

LEASE

PRIVACY COLLECTION STATEMENT: The information in this form is collected under statutory authority and is used for maintaining publicly searchable registers and indexes. It may also be used for authorised purposes in accordance with Government legislation and policy requirements.

LAND DESCRIPTION

The whole of the land comprised in Certificate of Title Volume 5322 Folio 3 and Volume 5321 Folio 992

ESTATE & INTEREST

Estate in fee simple

LESSOR (Full name and address)

NEIL STEPHEN DROGEMULLER and SUSAN MARGARET DROGEMULLER as trustees of the **DROGEMULLER SUPERANNUATION FUND NO. 2** both of 2 Wandilta Street Kadina 5554

LESSEE (Full name, address and mode of holding)

REGIONAL RECYCLING SYSTEMS PTY LTD A.C.N. 648 819 701 of 15 Digby Street Kadina 5554

TERM

COMMENCING ON 30 APRIL 2021

AND

EXPIRING ON 29 APRIL 2026

RENT AND MANNER OF PAYMENT (or other consideration)

EIGHTEEN THOUSAND FIVE HUNDRED AND TWENTY EIGHT DOLLARS (\$18,528.00) per annum payable by calendar monthly payments in advance of \$1,544.00 each on the last day of each month **PROVIDED THAT** the first of such calendar monthly payments shall be made on the 30th day of April 2021 **AND PROVIDED FURTHER THAT** the said rental shall be reviewed in accordance with clause 8 hereof.

IT IS COVENANTED BY AND BETWEEN THE LESSOR AND THE LESSEE as listed herein:

(Covenants, where not deposited, to be set forth on insert sheet(s) and securely attached)

OPERATIVE CLAUSE **Delete the inapplicable*

The Lessor LEASES TO THE LESSEE the land described and the LESSEE ACCEPTS THIS LEASE of the land for the term and at the rent stipulated, subject to the covenants and conditions expressed ~~*herein / *in Standard Terms and Conditions No. _____~~ and to the powers and covenants implied by the *Real Property Act 1886* (except to the extent that the same are modified or negated).

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

Not applicable

CONSENTS OF MORTGAGEES AND SECTION 32 DEVELOPMENT ACT 1993 CERTIFICATION

This lease does not contravene section 32 of the Development Act 1993.

DATED



SCHEDULE

- ITEM 1**
Certificate(s) of Title being Leased
The whole of the land comprised in Certificate of Title Volume 5322 Folio 3 and Volume 5321 Folio 992
- ITEM 2**
Estate and Interest
Estate in fee simple
- ITEM 3**
Encumbrances
Nil
- ITEM 4**
Lessor – (Full Name and Address)
NEIL STEPHEN DROGEMULLER and SUSAN MARGARET DROGEMULLER as trustees of the **DROGEMULLER SUPERANNUATION FUND NO. 2** both of 2 Wandilta Street Kadina 5554
- ITEM 5**
Lessee – (Full Name, Address and Mode of Holding)
REGIONAL RECYCLING SYSTEMS PTY LTD A.C.N. 648 819 701 of 15 Digby Street Kadina 5554
- ITEM 6**
Term and renewal(s)
ORIGINAL TERM: FIVE (5) YEARS commencing on the 30th day of April 2021 and expiring on the 29th day of April 2026
RENEWAL(S): TWO (2) each of FIVE (5) YEARS pursuant to clause 7 hereof.
- ITEM 7**
Rent and manner of payment (or other consideration)
EIGHTEEN THOUSAND FIVE HUNDRED AND TWENTY EIGHT DOLLARS (\$18,528.00) per annum payable by calendar monthly payments in advance of \$1,544.00 each on the last day of each month **PROVIDED THAT** the first of such calendar monthly payments shall be made on the 30th day of April 2021 **AND PROVIDED FURTHER THAT** the said rental shall be reviewed in accordance with clause 8 hereof.
- ITEM 8**
Define the Land being leased incorporating the required easements
Not applicable
- ITEM 9**
Land
The whole of the land in Certificate of Title Volume 5322 Folio 3 and Volume 5321 Folio 992 situated at 20 and 21 Railway Terrace Balaklava 5461
- ITEM 10**
Permitted Use
Recycling depot and retail wood yard
- ITEM 11**
Rent Review (Date and Year)
(a) **DATE:** 30th day of April
YEARS: 2022, 2023, 2024, 2025, 2027, 2028, 2029, 2030, 2032, 2033, 2034 and 2035
(b) **DATE:** 30th day of April
YEARS: 2026 and 2031
- ITEM 12**
Lessees Proportion of Rates, Outgoings etc.
One hundred per centum (100%)

**Item 13
Public Risk
Insurance**

TWENTY MILLION DOLLARS (\$20,000,000.00)

**ITEM 14
Painting of Premises**

Within the three (3) months immediately preceding:-

- (a) The expiration or sooner determination of the term; **AND**,
- (b) If the term shall be renewed, the expiration or sooner determination of the renewed term.



1. INTERPRETATION

In the interpretation of this Lease except to the extent that such interpretation shall be excluded by or repugnant to the context when used herein:

- 1.1 "The Act" shall mean the Retail and Commercial Leases Act, 1995;
- 1.2 "area ratio proportion" shall mean the like proportion as the area of the demised premises bears to the total lettable area of the land;
- 1.3 "common areas" shall mean those portions of the Building and/or the said Land dedicated by the Lessor from time to time for common use by the tenants and occupiers of the Building and their invitees and customers including but without limiting the generality of the foregoing all walkways pavements car parks entrances foyers malls passages courts corridors vestibules washrooms toilets docks lifts escalators and stairways;
- 1.4 "building" shall mean the interior and exterior of the building erected upon the whole of the land described in Item 9 of the schedule hereto (hereinafter called "the said land") together with all improvements now or hereafter erected on or made to the said land or its improvements or structures and includes (but without limitation) all air-conditioning fire protection and other plant machinery and equipment and all fixtures and fittings of the Lessor and all conveniences services amenities and appurtenances thereof or therein and any part of the foregoing;
- 1.5 "demised premises" and "premises" shall mean and include that portion of the said land and the Building described in Item 1 of the Schedule hereto and where the context so requires or admits shall mean and include all the Lessor's improvements fixtures fittings plant equipment and chattels installed therein and all the conveniences services amenities and appurtenances thereof thereto or therein and any alterations additions improvements or modifications made thereto from time to time and where the context so admits or requires shall also mean and include the rights of way and passage (if any) more particularly described herein;
- 1.6 "Lessee" shall mean and include the Lessee or Lessees described in Item 5 of the Schedule hereto and if a person or persons his or their respective executors administrators and permitted assigns or if a Company the Lessee and its permitted assigns and where there are two or more Lessees shall mean and include the Lessees and each and every of them and each and every of their executors administrators and permitted assigns;
- 1.7 "Lessor" shall mean the Lessor described in Item 4 of the Schedule hereto and if a person or persons his or their respective executors administrators and permitted assigns or if a Company the Lessor and its permitted assigns and where there are two or more Lessors shall mean and include the Lessors and each and every of them and each and every of their executors administrators and permitted assigns;
- 1.8 "paint" means paint of every kind and description;
- 1.9 "permitted use" means the use to which the Lessee shall put the demised premises being the use described in Item 10 of the schedule hereto;
- 1.10 "review period" means the period of one (1) year or more or less as the case may be commencing on the date or respective dates (if more than one) stipulated in Item 11 of the Schedule hereto;
- 1.11 "the land" and "the said land" shall mean the land described in Item 9 of the schedule hereto and where the context so requires or admits the buildings and improvements erected thereon;
- 1.12 reference to a statute shall include all amendments for the time being in force and any other statute enacted in substitution therefor and the regulations or by-laws for the time being under that statute and any notice demand order direction requirement or obligation to that statute or those regulations or by-laws and the expressions "statute" "Act" and "Act of Parliament" shall mean any State or Federal statute and the regulations or by-laws for the time being in force

thereunder and any notice demand order direction requirement or obligation issued made given or imposed under or pursuant to any statute regulation or by-law;

- 1.13 words importing the singular shall embrace the plural and words importing one gender shall embrace the other genders and vice versa respectively;
- 1.14 any reference to a person shall be deemed to include a corporate body and vice versa;
- 1.15 all moneys payable by the Lessee to the Lessor under this Lease shall be recoverable as a debt or as rental in arrear and if no date or time for payment is specified shall be payable on demand;
- 1.16 any consent where it is required by this Lease from the Lessor shall mean prior consent in writing;
- 1.17 anything which the Lessee is required to do under this Lease shall be done at the cost in all things of the Lessee and to the reasonable satisfaction of the Lessor;
- 1.18 marginal notes are for convenience of reference only and shall not affect the construction or interpretation of the covenants of this Lease;
- 1.19 any reference to an "Item in the Schedule hereto" shall mean the relevant Item in the Schedule contained on the first two pages of this Lease;
- 1.20 where the words "Not Applicable" appear opposite any part of any Item in the schedule hereto then each and every clause in this Lease in which specific reference is made to that part of the Item in the schedule hereto shall be null and void and of no effect.

