

REGISTRATION CONFIRMATION STATEMENT

NATURAL RESOURCES, MINES AND ENERGY, QUEENSLAND

Title Reference : 50845662

This is the current status of the title as at 09:32 on 22/11/2019

REGISTERED OWNER

Dealing No: 719740030 18/11/2019

DIRET SUPER PTY LTD A.C.N. 160 643 336
TRUSTEE
UNDER INSTRUMENT 719740030

ESTATE AND LAND

Estate in Fee Simple

LOT 2 SURVEY PLAN 239033
Local Government: ROCKHAMPTON

EASEMENTS, ENCUMBRANCES AND INTERESTS

1. Rights and interests reserved to the Crown by Deed of Grant No. 19505019 (POR 10)
2. LEASE No 718265896 11/09/2017 at 14:42
GSE MOUNT PTY LTD A.C.N. 616 453 975 TRUSTEE
UNDER INSTRUMENT 718265896
OF THE WHOLE OF THE LAND
TERM: 30/06/2017 TO 29/06/2027 OPTION 5 YEARS
3. MORTGAGE No 719061699 23/10/2018 at 15:15
LEO INVESTMENT LIMITED TENANT IN COMMON 1/2
SANYO CONSTRUCTION INDUSTRY CO., LTD TENANT IN COMMON 1/2
over
LEASE: 718265896

ADMINISTRATIVE ADVICES - NIL
UNREGISTERED DEALINGS - NIL

DEALINGS REGISTERED

719740027 RELEASE
719740030 TFR TO TTEE

Caution - Charges do not necessarily appear in order of priority

** End of Confirmation Statement **

EV Dann
Registrar of Titles and Registrar of Water Allocations

Lodgement No: 4592000
Office: BUNDABERG
Email: derm@bot.com.au
BAKER O'BRIEN & TOLL
P O BOX 380
BUNDABERG 4670



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COPY

Privacy Statement

Collection of this information is authorised by the Land Title Act 1994 the Land Act 1994 and the Water Act 2000 and is used to maintain the publicly searchable registers in the land registry and the water register. For more information about privacy in NR&W see the department's website.

1. Lessor	Lodger (name, address, email & phone number)	Lodger Code
LITTLE FRIENDS HOLDINGS PTY LTD A.C.N. 163 681 838 TRUSTEE UNDER INSTRUMENT 715194274	Wilson Lawyers PO Box 1757 Coorparoo BC QLD 4151 Email: contact@wilsonlawyers.net.au Tel: (07) 3217 4630 Ref: WRW:2160866	073A

2. Lot on Plan Description	Title Reference
LOT 2 SP 239033	50845662

3. Lessee	Given names	Surname/Company name and number	(include tenancy if more than one)
		GSE MOUNT PTY LTD ACN 616 453 975 AS TRUSTEE	

4. Interest being leased
FEE SIMPLE

5. Description of premises being leased
THE WHOLE OF THE LAND

6. Term of lease	7. Rental/Consideration
Commencement date/event: 1 ³⁰ 6 ⁶ /2017 Expiry date: 30 6 /2027 and/or Event: *Options: 4 x 5 years *Insert nil if no option or insert option period (eg 3 years or 2 x 3 years)	SEE SCHEDULE

8. Grant/Execution
The Lessor leases the premises described in item 5 to the Lessee for the term stated in item 6 subject to the covenants and conditions contained in:-
*the attached schedule; *the attached schedule and document no. _____; *document no. _____; *Option in registered Lease no. _____ has not been exercised.

