for the provision of services to the various parts of the **building**, and
- 19.4.5 to repair, renovate, alter or extend the **building** but, in doing so, the **landlord** must not cause more inconvenience to the **tenant** than is reasonable in the circumstances.
- If the **Act** applies, these rights may only be exercised in a manner consistent with the **Act**.
- 19.5 The **tenant** must not obstruct the **common areas** or use them for any purpose other than purposes for which they were intended.
- 19.6 The **tenant** must comply with the **building rules**. The **landlord** may change the **building rules** from time to time and the **tenant** will be bound by a change when it receives written notice of it. The **landlord** must not adopt a **building rule** or change the **building rules** in a way that is inconsistent with this lease. To the extent that a **building rule** is inconsistent with this lease, the lease prevails.
- 20. ADDITIONAL PROVISIONS**
- Any additional provisions set out in **item 22** -
- 20.1 bind the parties, and
- 20.2 if inconsistent with any other provisions of this lease, override them.

21. LANDLORD WARRANTY

The **landlord** warrants that clauses 1 to 20 appearing in this lease are identical to clauses 1 to 20 of the copyright Law Institute of Victoria Lease of Real Estate November 2012 Revision and that any modifications to them are set out as additional provisions in **item 22**.



SCHEDULE

- Item 1**
[1.1] **Landlord:** **COSTANZO SF PTY. LTD.** (ACN 160 391 177)
as trustee for the Costanzo Super Fund
(ABN 20 127 875 419)
of 16A Rubicon Street, Reservoir
- Item 2**
[1.1] **Tenant:** **SHARPS CONTAINMENT PTY. LTD.**
(ACN 163 120 590) as trustee for the
Costanzo Investment Trust
(ABN 60 224 404 082)
of Suite 3, 12 Pascoe Vale Road,
Moonee Ponds
- Item 3**
[1.1] **Guarantor:**
- Item 4**
[1.1] **Premises:** **26 Prime Street, Thomastown**
Land: Certificate of Title
Volume :11382 Folio: 696
- Item 5**
[1.1] **Landlord's installations:** All electrical and plumbing installations
- Item 6**
[1.1] **Rent:** One thousand seven hundred and
fifty dollars (\$1,750.00) per calendar
month (GST inclusive)
- Item 7**
[1.1] **Tenant's installations:**
- Item 8**
[1.1] **Term of the lease:** **One (1) year**
Commencing the 17th day of May 2013
- Item 9**
[2.1.1]
Or **How rent is to be paid:** Calendar monthly in advance directly
to the Landlord
- The tenant must punctually pay the rent to the Landlord in advance by equal monthly instalments on the first day of each month during the term for the whole of that month (except the first and last payments of the rent which if necessary will be apportioned). The Landlord may direct that the rent be paid by way of cheque or by electronic funds transfer to a bank account nominated by the Landlord or the Landlord's agent.

Item 10
[1.1,2.1.2,
2.1.5 & 5.4]

Building outgoings which the tenant must pay or reimburse:
Premises consist of the entire lettable area of the building
100% of all **building outgoings** such as Land tax (unless the Act applies) Municipal council and water authority rates and levies, building insurance, plate glass insurance and any other levies which may be applicable to the premises.

Item 11
[1.1 & 6.2]

Risks which the insurance policies must cover:

Fire
Flood
Lightning
Storm and tempest
Explosion
Riots and civil commotion
Strikes
Malicious damage
Earthquake
Impact by vehicles
Impact by aircraft and articles dropped from them.
Internal flood water

and such other risks as the **landlord** reasonably requires from time to time.

Item 12
[1.1 & 2.3.1]

Amount of public risk insurance cover:

\$10,000,000.00 or other amount reasonably specified from time to time by the **landlord**.

Item 13
[1.1]

Period of loss of rent and outgoings insurance:

Item 14
[2.1.7]

Interest rate on overdue money:

The aggregate of five per centum (5%) per annum plus the rate from time to time fixed by the Penalty Interest Rates Act 1983 (Vic).

Item 15
[2.2.1]

Permitted use: Assembly of fiberboard sharps containers and storage

[1.13]

Application of Act: The **Act** does not apply

Reason why **Act** does not apply: Non retail use

Item 16
[2.1.1,11, 18]

Review date(s):

Term

- | | | |
|-----|--|---|
| (a) | Market review date(s): | At the commencement date of any further term of the Lease |
| (b) | CPI review date(s): | Not applicable |
| (c) | Fixed review date(s) and percentage or fixed amount increases: | Not applicable |

Further term (s)

- (a) Market review date(s): At the commencement date of any further term of the Lease
- (b) CPI review date(s): Not applicable
- (c) Fixed review date(s) and percentage or fixed amount increases: Not applicable

Item 17
[2.1.1, 11, 18]

Who may initiate reviews: Landlord

- Market review: Review is automatic
- CPI review: Review is automatic
- Fixed review: Not applicable

Item 18
[12]

Further term(s): Four (4) further terms of one (1) year each

Item 19
[12]

Latest date for exercising option for renewal: 17th day of February 2014

Item 20
[13]

Security deposit: Not applicable

Item 21
[16.1]

The mediation procedure applies does apply to this lease

Item 22
[20]
22.1

Additional provisions:

- 22.1 The Landlord grants to the tenant a rent free period from the 17th day of May 2013 to the 30th day of June 2013 but all other outgoings and expenses of any nature whatsoever pursuant to this Lease shall be paid by the tenant and as from the commencement date.
- 22.2 The tenant will comply, at the tenant's expense, with the Provisions of the Essential Services Act 1958 (Vic) and any other Act/s, Statute or Bylaw relating to the provision of essential safety measures.