2. THE LESSEE HEREBY COVENANTS AND AGREES WITH THE LESSOR as follows:-

- 2.1 That during the said term or any extended term or any period during which the Lessee shall hold over or be or remain a tenant or be in occupation of the premises:-

2.1.1 PAYMENT OF RENT

To pay the rent hereby reserved on the days and in the manner stipulated in Item 7 of the Schedule hereto free from exchange deduction and abatement save and except as herein provided to the Lessor at its aforesaid address or to such person or in such manner as the Lessor directs the Lessee in writing from time to time.

2.1.2 PAYMENT OF CHARGES

To pay and discharge all telephone gas electricity and water charges during the said term or any extension thereof imposed or charged upon the premises or upon the owner or occupier in respect thereof or payable by either in respect thereof.

2.1.3 PAYMENT OF RATES AND TAXES

To pay all rates and taxes (excluding State Land Tax) charges assessments levies (including the Emergency Services Levy) impositions licence fees and all other outgoings whether municipal State Federal or otherwise which at any time during the said term or any extension thereof may be charged or assessed upon or in respect of the premises or upon the owner or occupier in respect thereof and a proportionate part of any such rates and taxes, charges assessments levies impositions licence fees or other outgoings as shall be charged or assessed upon or in respect of the whole of the said land and building. The proportion of such rates taxes charges assessments levies impositions licence fees and outgoings charged or assessed upon or in respect of the said land and building payable by the Lessee shall be as stipulated in Item 12 of the schedule hereto.



2.1.4 PAYMENT OF COSTS

To pay one half of all reasonable costs of and incidental to the negotiation preparation stamping and registration of this lease and any renewal hereof and insofar as such costs are solicitors costs these shall be calculated on the Scale laid down by the Supreme Court of South Australia on the basis of Solicitor and Client or on such other basis as shall be permitted by the Taxing Master of the said Supreme Court. In addition, the Lessee shall pay all stamp duty and registration fees (if any) payable in respect of this lease.

2.1.5 GST

- (a) The rent and other amounts payable by the Lessee under this lease are calculated or expressed exclusive of GST.
- (b) The Lessee shall pay to the Lessor all GST payable by the Lessor in respect of the supply of the premises to the Lessee and any other supply by the Lessor to the Lessee hereunder, at the following times:-
 - (i) in respect of the supply of the premises – at the same time as rent is due and payable; and,
 - (ii) in respect of any other supply – at the same time as payment in respect of such supply is due and payable.
- (c) The Lessor shall give to the Lessee a tax invoice for any payment made by the Lessee under this clause within 28 days of receipt of the payment by the Lessor.
- (d) In this clause:-

“GST” means the goods and services tax imposed by the GST Law;

“GST Law” means the A New Tax System (Goods and Services Tax) Act, 1999 as amended or replaced from time to time and includes any associated legislation;

“Tax Invoice” means a tax invoice as envisaged in the GST Law.

2.2 ASSIGNMENT AND SUB-LETTING

2.2.1 Not to assign or transfer the lessee's interest under this lease without the consent in writing of the lessor which may only be withheld in the circumstances specified in Section 43(1) of the Act.

2.2.2 Before any assignment or transfer by the lessee or the execution of any agreement to do so, the lessee must:-

- (a) Duly and punctually have paid all rental and fulfilled and observed all the covenants and conditions of this lease provided that the lessor may require the lessee applying for any such consent to pay to the lessor or to its solicitors or agents such sum of money as is reasonably estimated by the lessor's architect or engineer to be required to comply with the covenants and conditions of this lease to be performed and observed by the lessee, and without limitation with those relating to the state of repair and cleanliness and painting of the premises including the costs of such architect or engineer in inspecting the premises.
- (b) Submit a true copy of all agreements to be entered into in respect of any proposed assignment or transfer of the lease and such information as the lessor shall reasonably require about the financial standing and business experience of the proposed assignee or transferee.

- (c) Pay to the lessor or its solicitors the reasonable costs and expenses of and incidental to the perusal and preparation and stamping of the documents deemed necessary by the lessor; and,
 - (d) If required by the lessor, cause the proposed assignee or transferee to enter into a direct covenant with the lessor to observe the terms and conditions of this lease and to furnish such guarantee or guarantees of the performance of such persons obligations under this lease as the lessor may require.
- 2.2.3 A transfer of legal or beneficial ownership of fifty (50) per centum or more of the issued capital of the lessee where the lessee is a body corporate shall be deemed to be a transfer of this lease under this clause requiring the consent of the lessor.
- 2.2.4 The lessee must not sub-let or part with possession of the premises or any part thereof or mortgage, charge or encumber the lessee's interest under the lease without the consent in writing of the lessor which consent may be withheld by the lessor in its absolute discretion.
- 2.2.5 If the lessee grants a mortgage of this lease the rights of the lessor under this lease shall be in priority to the rights of the mortgagee and the provisions of Section 139 of the Real Property Act, 1886 shall not apply to such mortgagee in respect of its estate or interest in the lease.

2.3 RESTRICTION ON USE OF PREMISES

Not to use the premises or permit the same to be used otherwise than for the purposes stipulated in Item 10 of the Schedule hereto nor to do or permit to be done anything which may be or become unlawful or immoral or any annoyance or nuisance or damage to the Lessor or to any other person in the neighbourhood and in particular not to sleep or suffer anyone to sleep upon the premises or use or permit or suffer to be used the same or any part thereof for residential purposes.

2.4 MAINTENANCE OF PREMISES

To maintain replace repair cleanse and keep the whole of the premises and all the Lessor's partitions fixtures and fittings in good and substantial repair order and condition damage by fire (save where insurance moneys are irrecoverable in consequence of the act or default of the Lessee the servant agent contractor subtenant or employee of the Lessee or any person on the demised premises by lawful licence of the Lessee) flood lightning storm tempest fair wear and tear inevitable accident Act of God and War damage only excepted and at the expiration or similar determination of this Lease peaceably to surrender and yield up unto the Lessor the premises and every part thereof together with the Lessor's partitions fixtures and fittings in good and substantial repair and condition in all respects and where appropriate in good working order as the same are now including all light and electrical fittings bulbs tubes air-conditioning (if any) floor finishes and glazings damage by fire (save where insurance moneys are irrecoverable in consequence of the act or default of the Lessee the servant agent contractor subtenant or employee of the Lessee or any person on the premises by lawful licence of the Lessee) flood lightning storm tempest fair wear and tear inevitable accident Act of God and War damage only excepted **PROVIDED THAT** this covenant shall not impose on the Lessee any obligation in respect of any structural maintenance replacement or repair except where the same is rendered necessary by any act or omission on the part of the Lessee the servant agent contractor subtenant or employee or any person on the premises by lawful licence of the Lessee or by the use of the premises by the Lessee.

2.5 Without affecting the generality of the foregoing at the Lessee's expense:-

2.5.1 MAINTENANCE OF FITTINGS

To keep and maintain in good order repair and condition all fittings plant furnishings and equipment of the Lessee to the extent necessary to prevent any hazard to or deterioration in the condition of the premises.

2.5.2 LESSEE TO MAKE GOOD DAMAGE

To make good any breakage defect or damage to the premises or any facility or appurtenance thereof occasioned by want of care misuse or abuse on the part of the Lessee or the Lessee's servants agents contractors subtenants or other persons claiming through or under the Lessee or otherwise occasioned by any breach or default of the Lessee hereunder or under any Rules or Regulations (and any modification and amendments thereto) pursuant to this Lease save and except usual wear and tear.

2.5.3 LESSEE TO COMPLY WITH NOTICES

To comply with all statutes ordinances proclamations orders or regulations present or future affecting or relating to the Lessee's use of the premises and with all requirements which may be made or notices or orders which may be given by any governmental municipal civic or other authority over or in respect of the use of the premises and to keep the Lessor indemnified in respect of all such matters as are in this paragraph set forth.

PROVIDED THAT this covenant shall not impose on the Lessee any obligation in respect of any structural maintenance replacement or repair except where the same is rendered necessary or desirable as a consequence direct or indirect of any act or omission on the part of the Lessee the servant agent contractor or subtenant of the Lessee or any person on the premises or in the said building by lawful licence of the Lessee or by the use of the premises by the Lessee.