Witnessing officer must be aware of his/her obligations under section 162 of the Land Title Act 1994
Little Friends Holdings Pty Ltd ACN 163 681 838

..... signature	
..... full name	Director
..... qualification	Director/Secretary
Witnessing Officer	Lessor's Signature

(Witnessing officer must be in accordance with Schedule 1 of Land Title Act 1994 eg Legal Practitioner, JP, C Dec)

9. Acceptance
The Lessee accepts the lease and acknowledges the amount payable or other considerations for the lease.
GSE Mount Pty Ltd ACN 616 453 975

..... signature	
..... full name	Director
..... qualification	Director/Secretary
Witnessing Officer	Lessee's Signature

(Witnessing officer must be in accordance with Schedule 1 of Land Title Act 1994 eg Legal Practitioner, JP, C Dec)

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1. DEFINITIONS

In this Lease, unless the context otherwise requires:

Accounting Period means the period or consecutive periods not exceeding twelve (12) months from time to time selected by the Lessor for the purpose of calculating Operating Costs and other charges specified in this Lease.

Authority means any government, municipal, statutory, public or other authority or body having authority or jurisdiction over or in relation to the Premises.

Bank Guarantee means an unconditional undertaking in favour the Lessor (or any replacement or addition to it) with an expiry date no earlier than the date that is three months after expiry of the initial term of this Lease, by an Australian Bank on terms reasonably acceptable to the Lessor, to pay on demand the amount specified in Item 10 of the Reference Schedule.

Building means all improvements erected on the Land including any modifications, extensions or alterations to those improvements.

Business Day means a week day other than a public holiday in Brisbane.

Date of Commencement means the date specified in Item 3 of the Reference Schedule.

First Option Term means the period specified in Item 7(a) of the Reference Schedule.

Fixed Increase Adjustment Date means each date in Item 5(a) of the Reference Schedule.

Fourth Option Term means the period specified in Item 7(d) of the Reference Schedule.

Institute means the Australian Property Institute Inc. (Qld Division) or its successor.

Insolvency Event means the happening of any of the following events in relation to the Lessee:

(a) In the case of a natural person:

- (i) is or becomes bankrupt;
- (ii) enters into any agreement or makes any arrangement with creditors for liquidation of debts by composition or otherwise (other than an agreement or arrangement that would because of any statute relating to bankruptcy of persons render this provision void);

(b) in the case of a corporation:

- (i) an application is made to a court for it to be wound up or for the appointment of a provisional liquidator;
- (ii) a meeting is convened to place it in voluntary liquidation or to appoint an official manager or an administrator;
- (iii) the appointment of a controller, as defined in the Corporations Act, in respect of any of its assets; and
- (iv) it is wound up or dissolved.

Land means the land described in Item 2 of the Form 7 to this Schedule, and where the context so permits includes any part of the Land.

Law includes any requirement of any statute, rule, regulation, proclamation, order in council, ordinance or by-law whether Commonwealth, state, territorial or local.

Lease means the Form 7, this Schedule, the Reference Schedule, Rent Review Schedule and any annexures and any covenant or agreement expressed to be supplemental to this Lease and all amendments to those documents.

Lessee includes the permitted assigns of the Lessee and if the Lessee is a corporation includes its successors and if the Lessee is a natural person includes the heirs, executors and administrators of the Lessee.

Lessee's Covenants means the obligations contained or implied in the Lease or imposed by law and which must be observed or performed by the Lessee.

Lessee's Employees includes each of the Lessee's employees, servants, contractors, agents, invitees or others (with or without invitation) who may at any time be on the Premises.

Lessee's Fixtures means all fixtures, fittings, plant, equipment, partitions, furniture, goods, chattels or other articles brought on the Premises from time to time by the Lessee.

Lessor means the person for the time being entitled to the reversion of the Premises and includes any person claiming through or under the Lessor.

Lessor's Employees includes each of the Lessor's employees, servants, contractors and agents.

Lessor's Fixtures means all plant, equipment, fixtures, fittings, furniture and furnishings of the Lessor now or in the future installed or situated in the Premises including all air conditioning equipment, security or fire alarm systems, stop cocks, fire hoses, hydrants, fire and smoke detectors, other fire prevention aids, fire fighting systems, window coverings, blinds and light fittings from time to time located in or relevant to the Premises.

Market Review Date means each date in Item 5(b) of the Reference Schedule.