2.6 USE OF PLUMBING FACILITIES

Not to use nor permit the servants subtenants contractors or agents of the Lessee or any person on the premises by lawful licence of the Lessee to use the lavatories toilets sinks and drainage and other plumbing facilities in the premises for any purpose other than that for which they were constructed or provided and not to deposit or permit to be deposited therein any sweepings rubbish or other material and any damage thereto caused by such misuse shall be made good by the Lessee forthwith.

2.7 COMPLIANCE WITH LAWS

Not to permit or suffer the premises or any part thereof to be or become in an insanitary condition within the meaning of the South Australian Public Health Act or to be or become in such a condition as shall not comply with the provisions as regards public health and safety contained in the Local Government Act and Acts for the time being in force in the State of South Australia and at the Lessee's cost and expense in all things to perform and fulfil or cause to be performed and fulfilled all the duties and obligations with regard to the premises or the use thereof imposed by any statute affecting the premises or the occupation or condition or use thereof for the time being in force in the said State and to carry out promptly and efficiently the proper requirements from time to time lawfully made by any Local Government authority or Board or person pursuant to any of such Acts and/or Code and to indemnify the Lessor from and against all actions proceedings claims demands charges penalties and expenses arising from the non-observance or non-performance of any such duties and obligations or the non-compliance with any of such requirements as aforesaid **PROVIDED THAT** this covenant shall not impose on the Lessee any obligations in respect of any structural maintenance replacement or repair except where the same is rendered necessary or desirable as a consequence direct or indirect of any act or omission on the part of the Lessee the servant agent contractor or subtenant of the Lessee or any person on the premises by lawful licence of the Lessee or by the use of the premises by the Lessee.

2.8 LESSEE TO GIVE NOTICE OF DEFECTS

To give to the Lessor prompt notice in writing of any circumstances including any accident to or defect or want of repair in any service to or fittings in the premises which the Lessee should reasonably be aware might cause any danger risk or hazard to the premises or any person therein.

2.9 SIGNS

Not to install any window blinds or curtains in the premises other than of a material pattern design and colour as shall be approved by the Lessor and not without the prior approval in writing of the Lessor to erect display affix or exhibit on or to the premises any sign advertisement name or notice **PROVIDED ALWAYS** that the Lessor will not unreasonably refuse approval to signs of a size, standard and quality in keeping with the said building stating the Lessee's name and business and not to erect or place upon or within or without the premises any radio or television aerial or antennae or any loudspeakers film screens or similar devices or equipment and not without the like consent to use or permit to be used any radio gramophone television or other like media or equipment which may be heard or seen from without the premises and upon vacating the premises or otherwise at the reasonable request of the Lessor to remove any signs names advertisements or notices erected displayed painted affixed or exhibited upon to or within the premises by or on behalf of the Lessee and to make good any damage or disfigurements caused by reason of such erection painting displaying affixing placing exhibiting or removal thereof.

2.10 RESTRICTION ON ALTERATIONS

Not without the previous consent in writing of the Lessor first had and obtained by the Lessee to make any alteration or addition in or to the premises or any part thereof nor without the consent in writing of the Lessor which consent shall not be unreasonably withheld to install or alter any partitioning work fixed equipment or other fixed installation in or on the premises **PROVIDED HOWEVER** that where such consent is given the materials and design shall first be approved by the Lessor or its architects and such work equipment or installation shall be installed or altered in accordance with approval so given and any reasonable fees payable to the Lessor's architects for approval and inspection shall be paid by the Lessee on demand **AND FURTHER PROVIDED** that all such partitioning work and such installations save where the same are Lessor's fixtures and/or fittings shall remain the property of the Lessee who shall be responsible for all maintenance thereof and (in the case of any plant or equipment) for the repair and running costs thereof and such partitioning work and/or installations may and if so required by the Lessor shall be removed by the Lessee at or immediately prior to the expiration of the Lease but the Lessee shall upon such removal cause no damage to the premises and shall thereafter reinstate the same to the condition they were in prior to such installation.

2.11 INSTALLATION OF APPLIANCES

Without affecting the generality of the preceding paragraphs hereof not without such consent to install any water gas or electrical fixtures equipment or appliances or any apparatus for illuminating air-conditioning heating cooling or ventilating the premises other than kitchen appliances for preparation of food or beverages and office appliances or equipment reasonably necessary for the conduct of the business of the Lessee, nor mark paint drill or in any way deface walls ceiling partitions floors wood or other parts of the premises.

2.12 HEAVY MACHINERY AND DANGEROUS MATERIALS

Not to bring upon the premises any heavy machinery or other plant or equipment not reasonably necessary or proper for the conduct of the Lessee's use of the premises as herein provided and in no event shall the Lessee bring upon the premises any heavy machinery or other plant or equipment of such nature or size as to cause or (in the reasonable opinion of the Lessor) be likely to cause any structural or other damage to the floors or walls or any other parts of the premises or the common areas nor shall it be of such construction or manufacture as to cause to emanate therefrom any noise vibration noisome or noxious odour fume or gas that could pervade the premises or escape therefrom to the discernible notice of any person without the premises nor shall the Lessee bring or cause to be brought upon the premises any dangerous noxious toxic volatile explosive or inflammable substance or compound whatsoever whether in solid liquid or gaseous form without the prior written consent of the Lessor first had and obtained. Before bringing any heavy machinery or other plant or equipment upon the premises the Lessee shall inform the Lessor of the Lessee's intention so to do and the Lessor may direct the routing installation and location of all such machinery plant and equipment and for this purpose the Lessor may employ the services of its architects or engineers to ascertain the safest and most favourable

and convenient method of routing installing and locating such machinery as aforesaid and the Lessee shall observe and comply with all such directions that the Lessor may give pursuant to the Lessor's rights hereunder.

2.13 LESSOR ENTITLED TO INSPECT AND REPAIR

To permit the Lessor and its agents at all reasonable times upon giving to the Lessee reasonable notice (except in the case of emergency when no notice shall be required) to enter upon the premises and view the state of repair thereof and the Lessor shall thereupon serve upon the Lessee a notice in writing of any defect the repair of which is the Lessee's obligation hereunder requiring the Lessee within reasonable time to repair the same and in default of the Lessee so doing it shall be lawful for the Lessor (without any obligation on the part of the Lessor so to do) for the time being to enter and execute the required repairs as if it were the Lessee and for that purpose the Lessor its architects contractors workmen and agents may enter upon the whole or any part of the premises and there remain for the purpose of doing erecting or effecting any such thing and any reasonable expenses and costs of carrying out such work shall forthwith be payable by the Lessee to the Lessor **AND FURTHER** to permit the Lessor at all times on reasonable notice to carry out repairs renovations maintenance modifications extensions or alterations to the premises or to any part thereof deemed necessary or desirable by the Lessor and for any of these purposes to enter the premises with or without its architects contractors workmen and agents as aforesaid.

2.14 LESSEE TO INSURE PLATE GLASS

Forthwith to insure and keep insured against breakage or damage from any cause whatsoever (including malicious damage) in the joint names of the Lessor and the Lessee at the Lessee's expense all glass including the plate glass (if any) on the premises for replacement value and on demand to deliver the policy of such insurance to the Lessor and to produce the receipt of Certificate of Currency of every premium in respect of such insurance to the Lessor on demand and to expend all moneys received under any such insurance in reinstating such of the glass as may be broken and in case such moneys shall be insufficient to make good the deficiency out of the Lessee's own money.

2.15 PUBLIC RISK, BURGLARY AND CONTENTS INSURANCE

2.15.1 Forthwith to effect and keep effected in respect of the premises a Public Risk Policy in the joint names of the Lessor and the Lessee in a sum stipulated in Item 13 of the Schedule hereto at all times during the continuance of this lease to include indemnity against damage or injury caused by any breach or non-observance of any of the provisions of this lease by the Lessee and the Lessee shall on demand deliver the Policy of such insurance to the Lessor and to produce the receipt or Certificate of Currency of every premium in respect of such insurance to the Lessor on demand.

2.15.2 Forthwith to insure and keep insured the premises against loss or damage arising out of any burglary or attempted burglary upon the premises. All monies received under such insurance shall forthwith be expended in making good such loss and damage.

2.15.3 Forthwith to effect and keep current a policy of insurance in respect of the Lessee's fixtures, fittings and stock for the full insurable value thereof from time to time against loss or damage by fire, theft, lightning, explosion, tempest, riot, impact of vehicles, earthquake, damage by aircraft or articles dropped therefrom, damage, flood and rainwater damage and such other risks as the Lessor may specify from time to time. The Lessee shall on demand deliver to the Lessor such insurance policy and a certificate of currency in respect thereof.

2.16 LESSEE NOT TO RENDER INSURANCE VOID

Not at any time during the said term to do or permit or suffer to be done any act matter or thing on the premises whereby any insurance in respect of the premises may be vitiated or rendered void or voidable or whereby the rate of premium on any insurance shall be liable to be increased.

2.17 LESSEE TO INDEMNIFY LESSOR

To indemnify the Lessor from and against all and any actions claims demands losses damages costs and expenses for which the Lessor shall or may be or become liable in respect of or arising from:-

- 2.17.1 The negligent use misuse waste or abuse by the Lessee or any agent servant sub-tenant of the Lessee or any other person claiming through or under the Lessee or any person on the premises by lawful licence of the Lessee of the water gas electricity oil lighting and other services and facilities of the premises.
- 2.17.2 Overflow or leakage of water (including rain water) in or from the premises but having origin within the premises caused or contributed to by any act or omission on the part of the Lessee its servant agent subtenant or other persons as aforesaid.
- 2.17.3 Loss damage or injury from any cause whatsoever to property or persons caused or contributed to by the use of the premises by the Lessee or any servant agent subtenant or other persons aforesaid.
- 2.17.4 Loss damage or injury from any cause whatsoever to property or person within or without the premises occasioned or contributed to by any act omission neglect breach or default of the Lessee or any servant agent subtenant or other persons aforesaid.

2.18 EXEMPTION OF LESSOR FROM LIABILITY FOR DAMAGE

To occupy use and keep the premises at the risk of the Lessee and the Lessee **HEREBY RELEASES** to the full extent permitted by law the Lessor and its servants agents and contractors from all and any claims demands and damages of every kind resulting from any accident damage or injury occurring therein except where deriving from any wilful or negligent act or omission of the Lessor or any agent of the Lessor and the Lessee **EXPRESSLY AGREES** that save as aforesaid the Lessor shall have no responsibility or liability for any loss or damage to fixtures fittings stock or personal property of the Lessee.

2.19 EXEMPTION OF LESSOR FROM LIABILITY FOR BREAKDOWN OF EQUIPMENT

That the Lessor shall not be responsible for any inconvenience loss or damage caused directly or indirectly by the non-operation of equipment nor for the loss of any property or effects of the Lessee, from the building upon the said land howsoever occurring nor for any damage or injury to any property or effects of the Lessee in the said building or on the streets, lanes and other lands adjacent to or adjoining the said building whether arising from the operation or failure to operate of any air-conditioning plant, public utility services and other machinery therein, or otherwise, unless the same shall arise from negligence on the part of the Lessor or any officer, servant, agent or workman of the Lessor.

2.20 CLEANING

To cause the premises (including external surfaces of windows and doors) to be cleaned in a proper and workmanlike manner by the Lessee or the employees of the Lessee or by other persons approved by the Lessor and during the whole of the term of this Lease to be kept clean and free from dirt and rubbish and particularly shall store and keep all trade waste and garbage in proper receptacles and at the expense of the Lessee to arrange for the regular removal thereof from the premises. The Lessee shall on demand pay to the Lessor all additional charges for waste removal attributable to the use of the premises by the Lessee.

2.21 FIRE ALARM SYSTEMS

To comply with all rules and regulations applicable to and to maintain and service any sprinkler or fire alarm systems installed by the Lessor in the premises and the Building.

2.22 PERMIT THE LESSOR TO RE-LET

To permit the Lessor to show prospective tenants through the premises for three months preceding the termination of this lease and for a similar period to allow the Lessor to exhibit a "To be let" notice and the Lessee will not remove or obscure such notice.

2.23 LESSEE TO OBTAIN NECESSARY CONSENTS

To at all times and from time to time obtain all necessary consents and approvals from all statutory municipal local or other lawful bodies as may be required (and supply the same to the Lessor) before effecting any matter or act or carrying on any business in addition to obtaining the consent of the Lessor as in this Lease provided to carry on or doing any act matter or thing herein allowed. All expenses of the Lessor to assist in obtaining such consent shall be paid by the Lessee but nothing herein contained shall impose any obligation on the part of the Lessor to assist to obtain any such consent. All necessary consents or permits as aforesaid or duly certified copies thereof shall be handed to the Lessor prior to the commencement of any work or carrying on of any such business as aforesaid.

2.24 RUBBISH DISPOSAL

The Lessee shall not throw, or allow to fall, anything out of the doors, passages, or skylights, or deposit waste paper rubbish or liquid anywhere except in the proper receptacles or drains where appropriate.

2.25 PAINTING

That the Lessee shall at the time or times specified in Item 14 of the schedule hereto clean down wash and paint with two coats of good quality paint of a kind appropriate to the purpose in colours of which the Lessor shall first in writing approve and in a thorough and workmanlike manner the interior and the exterior of the said premises and Lessor's fixtures and fittings which are now or are usually painted **AND** shall restore to the reasonable satisfaction of the Lessor all other parts of the interior of the premises (damage by fire, lightning, flood, tempest, earthquake, aircraft or inevitable accident only excepted).

2.26 PESTS

To exterminate and prevent the infestation of the premises by rats mice and all other vermin or pests.

2.27 PIPES AND DRAINS

That the Lessee shall at all times at its own expense keep clean and free all drains gutters down-pipes grease traps and waste pipes in upon or leading from the demised premises.

2.28 WINDOWS

Not to stop-up darken or obstruct any windows or lights belonging to the demised premises or permit any new window light opening doorway path passage drain or other encroachment or easement to be made or acquired in against out of or upon the demised premises.

2.29 CONDUCT OF BUSINESS

The Lessee shall carry on upon the premises in an effective and businesslike manner the business of the Lessee subject and pursuant to the provisions of any Act of Parliament.

2.30 RULES AND REGULATIONS

That the Lessor may from time to time make and give notice in writing to the Lessee of such rules and regulations (not being inconsistent with the terms and provisions of this Lease) as the Lessor shall consider to be reasonably necessary for the safety care cleanliness order and condition of

the building upon the said land and the premises therein and in the best interests of the Lessor and of the Lessees therein and the Lessee will at all times comply with and will cause his servants agents invitees and licensees to comply with all or any such rules and regulations as may be notified to the Lessee by the Lessor and compliance with such rules and regulations shall be an obligation imposed on the Lessee by this Lease as if such rules and regulations were specifically incorporated herein and the Lessor may from time to time vary or add to any rules or regulations made under the foregoing provisions hereof.

2.31 AIR CONDITIONING

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

2.32 AGREEMENT TO LEASE

2.32.1 If this Lease is entered into pursuant to an Agreement to Lease, the Lessee shall observe and perform all terms of that Agreement which remain outstanding as at the commencement of the said term.

2.32.2 Any failure, neglect or default by the Lessee in the due performance and observance of any such term of that Agreement shall also constitute a breach of this Lease.

2.33 ENVIRONMENTAL OBLIGATIONS

To take all reasonable measures and precautions as may be necessary to ensure that the environmental impact resulting from the Lessee's occupation of the Demised Premises and the activities of the Lessee are kept to a minimum. Without limiting the generality of the foregoing and irrespective of whether the Lessor has given its consent in respect of the storage of any particular compounds or substances upon or within the Demised Premises by the Lessee in the event that during the term of this Lease or any period of holding over, any pollution, contamination or degradation occurs of, on or to the Demised Premises (other than to the extent to which the same has been caused by any wilful or negligent act or omission of the Lessor or of its servants, agents or employees or any other tenant of the Land) then the Lessee shall at its own cost and expense immediately clean up the areas that have been polluted, contaminated or degraded and totally remove from the Demised Premises the relevant contaminants and pollutants and in any event the Lessee shall prior to the expiration of the term of this Lease or any period of holding over at its own cost and expense remove any and all such contaminating or polluting substances and compounds from all parts of the Demised Premises.

2.34 GARDEN MAINTENANCE

The Lessee shall keep and maintain at all times during the said term and any renewal thereof any lawns, shrubs, plants and gardens appurtenant to or comprised in the premises in a neat and tidy condition and well-trimmed and pruned and shall water and nurture the same on such occasions as such lawns, shrubs, plants and gardens require to subsist and the Lessee shall maintain in good and substantial repair all walkways, driveways and car park areas comprised in the premises and shall yield up the same in a like condition at the expiration or sooner determination of this lease.