Operating Costs means the total of all amounts paid or incurred by the Lessor in any one Accounting Period in respect of the Premises on account of:

- (a) rates, charges and other levies payable to any Authority;
- (b) rates and charges payable to any Authority responsible for the provision or reticulation of water and/or sewerage and/or drainage services;
- (c) land taxes or taxes in the nature of land tax on land, computed on the taxable value of the Land at the rate which would be recoverable by the Lessor if the Land were the only land owned by the Lessor;
- (d) all rates, taxes, charges, assessments, outgoings and impositions (whether parliamentary, municipal or otherwise) and whether assessed, charged or imposed by or under Federal or State law or by any Authority and whether on a capital, revenue value or any other basis other than income tax or capital gains tax;
- (e) the cost of insurance premiums and other charges (including stamp duties) for insurance of the Premises against fire and such other risks determined by the Lessor including loss of rents insurance, public liability insurance and consequential losses in an amount or amounts and for periods reasonably determined by the Lessor.

All such Operating Costs will be calculated on an accrual and pre-payment basis and to that end will be deemed to have been paid at a time when the obligation to pay, debit or charge the same arose, despite the actual date of payment and any such outgoings, costs and expenses which are assessed at intervals or for periods other than a period of twelve (12) months or which may vary during each Accounting Period shall be apportioned by the Lessor in so far as may be necessary to calculate the Operating Costs for such period.

Permitted Use means the use specified in Item 6 of the Reference Schedule.

Playground Equipment means all playground fixtures forming part of the Lessor's Fixtures and used in conduct of the Lessee's business including forts, swings, slides, playhouses, playground fences, fixed sun shades, soft-fall, artificial grass and water features.

Premises means the whole of the Land and includes the Building and the Lessor's Fixtures but does not include the Lessee's Fixtures.

Reference Schedule means the schedule to the Lease bearing that heading.

Rent means an annual sum specified in Item 4 of the Reference Schedule, as varied from time to time in the Lease.

Rent Review Schedule means the schedule to the Lease bearing that heading.

Rental Year means each separate year of the Term or (if and to the extent applicable) the First Option Term, the Second Option Term, the Third Option Term and the Fourth Option Term, the first of such Rental Years commencing on the Date of Commencement and each subsequent Rental Year commencing on the corresponding day of each succeeding year.

Requirements means any notices, orders, directions, requirements, statutes, ordinances, proclamations, regulations, schemes, permits, by-laws or other regulatory requirements present or future affecting or relating to the Premises or the use of the Premises irrespective of whether the Requirement is addressed to the Lessor, the Lessee or any other person.

Review Date means the first day of the second and each subsequent Rental Year of the Term or (if and to the extent applicable), the first day of the first and each subsequent Rental Year of the First Option Term, the Second Option Term, the Third Option Term and the Fourth Option Term.

Second Option Term means the period specified in Item 7(b) of the Reference Schedule.

Services means all services to the Premises or to the Lessee in connection with the Premises including electricity, gas, oil, fuel, any other power (including light), telecommunications, fire prevention, water and drainage services.

Term means the period specified in Item 2 of the Reference Schedule commencing on the Date of Commencement.

Third Option Term means the period specified in Item 7(c) of the Reference Schedule.

2. INTERPRETATION

In this Lease, unless the context otherwise requires:

- (a) a reference to a statute, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them occurring at any time before or after the Date of Commencement;
- (b) words importing:
 - (i) the singular include the plural and vice versa; and
 - (ii) any gender includes the other genders;
- (c) any covenant to be observed by two (2) or more persons is deemed to bind them jointly and each of them severally;
- (d) if a word or phrase is defined cognate words and phrases have corresponding definitions;

- (e) a reference to all parties, clauses, schedules or annexures shall, unless otherwise provided, be to the parties for the time being to this Lease and to the clauses, schedules or annexures of or to this Lease;
- (f) the headings are inserted in this Lease for convenience only and do not affect the interpretation;
- (g) a reference to a month is a calendar month;
- (h) where a reference is made to a person, body or authority and the person, body or authority had been renamed or replaced or has ceased to exist or its powers or functions have been transferred to or assumed by another person, body or authority, the reference will be deemed to be a reference to the person, body or authority as then serves substantially the same objects as that person, body or authority; and
- (i) if the word "including" or "includes" is used, the words: "without limitation" are deemed to immediately follow.

3. EXCLUSION OF IMPLIED COVENANTS

The covenants, powers and provisions (if any) implied in leases by virtue of any law are not negated but will be deemed to be modified (where so permitted) to the extent of any inconsistency with the provisions of this Lease.

4. TERM AND HOLDING OVER

4.1 Term

The Lessor leases the Premises to the Lessee for the Term subject to the provisions of this Lease.

4.2 Holding Over

- (a) If the Lessee continues to occupy the Premises after expiry of the Term or (if and to the extent applicable) after expiry of the First Option Term, the Second Option Term, the Third Option Term and the Fourth Option Term with the Lessor's approval, it does so under a tenancy for a fixed term of one month and then from month to month:
 - (i) which either party may terminate on one (1) month's notice in writing ending on any day; and
 - (ii) at a rent which is one twelfth of the Rent.
- (b) Subject to sub-clause (a), the monthly tenancy is on the same terms as this Lease except for those changes which are necessary to make the Lease appropriate for a monthly tenancy.

5. RENT AND RENT REVIEWS

5.1 Payment of Rent

The Lessee will pay to the Lessor in each Rental Year the Rent by equal monthly instalments in advance on the first day of each month, without any formal or other demand.

5.2 Broken Periods

In the case of any broken period of less than one (1) month the Lessee will, on the first day of each broken period, pay an amount ascertained by multiplying the number of days in the broken period by the Rent for the Rental Year of which it forms part and dividing the result by the number of days in the Rental Year.

5.3 Rent Reviews

The Rent will be reviewed at each Review Date and calculated and determined in the manner specified in the Rent Review Schedule.

5.4 Delay in Calculating Rent

If there is any delay in calculating the Rent for any Rental Year the Lessee will continue to pay monthly instalments on account of the Rent at the same monthly rate at the end of the Rental Year last concluded and any necessary adjustment will be made within one (1) month of determining the Rent for the relevant Rental Year.

6. OPERATING COSTS AND OTHER CHARGES

6.1 Payment of Operating Costs

- (a) The Lessee must pay to the Lessor in each Accounting Period an amount equal to the Operating Costs for that Accounting Period.
- (b) To the extent that any component of Operating Costs is not separately assessed in respect of the Premises the Lessee will pay or reimburse to the Lessor that portion of the relevant Operating Costs which the area of the Premises bears to the total area of the land which is the subject of the relevant Operating Costs.
- (c) The Lessor may furnish to the Lessee prior to the commencement of the period to which the estimate is to relate an estimate of the Operating Costs recoverable from the Lessee and the Lessee must pay such estimated amounts to the Lessor by equal periodic payments in advance on the first day of each month. Within thirty (30) days after the expiration of each Accounting Period the Lessor must furnish an itemised statement to the Lessee containing particulars of each item of expenses comprising the Operating Costs paid or payable by the Lessee for that Accounting Period and as soon as reasonably practical after the end of each Accounting Period the Operating Costs for that Accounting Period will be calculated and an adjustment will be made between the Lessor and the Lessee by payment of any deficiency by the Lessee to the Lessor or the refunding or crediting of any excess by the Lessor to the Lessee as the case may require.
- (d) If not so prepaid the Lessee must, upon demand, pay or reimburse to the Lessor the Operating Costs once amounts have been calculated or paid by the Lessor as the case requires.
- (e) If the Term commences on a day other than the first day of a month or if this Lease is determined (whether by effluxion of time or otherwise) on a day other than a last day of a month, the Lessee will pay to the Lessor in respect of such broken period on the first day of such broken period a proportionate part of the Operating Costs calculated by multiplying the Operating Costs by the number of days in the broken period and dividing by three hundred and sixty-five (365).

6.2 Charges for Utilities

The Lessee will pay all charges for electricity, gas, water, oil and any other source or type of energy or fuel, telephone and other utilities and services to or from the Premises.