3. THE LESSOR HEREBY COVENANTS WITH THE LESSEE AS FOLLOWS:

3.1 QUIET ENJOYMENT

That the Lessee paying the rent hereby reserved and duly and punctually observing and performing the covenants obligations and provisions in this Lease on the part of the Lessee to be observed and performed shall and may peaceably possess and enjoy the premises for the term hereby granted and any extension thereof without any interruption or disturbance from the Lessor or any other person or persons lawfully claiming by from or under the Lessor.

3.2 REMOVAL OF LESSEE'S FIXTURES

That the Lessee may at or prior to the expiration of the Lease take remove and carry away from the premises all fixtures fittings plant equipment or other articles upon the premises in the nature of trade or tenants fixtures brought upon the premises by the Lessee or otherwise owned by the Lessee but the Lessee shall upon such removal cause no damage or disfigurement to the premises and shall forthwith make good any damage or disfigurement which the Lessee may occasion thereto and reinstate the premises to the condition they were in prior to the installation of such fixtures fittings plant or equipment.

3.3 RATES AND TAXES

The Lessor shall pay all rates taxes (including land tax) and other charges assessments and outgoings imposed on or payable in respect of the Building and/or the said Land (but excluding amounts herein covenanted to be paid by the Lessee).

4. THE LESSOR AND THE LESSEE HEREBY MUTUALLY COVENANT AND AGREE AS FOLLOWS:

4.1 RE-ENTRY

That if the rent hereby reserved or any part thereof shall be unpaid for a space of fourteen (14) days after any of the days on which the same ought to have been paid in accordance with the covenant for payment of rent herein contained (although no formal or legal demand shall have been made therefor) or if the Lessee commits permits or suffers to occur any breach or default in the due and punctual observance and performance of any of the covenants obligations and provisions of this Lease or of any Rules and Regulations made hereunder or (if the Lessee being a Company) an order is made or resolution is effectively passed for the winding up of the Lessee (except for the purpose of reconstruction or amalgamation with the written consent of the Lessor which consent shall not be unreasonably withheld) or if the Lessee goes into liquidation or makes an assignment for the benefit of or enters into an arrangement or composition with its creditors or stops payment or is unable to pay its debts within the meaning of any relevant Companies Act or Code or if execution is levied against the Lessee and not discharged within fourteen (14) days **THEN** and in any one or more of such events the Lessor at any time or times thereafter shall have the right to re-enter into and upon the premises or any part thereof in the name of the whole and have again repossess and enjoy the same as of its former estate anything herein contained to the contrary notwithstanding but without prejudice to any right of action or other remedy which the Lessor has or might otherwise have for arrears of rent or breach of covenant or for damages as a result of any such event and thereupon the Lessor shall be freed and discharged from any action suit claim or demand by or obligation to the Lessee under or by virtue of this Lease.

4.2 ESSENTIAL TERMS

4.2.1 Each of the covenants of the Lessee specified in sub-paragraphs 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 2.11, 2.12, 2.13, 2.14, 2.15, 2.16, 2.20, 2.21, 2.23, 2.24, 2.25, 2.26, 2.27, 2.28, 2.29 and 2.30 of paragraph 2 hereof are essential terms of this Lease and the Lessor may at its option treat any breach or default by the Lessee in the due observance or performance by the Lessee of its duties and obligations thereunder as a repudiation by the Lessee of the terms of this Lease.

4.2.2 If this Lease is terminated by the Lessor by reason of any breach or default in the due observance or performance by the Lessee of its duties and obligations pursuant to those provisions of this Lease specified in sub-paragraph 4.2.1 hereof being essential terms of this Lease or otherwise by reason of the occurrence of any event specified in paragraph 4.1 hereof **THEN** it is hereby expressly acknowledged and agreed that the Lessor shall be entitled to recover all costs expenses losses and damages in respect of the loss of benefits which observance or performance of this Lease would have conferred on the Lessor had this Lease and the Lessee's obligations hereunder enured for the unexpired balance of the term of this Lease following such termination.

4.3 NOTICE IN CASE OF BREACH BY LESSEE

That in the case of a breach of any covenant or condition contained in this Lease then the notice to the Lessee to be given pursuant to the Landlord and Tenant Act 1936 shall provide that the period of fourteen days is the time within which the Lessee is to remedy any such breach or default if it is capable of remedy or to make reasonable compensation in money to the satisfaction of the Lessor in respect thereof.

4.4 INTEREST ON ARREARS OF RENT

That without prejudice to the rights powers and remedies of the Lessor otherwise under this Lease the Lessee will pay to the Lessor interest at the rate being two (2) per centum per annum higher than the rate per annum charged from time to time by the Commonwealth Bank of Australia on overdraft accounts not exceeding \$100,000.00, on any moneys due but unpaid fourteen days (14) after the same fell due and payable by the Lessee to the Lessor on any account whatsoever pursuant to this Lease such interest to be computed from the due date for the payment of the moneys in respect of which the interest is chargeable until payment of such moneys in full and to be recoverable in like manner as rent in arrear.

4.5 REIMBURSEMENT OF LESSOR

That the reasonable costs of and incidental to the recovery of rent due and unpaid interest thereon including but without limiting the generality thereof legal costs and all charges incurred in engaging a debt collection agency and the Lessor's costs and expenses incurred by remedying or attempting to remedy any breach of the Lessee's covenants herein contained including but without limiting the generality thereof professional charges workmen's wages and the amount paid by the Lessor by way of damages and penalties resulting from such breach whether by law or otherwise shall be deemed to be and it is hereby agreed that they shall be treated as additional rent falling due and payable on the date on which such rent interest costs expenses wages charges damages or penalties became due and owing attaching thereto the Lessor's rights and remedies under this Lease expressed or implied by law or statute for the recovery of rent.

4.6 DESTRUCTION OF PREMISES

That if the whole or any part of the premises shall be destroyed or damaged by fire or otherwise so as to be unfit for use by the Lessee then:-

- 4.6.1 A just proportion (if any) of the rent, outgoings and other charges payable hereunder according to the nature and extent of the damage sustained by the premises shall cease and be suspended from the date of the damage or destruction until the premises shall have been put in proper condition by the Lessor for use and occupation by the Lessee. If the proportion of the rent, outgoings and other charges which is to be suspended cannot be mutually agreed between the Lessor and the Lessee the same shall be determined by a valuer appointed for that purpose by the President for the time being of the Australian Property Institute Incorporated (South Australian Division) which Valuer shall be deemed to act as an expert and not as an arbitrator and whose costs shall be borne equally by the Lessor and the Lessee.
- 4.6.2 The Lessor may notify the Lessee in writing that the Lessor considers that the damage to the premises is such as to make the repair of the premises impracticable or undesirable, and thereupon either the Lessor or the Lessee may terminate this lease by giving not less than seven (7) days' notice in writing to the other and no compensation shall be payable by either party to the other in respect of such termination but without prejudice to the rights of either party for any antecedent breach of this lease.
- 4.6.3 If the Lessor fails to restore the premises within a reasonable time after the Lessee requests the Lessor in writing to do so, the Lessee may terminate this lease by giving not less than seven (7) days' notice in writing of termination to the Lessor and neither party shall have any claim for or right to recover any damage by reason of such

termination but without prejudice to the rights of either party for any antecedent breach of this lease.

- 4.6.4 Nothing in this clause shall relieve the Lessee of the obligation to pay rent, outgoings or other charges payable pursuant to this lease if the damage or destruction to the premises results from the wrongful act or negligence of the Lessee or any employee or agent of the Lessee unless the Lessor is insured against loss of rent under an insurance policy and the Lessee contributes to the insurance premium.

4.7 HOLDING OVER

That in the event of the Lessee holding over after the expiration or sooner determination of the said term with the consent of the Lessor the Lessee shall become a monthly tenant only of the Lessor determinable by either party by one (1) month's prior written notice expiring at any time at a monthly rental equivalent to a monthly proportion of the total annual rent payable hereunder at the expiration or sooner determination of the said term as increased by five (5) per centum thereof and otherwise on the same terms and conditions as this Lease insofar as the same are applicable to a monthly tenancy. In the event of the Lessee holding over for more than twelve (12) months the said monthly rent shall increase by five (5) per centum on each anniversary of the commencement of such holding over.

4.8 WAIVER

That no waiver by the Lessor of one breach of any covenant obligation or provision in this Lease contained or implied shall operate as a waiver of another breach of the same or of any other covenants obligations or provisions in this Lease contained or implied.