6.3 Charges Relating to the Lessee's Business

The Lessee must pay all amounts which are assessed, charged or imposed upon or in respect of or by virtue of the Lessee's business or the Lessee's occupancy of the Premises and whether assessed against the Lessor or the Lessee. If assessed against the Lessee such amounts will be paid by the Lessee to the relevant Authority by the due date for payment and if assessed against the Lessor will be paid to the Lessor upon demand.

6.4 Special Services

The Lessee will pay to the Lessor, upon demand, the amount of any additional or unusual costs, charges and expenses incurred by the Lessor at the request of the Lessee in having the alterations, repairs or maintenance to the Premises or to any services to the Premises or the Appurtenances effected outside the normal working hours of tradesmen concerned or in providing any special, additional or unusual services for the Lessee.

6.5 Goods and Services Tax

- (a) In this clause:
- (i) GST means GST within the meaning of the GST Act;
 - (ii) GST Act means "A New Tax System (Goods and Services Tax) Act 1999" as amended, or if that Act does not exist for any reason, means any Act imposing or relating to the imposition or administration of a goods and service tax, consumption tax, value-added tax, retail turnover tax or tax of a similar nature;
 - (iii) Input Tax means an amount equal to the amount of GST paid or payable for the supply of any thing acquired;
 - (iv) Primary Payment means any payment by the Lessee to the Lessor of any Rent, Operating Costs or other amount payable by the Lessee to the Lessor under this Lease;
 - (v) Tax Invoice means an invoice in the format required by the GST Act and which also shows the amount of GST payable by the Lessor in respect of the relevant Primary Payment; and
 - (vi) expressions used in this clause 6.5 have the meanings given to them in the GST Act.
- (b) All Primary Payments specified in this Lease are exclusive of GST.
- (c) If the Lessor is liable by law for any GST on any Primary Payment, the Lessee must pay to the Lessor the amount of the GST.
- (d) The Lessee must pay to the Lessor an amount in respect of any GST that the Lessee is required to pay under this Lease:
- (i) at the same time; and
 - (ii) in the same manner,
- as the Lessee is required to pay the Primary Payment in respect of which the GST relates.
- (e) As a precondition of any payment of an amount in respect of GST by the Lessee in respect of Rent and Operating Costs, the Lessor must provide to the Lessee a Tax Invoice.
- (f) If the Lessor refunds to the Lessee any amount under this Lease, the Lessor must also refund to the Lessee an amount in respect of any GST that the Lessee paid to the Lessor in respect of that amount.
- (g) Despite any other provision of this Lease, if a Primary Payment due under this Lease is a reimbursement or indemnification by one party of any expense, loss or liability incurred or to be incurred by the other party, the Primary Payment shall exclude any GST forming part of the amount to be reimbursed or indemnified for which the other party can claim an Input Tax Credit.

6.6 Costs of Lease

- (a) Each party must pay its own legal costs and outlays of and incidental to the negotiation, preparation, execution, stamping and registration of this Lease.
- (b) The Lessee must pay:
- (i) all stamp duty (if any) assessed against this Lease; and
 - (ii) all registration fees assessable against this Lease.

6.7 Costs of Re-Entry and Consents

The Lessee must upon demand pay to the Lessor the Lessor's reasonable legal costs and disbursements in relation to:

- (a) the Lessee's default or breach under the provisions of the Lease;
- (b) the lawful determination or lawful attempted determination of the Lease;
- (c) the lawful re-entry or lawful attempted re-entry by the Lessor into the Premises; and
- (d) the surrender of the Lease (including any stamp duties and registration fees thereon).

6.8 Interest on Overdue Money

If the Lessee does not pay on time any amount payable by it under the Lease it must pay to the Lessor interest on that amount from when it becomes due for payment until it is paid. Interest is calculated on daily balance at a rate of two per centum (2%) per annum above the rate quoted on the day of demand by the Lessor's principal bankers (as nominated by the Lessor) on unsecured overdraft accommodation in excess of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00).