4.9 SERVICE OF NOTICES

That without prejudice to any other means of giving notices required to be served hereunder such notice or notices shall be sufficiently served on the Lessee if served personally or if left addressed to the Lessee on the premises or forwarded to the Lessee by pre-paid post to the last known place of business or abode of the Lessee and shall be sufficiently served on the Lessor if addressed to the Lessor and left at or sent by post to the registered office of the Lessor for the time being or the last known place of business or abode and any notice sent by post shall be deemed to be given at the time when it ought to be delivered in the due course of post.

4.10 SEVERANCE

That any covenant or provision herein which is not applicable to the demised premises or which is repugnant to the general interpretation thereof or which is invalid unlawful void or unenforceable shall be capable of severance without affecting any other of the obligations of the parties pursuant hereto.

4.11 ABANDONED CHATTELS

Any chattels or other property left on the Premises by the Lessee at the expiration or sooner determination of this Lease or any extension or renewal of it or any holding over may at the option of the lessor and at the cost of the Lessee be dealt with and removed and destroyed or disposed of or removed and stored and if unclaimed sixty (60) days after such removal sold by the Lessor in compliance with Section 76 of the Act and if unsold dealt with at the Lessor's discretion and except as provided in Section 76 the Lessor shall not be responsible in any respect to the Lessee or to any person claiming through the Lessee for any loss or damage occasioned by such removal disposal storage or sale;

4.12 SERVICES

Notwithstanding any implication or rule of law to the contrary the Lessor shall not in any circumstances be liable to the Lessee for any loss or damage suffered by the Lessee for any malfunction failure to function or interruption of or to the water gas electricity power telephone air-

conditioning fire prevention fire safety and transportation services and systems contained in or appurtenant to the demised premises or the Building or for the blockage of any sewers wastes drains gutters downpipes or storm water drains from any cause whatsoever.

4.13 ENTIRE AGREEMENT

It is expressly acknowledged by and between the parties hereto that the terms covenants and conditions set out in this Lease contain the entire agreement as concluded between the parties hereto notwithstanding any negotiations or discussions prior to the execution hereof and the Lessee further acknowledges that the Lessee has not been induced to enter into this Lease by any representation verbal or otherwise made by or on behalf of the Lessor which is not set out in the body of this Lease or a schedule hereto.

5. NO WARRANTY AS TO USE

The Lessee takes the land and premises **SUBJECT** to all restrictions imposed by the by-laws regulations planning schemes and interim development orders of the corporation or council within whose jurisdiction the land is situated and to any other restriction or restrictions upon or regulations in relation to the use of the land and premises under or in pursuance of any Act Ordinance Regulation By-law or other statutory enactment or Order of Court **AND** the Lessee **HEREBY ACKNOWLEDGES** that no warranty representation assurance or undertaking has been made or given by the Lessor or any servant or agent of the Lessor in respect of the use to which the land and premises may be put and the Lessee **FURTHER ACKNOWLEDGES** that he has satisfied himself that the permitted use complies with the criteria hereinbefore expressed relating to use **AND** the Lessee shall indemnify and keep indemnified the Lessor against any action damage loss or expense which the Lessor may suffer arising from the use by the Lessee of the land or premises for any purpose which is not permitted pursuant to the provisions of this lease or to the criteria hereinbefore expressed relating to use.

6. USE OF COMMON AREAS

The Lessee and the duly authorised servants and agents of the Lessee shall have the right at all times during the said term or any extension thereof to use in common with the Lessor and other Lessees tenants and occupiers of the building upon the said land and all other persons whomsoever authorised or permitted by the Lessor the Common Areas (if any) for the purposes only for which the same have been designed.

7. EXTENSION OF LEASE

That on the written request of the Lessee made not less than six (6) nor more than nine (9) months before the expiration of the said term and provided that there shall not at the time of such request be any existing breach or non-observance of any of the covenants and conditions herein contained the Lessor will at the expense of the Lessee grant to the Lessee a lease of the premises for the further term or terms as set out in Item 6 of the schedule hereto (hereinafter called "the extended term") on the same terms and conditions as are herein contained (mutatis mutandis) save and except that this clause giving to the Lessee a right of renewal shall be excluded and shall not apply after the last renewal specified in Item 6 of the Schedule hereto and **PROVIDED FURTHER** that if the due observance or performance by the Lessee of its duties and obligations hereunder shall have been guaranteed by any person firm or corporation then the execution of such guarantor or guarantors of such documents or assurances as the Lessor may require for the purpose of affirming or renewing such guarantee or guarantees for the said extended term shall be a condition precedent to the exercise by the Lessee of the Lessee's right to request an extension hereunder.

8. RENT REVIEW

- 8.1 Notwithstanding any provision herein contained to the contrary the annual rental hereby reserved shall be reviewed as at and from the commencement date of each review period.
- 8.2 The annual rental payable as at each of the dates referred to above shall be as mutually agreed between the Lessor and the Lessee.

- 8.3 In default of agreement within thirty (30) days before the due date for review specified in item 11(a) of the schedule hereto unless otherwise mutually agreed in writing between the Lessor and the Lessee the new rental shall be calculated in accordance with the following formula:-

$$A = B \times \frac{X}{Y}$$

where "A" is the annual rent;

"B" in respect of the relevant review period is the amount of the annual rent payable pursuant to this lease during the review period immediately preceding the relevant review date except in the case of the first review hereunder where "B" shall be the initial annual rental hereby reserved;

"X" is the Consumer Price Index (All Groups) for Adelaide for the quarter ending immediately preceding the relevant review date; and

"Y" is the Consumer Price Index (All Groups) for Adelaide for the quarter ending immediately preceding the review date immediately before the relevant review date except in the case of the first review hereunder where "y" shall be the Consumer Price Index (All Groups) for Adelaide for the quarter ending immediately preceding the date of commencement of the term.

For the purposes of this clause, "quarter" shall mean any of the three monthly periods ending on the last days of March, June, September and December in each year. In the event that the Consumer Price Index (All Groups) for Adelaide (hereinafter called "the original index") ceases to be published or the basis upon which the original index is calculated is substantially changed **THEN** unless otherwise mutually agreed the Lessor and the Lessee shall immediately request the President or Acting President for the time being of the Institute of Actuaries of Australia (or if the said Institute shall have ceased to exist then any other body formed for similar purposes as the aforesaid Institute) to appoint an Actuary to consider and determine what cost of living or other index (if any) shall be applied under this sub-clause in lieu of the original index in order to achieve the intention of the parties hereto that an adjustment of the rent hereby reserved should be made as provided in this sub-clause and that the basis of adjustment be an adjustment on the basis of movements in the Consumer Price Index (All Groups) for Adelaide as calculated at the date of commencement of this lease (hereinafter called "the new index") **AND** what conversion factors adjustments and/or other modifications shall be made to the calculations to be made pursuant to this sub-clause so that upon the application of the new index in lieu of the original index the resultant adjustments are not inconsistent with the intent of the parties as aforesaid.

- 8.4 In default of agreement within thirty (30) days before the due date for review specified in item 11(b) of the schedule hereto unless otherwise agreed in writing between the Lessor and the Lessee the Lessee and the Lessor shall request the President or Acting President for the time being of the Australian Property Institute Incorporated (South Australian Division) to nominate a valuer (hereinafter called "the nominee") who shall be a licensed valuer practising in the City of Adelaide with not less than five (5) years' experience immediately prior to the date of such review in the valuation of retail and commercial property within the City of Adelaide to determine the new annual rent being current market rent for the demised premises as at the relevant review date and each such request for the appointment of the nominee shall include a requirement that the nominee be appraised of and accept instructions to undertake the determination of the current market rent as at the relevant review date on the following basis:-

- 8.4.1 Forthwith upon his appointment the nominee shall notify the Lessor and the Lessee in writing of his appointment and his acceptance thereof.
- 8.4.2 The nominee shall undertake to elicit and receive written submissions from the Lessor and the Lessee or the duly authorised representatives and shall give reasonable consideration to such submissions before making the determination.
- 8.4.3 The nominee shall make a determination as to the current market rent of the demised premises as at the relevant review date and forthwith upon making such determination despatch a true copy thereof to the Lessor and the Lessee.

- 8.4.4 The nominee shall make his determination as the current market rent of the demised premises as at the relevant review date within thirty (30) days following acceptance of the appointment.
- 8.4.5 If the nominee fails to accept the nomination to act or fails to determine the current market rent within thirty (30) days after accepting the appointment or becomes incapacitated or dies or resigns from the appointment then either the Lessor or the Lessee may forthwith thereupon request the appointment of another nominee to act in accordance with the provisions of this sub-clause as hereinbefore provided.
- 8.4.6 The nominee shall be deemed to act as an expert and not as an arbitrator and the cost and expenses of the nominee shall be borne equally between the Lessor and the Lessee.
- 8.4.7 The Lessor and the Lessee shall each be entitled to make submissions to the nominee as to those acts matters and things to which the nominee should have regard in determining the current market rent for the demised premises as at the relevant review date provided always that such submissions are made within the time or times appointed by the nominee.
- 8.4.8 Any determination made by the nominee pursuant to this clause shall be final and binding on each of the parties hereto.
- 8.4.9 The failure or neglect of the Lessor to initiate or require a determination of the current market rent in respect of the demised premises pursuant to this sub-clause as at any relevant review date (in the absence of mutual agreement in writing between the Lessor and the Lessee that the Lessor shall not so initiate or require any such determination) shall not prevent impede or restrict the Lessor at any time after the due relevant review date for determination of the current market rent from requiring the current market rent to be determined as of and with effect from such due date for such determination and any such failure or neglect or other fact or event in consequence of which the current market rent is not determined on any such relevant review date hereinbefore appointed shall not create any estoppel against the Lessor or otherwise prevent the Lessor from requiring the current market rent to be determined as of and in respect of any such relevant review date.
- 8.5 The rent reviews pursuant to this clause shall be carried out as at and from the respective review dates referred to in this clause and the rent instalments varied from such dates.
- 8.6 Where the new annual rent applicable is not agreed or determined until after the commencement of the period in respect of which such rent is payable (being the relevant review dates hereinbefore specified) then the instalments of the rent shall be deemed to be varied as and from the relevant review date and any adjustment necessary in respect of any underpayment of any instalment paid after any such review date or dates at the rate previously applicable shall be paid by the Lessee to the Lessor forthwith upon the new rent applicable being agreed or determined (as the case may be) the Lessee paying the current instalments of the rent previously applicable pending determination of the new rent as herein provided.
- 8.7 The stipulations relating to the time method and manner of payment of rent specified in item 7 of the schedule hereto shall mutatis mutandis apply to the annual rent so agreed or determined.

9. FIRE INSURANCE, ETC

The Lessor shall during the term hereby granted and any extension thereof insure and keep insured the building and other improvements which may now or hereafter be erected on the said land and the Lessor's fixtures and fittings therein contained against loss or damage by fire storm tempest earthquake flood and such other risks as the Lessor deems necessary and if required by the Lessor, effect loss of rent insurance for an indemnity period of one (1) year, and the Lessee shall upon demand in writing being made by the Lessor to the Lessee forthwith pay to the Lessor the Lessee's proportion of the total cost of all premiums for such insurance and all excess payments and if the Lessee shall not pay such sums as and when demanded the same shall be recoverable by the Lessor from the Lessee in the same manner as rent is

recoverable hereunder and upon the same conditions with regard to interest. The Lessee's proportion of the cost of all premiums for such insurance and all excess payments shall be as stipulated in Item 12 of the schedule hereto.

10. CONSENTS OF ENCUMBRANCEES

This lease is subject in all respects to the consent or approval of any person having any mortgage or encumbrance over the land being first had and obtained if required.

11. SPECIAL CONDITIONS

This lease is subject to the special conditions (if any) specified in the annexure numbered 1 hereto (if any) (herein called "the special conditions") and the Lessee **HEREBY ACKNOWLEDGES AND AGREES** that the said special conditions constitute part of the terms and conditions of this lease and that failure by the Lessee to perform and observe such special conditions shall constitute a breach of the terms of this lease **AND** in the event of there being any inconsistency between any such special conditions and any of the provisions of this lease then such special conditions shall pro tanto prevail.

12. LESSOR'S WORKS

Notwithstanding any other provision herein contained in the event that the Lessor is required at any time to carry out any work to the demised premises (and for which the Lessee is not responsible hereunder) by any competent government or semi-Government Authority (whether Federal State or Local) having jurisdiction in relation thereto the annual rental otherwise payable by the Lessee hereunder as at the date of completion of such work shall be increased by an amount equivalent to **TWELVE PER CENTUM** (12%) of the amount certified in writing by an architect nominated by the Lessor to be the completed value of such work **PROVIDED THAT** the stipulations herein contained relating to the time method and manner of payment of rental shall (mutatis mutandis) apply to the annual rental determined in accordance with the provisions of this Clause.

ANNEXURE 1
SPECIAL CONDITIONS

1. RIGHT OF FIRST REFUSAL TO PURCHASE

IN CONSIDERATION of the Lessee's covenants herein contained the Lessor **HEREBY COVENANTS AND AGREES** with the Lessee that in the event that the Lessor is desirous of disposing of its estate in fee simple in the demised premises or any part thereof at any time during the said term or any extension or renewal thereof (but not during any holding over) then **PROVIDED THAT** there shall not at such time be any existing breach or non-observance of any of the covenants and conditions herein contained and on the Lessee's part to be observed and performed the Lessee shall have the right of first refusal to purchase the demised premises or such part thereof (as the case may be) subject to the following covenants terms and conditions:-

- 1.1 The Lessor shall give notice in writing to the Lessee of the Lessor's intention to dispose of the demised premises or part thereof (as the case may be) and such notice shall constitute an offer by the Lessor to sell the demised premises or part thereof (as the case may be) to the Lessee and shall specify the consideration required by the Lessor from the Lessee for the purchase by the Lessee of the Lessor's interest in the demised premises or part thereof (as the case may be) which consideration shall not in any respect whatsoever constitute the imposition of any more onerous obligations and duties upon the Lessee or require the Lessee to pay any greater pecuniary sum than that which the Lessor would impose or require from a purchaser other than the Lessee.
- 1.2 The Lessee shall within fourteen (14) days after the service of such notice give notice in writing to the Lessor of the Lessee's acceptance or rejection of the Lessor's offer to sell. In the event of service of a notice of acceptance by the Lessee on the Lessor there shall be deemed to be a binding contract for the sale by the Lessor and the purchase by the Lessee of the Lessor's interest in the demised premises or part thereof (as the case may be) for the consideration stated in the notice given by the Lessor to the Lessee (which consideration is hereinafter called "the purchase price") subject to the following terms and conditions:-
 - 1.2.1 A deposit of ten per centum (10%) of the purchase price shall be paid by the Lessee to the Lessor within twenty four hours of the service of the Lessee's notice of acceptance on the Lessor.
 - 1.2.2 The balance of the purchase price shall be paid at settlement which shall take place not more than thirty days from the date of service of the Lessee's notice of acceptance on the Lessor.
 - 1.2.3 All rents rates taxes insurance and other outgoings and incomings shall be adjusted to the date of settlement.
 - 1.2.4 The Lessee shall deliver to the Lessor a Memorandum of Transfer in registrable form and the Lessor shall execute such Memorandum of Transfer and deliver the same to the Lessee at settlement and upon payment of the purchase price in full.
 - 1.2.5 The demised premises or part thereof (as the case may be) shall in all respects be at the risk of the Lessee as and from the date of service of the Lessee's notice of acceptance on the Lessor.
 - 1.2.6 Settlement shall take place at the Lands Titles Office or at such other place as may be mutually agreed between the Lessor and the Lessee.
 - 1.2.7 If the Lessee shall make default in payment of the purchase price or any part thereof (including the deposit) or in the due compliance with the terms and conditions of sale set



out in this Clause the Lessee shall pay to the Lessor interest on so much of the purchase price (including the deposit) as remains unpaid at the rate of twenty per centum (20%) per annum computed from the date upon which such payment or payments fell due until payment thereof shall be made in full and it shall be lawful for the Lessor at its option and without prejudice to any other legal rights or remedies that the Lessor may have upon giving fourteen (14) days' notice in writing to the Lessee to rescind the agreement hereby constituted and thereupon the aforesaid deposit shall be forfeited absolutely to the Lessor as and for liquidated damages and to resell the demised premises or part thereof (as the case may be) by public auction or private contract and any deficiency on such resale together with all outgoings costs and expenses of and incidental to such resale shall immediately thereafter be made good by the Lessee to the Lessor.

- 1.3 In the event that the Lessee shall refuse neglect or otherwise fail to give notice in writing to the Lessor within a period of fourteen (14) days after the date of service of the Lessor's notice upon the Lessee offering to sell the demised premises or part thereof (as the case may be) or the Lessee notifying the Lessor of its rejection of such offer to sell then the Lessor shall be at liberty at any time thereafter to sell the demised premises or part thereof (as the case may be) without any obligation or duty to the Lessee whatsoever.

GUARANTEE AND INDEMNITY

IN CONSIDERATION of the Lessor (hereinbefore designated) entering into the Memorandum of Lease hereinbefore set out (hereinafter called "the Lease") at the request of those persons named and described in the Schedule hereto (hereinafter called "the Guarantor" which expression wherever used herein shall mean and include them jointly and severally and where the context so requires or admits shall include their heirs executors or administrators and their permitted assigns) the Guarantor **HEREBY GUARANTEES:-**

- (a) The payment by the Lessee to the Lessor of all rent and other monies payable or expressed to be payable to the Lessor by the Lessee under or by virtue of the lease or otherwise payable by the Lessee to the Lessor in respect of the Lessee's tenancy or occupation of the premises described in the lease (hereinafter called "the Premises") including (but without limiting the generality of the foregoing) any loss or damage sustained by the Lessor in consequence of the premature termination or the repudiation of the lease or the Lessee's tenancy or occupation of the Premises (all of which rent and other monies are hereinafter called "the said monies").
- (b) The performance and observance by the Lessee of the covenants terms and conditions contained in the lease or otherwise applicable to the Lessee's tenancy or occupation of the Premises (all of which covenants terms and conditions are hereafter called "the said covenants terms and conditions") and on the Lessee's part to be performed and observed.

AND the Guarantor further undertakes to keep the Lessor indemnified against all losses which the Lessor may suffer by reason of any failure by the Lessee to pay any of the said monies or to perform or observe any of the said covenants terms and conditions and in addition and without prejudice to the generality of the foregoing the Guarantor **EXPRESSLY COVENANTS AND AGREES** as follows:-

- (i) If the Lessee shall make default in the payment to the Lessor of any of the said monies the Guarantor will upon demand pay the said monies to the Lessor.
- (ii) If the Lessee shall make default in the performance or observance of any of the said covenants terms or conditions the Guarantor will pay to the Lessor on demand all losses damages expenses and costs suffered or incurred by the Lessor by reason of such default.
- (iii) This Guarantee and Indemnity shall continue in force until the expiration of the term of the lease or the Lessee's tenancy or occupation of the Premises and any extension or renewal thereof.
- (iv) The liability of the Guarantor hereunder shall not be abrogated prejudiced or affected by the granting of time credit or any indulgence or concession to the Lessee or by any compounding compromise release abandonment waiver variation relinquishment or renewal of any of the Lessor's rights or the failure to register the lease or by any omission or neglect or other dealing matter or thing whatsoever which but for this provision would or might operate to abrogate prejudice or affect the guarantee; nor shall the liability of any one Guarantor who signs this Guarantee and Indemnity be effected by the failure of any other Guarantor to sign.
- (v) No Guarantor will by reason of any payment made under this Guarantee and Indemnity prove for or claim any dividend out of the assets of the Lessee in the event of the Lessee being unable to pay its creditors in full in competition with the Lessor or so as to diminish the dividend to which but for such proof or claim the Lessor would or might be entitled.



- (vi) Any notice or demand given or made to or upon the Guarantor shall be sufficient if signed by the Lessor or the solicitors of the Lessor addressed to the Guarantor at the address of the Guarantor herein provided and:-
- (a) posted by pre-paid post in which case it shall conclusively be deemed to have been received 24 hours after the time of posting, or
 - (b) delivered to the said address of the Guarantor, or
 - (c) delivered to the last known address in South Australia of the Guarantor.
- (vii) This Guarantee and Indemnity shall remain in full force and effect and shall not be discharged or affected by:-
- (a) any assignment of the lease or the Lessee's right to occupy the Premises by the Lessee or the successors or assigns of the Lessee;
 - (b) the winding up of any Lessor, Lessee or Guarantor (being a company) or the death of any such persons (being natural persons);
 - (c) any legal disability on the part of the Lessee;
 - (d) the exercise by the Lessor of any of the rights of the Lessor under the lease or in respect of the lessee's tenancy or occupation of the Premises including the Lessor's right of re-entry.
- (viii) If this Guarantee and Indemnity at any time or from time to time shall be discharged in part or in whole by reason of the receipt by the Lessor from any person whatsoever of monies or other consideration in satisfaction in part or in whole of this Guarantee and Indemnity and if the Lessor shall subsequently be called upon to refund any monies so paid or to return any consideration so given to the Lessor whether by reason of such payment or consideration being a preference under the Laws for the time being relating to Bankruptcy or Insolvency or being avoided by any other statutory provision or for any other reason whatsoever then notwithstanding that this Guarantee and Indemnity may have been wholly or partially cancelled or given up to be wholly or partially cancelled this Guarantee and Indemnity shall remain in full force and effect to the same extent as if the same had never been wholly or partially discharged as aforesaid and the parties shall be deemed to have been restored to the rights which each respectively would have had if such payment or consideration had not been made or given.
- (ix) If any of the monies hereby guaranteed shall not be recoverable from the Lessee (whether by reason of any legal limitation disability or incapacity of or affecting the Lessee or by reason of any other fact or circumstance whatsoever and whether the lease has been void ab initio or has been subsequently avoided and whether or not the matters or facts relating thereto have been or ought to have been within the knowledge of the Lessor) this guarantee shall be construed as an indemnity, and the guarantor will indemnify the Lessor and keep the Lessor indemnified in respect of any failure by the Lessee to make any payment or perform or observe any covenant condition or obligation which the Lessee ought to have performed or observed, or has agreed to perform or observe, or would (if the lease was valid) be obliged to perform or observe as a consequence of the Lessee's tenancy or occupation of the premises.
- (x) In the construction of this Guarantee and Indemnity if the context shall so require or admit words importing the singular number only shall include the plural and vice versa and the masculine gender shall include the feminine and neuter genders respectively.
- (xi) The provisions of every statute proclamation rule and regulation (whether in each case Federal Territorial or State) now existing or which may hereafter be enacted or come into force or of any Scheme of Arrangement or reconstruction or otherwise whereby or in consequence whereof the date or dates whereon any of the monies hereby guaranteed ought to be paid shall or may be postponed or stayed or the time for payment of such monies or any of them shall or may be extended or enlarged or suspended or the amount of such monies reduced or cancelled or the

exercise by the Lessor of any of the powers rights or remedies hereunder curtailed or precluded either absolutely or otherwise are hereby expressly (so far as the same lawfully can or may be) excluded from and shall not apply to these presents or the recovery of all or any of the monies hereby guaranteed.

- (xii) The Guarantor **HEREBY GRANTS** to the Lessor a mortgage over all of the Guarantor's estate and interest (both legal and equitable) in any land situated in the State of South Australia (hereinafter called "the Land") to secure the payment of all monies payable by the Guarantor to the Lessor hereunder. If requested by the Lessor, the Guarantor shall execute at the expense of the Guarantor, such mortgage or other assurance in respect of the Land as the Lessor may require with full power of sale and other usual provisions.



THE SCHEDULE

<p>The Guarantor</p>	<p>CHRISTOPHER BARRY SNODGRASS and ANDREA KAYE SNODGRASS both of 701 Wallaroo Plain Road Wallaroo Plain SA 5556</p>
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IN WITNESS whereof the Guarantor has executed this Guarantee and Indemnity on the 30 day
of April 2021.

SIGNED SEALED AND DELIVERED by
the said **CHRISTOPHER BARRY
SNODGRASS** in the presence of:

)
)
)

CB Snodgrass

SIGNED SEALED AND DELIVERED by
the said **ANDREA KAYE SNODGRASS** in
the presence of:

)
)
)

AK Snodgrass

DATED

30 April

2021

SIGNED by the LESSORS in the presence of:

)
)
)

[Handwritten signatures]

Signature of WITNESS – Signed in my presence by the LESSORS who are either personally known to me or have satisfied me as to his or her identity

[Handwritten signature: M Hewett]

MICHAEL JOHN HEWETT
Print Full Name of Witness (BLOCK LETTERS)

UNIT 3 / 245 MILNE ROAD
MODDERBURY NORTH SA 5092
Address of Witness

83962020
Business Hours Telephone No

EXECUTED by REGIONAL RECYCLING SYSTEMS PTY LTD in accordance section 127 of the Corporations Act 2001

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)
)

[Handwritten signature: CB Inwoodgrass]
Director

[Handwritten signature]
Director/Secretary

[Handwritten initials]

LANDS TITLES REGISTRATION OFFICE

SOUTH AUSTRALIA

LEASE

FORM APPROVED BY THE REGISTRAR-GENERAL

PRIORITY NOTICE ID	
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SERIES NO	PREFIX
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AGENT CODE

LODGED BY:

David John Hart
Scales & Partners

CORRECTION TO:

SCALES & PARTNERS

SCAL

SUPPORTING DOCUMENTATION LODGED WITH INSTRUMENT
(COPIES ONLY)

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