7. USE OF PREMISES

7.1 Permitted Use

The Lessee must not (without the prior written consent of the Lessor) use the Premises or any part of them for any purpose other than for the Permitted Use.

7.2 No Warranty as to Use

- (a) The Lessor does not give any warranty of any kind that the Premises are suitable for the purpose for which the Lessee intends to use them. Any warranty in relation to the Premises which is implied by law is excluded to the extent that the law permits the warranty to be excluded.
- (b) The Lessee must do everything necessary for the Lessee to use the Premises lawfully, including obtaining the consent of any relevant Authority which may be required for the Lessee to carry on its business in the Premises and the failure of the Lessee to do so does not relieve the Lessee of its obligation to pay Rent and otherwise to observe the Lessee's covenants.

7.3 Compliance with Requirements

- (a) The Lessee must, at its own cost, punctually, fully and effectually comply with all Requirements, so far as they relate to the Lessee's use of the Premises.
- (b) The Lessee is not required by this clause to make any structural improvements or alterations except where they are rendered necessary or desirable as a consequence of:
 - (i) any act or omission on the part of the Lessee or the Lessee's Employees; or
 - (ii) the use of the Premises for the Permitted Use.

7.4 Positive Obligations

The Lessee must:

- (a) conduct the Lessee's business in a safe and proper manner;
- (b) inform the Lessor of damage to the Premises or of a faulty Service immediately it becomes aware of it;

- (c) secure the Premises when they are unoccupied;
- (d) take, from time to time, all reasonable precautions to keep the Premises free of pests, insects, vermin and other similar infestation; and
- (e) keep the Premises free from rubbish and dirt and store all trade waste refuse and garbage in proper receptacles in the areas designated for the purpose and arrange for the regular removal of same from the Premises.

7.5 Negative Obligations

The Lessee must not:

- (a) carry on, in or on the Premises any noxious or offensive act, trade, business, occupation or calling;
- (b) materially alter or interfere with the Lessor's Fixtures, use them for any purpose other than those for which they were constructed or provided or remove them from the Premises;
- (c) do anything to overload, block or interfere with the Services nor use them for anything other than their intended purpose;
- (d) store or use inflammable, volatile or explosive substances on the Premises;
- (e) hold or permit to be held any auction, bankruptcy or fire sale in the Premises; and
- (f) do anything on the Premises or bring to or keep anything in the Premises whereby any policy of insurance relating to the Premises may be rendered void or voidable.

8. MAINTENANCE AND REPAIRS

8.1 Repair of Premises

- (a) The Lessee must keep the Premises and the Lessor's Fixtures in good repair and condition (having regard to the condition of the Premises at the Date of Commencement) except for:
 - (i) fair wear and tear and damage resulting from fair wear and tear;
 - (ii) damage by fire, flood, lightning, storm, tempest, act of God, war damage and any other damage not caused by the Lessee; and
 - (iii) damage covered by insurances taken out by the Lessor in respect of the Premises.
- (b) The exception in clause 8.1(a)(iii) will not apply if an insurer under any policy of insurance effected by the Lessor under clause 9.3 is entitled to and does refuse indemnity as a result of the Lessee's default of this Lease or the Lessee's negligence.
- (c) Nothing in clause 8.1(a) imposes any obligation on the Lessee in respect of any structural maintenance, replacement, renovation or repair unless required because of the neglect or default of the Lessee.

8.2 Maintenance and Breakages

The Lessee will promptly repair or replace:

- (a) broken glass with glass of the same quality;
- (b) damaged or inoperative electric light bulbs, globes, tubes and other means of illumination and light switches and power points which may become damaged or fail to operate; and

- (c) the Lessor's Fixtures which are broken or damaged by the Lessee or the Lessee's employees except as a result of fair wear and tear.

8.3 Internal Painting

The Lessee must, at its own expense, paint the walls, ceiling and other parts of the interior of the Building which have, at any time, been previously painted once during the Term and if reasonably required by the Lessor once during the First Option Term, the Second Option Term, the Third Option Term and the Fourth Option Term.

8.4 External Areas

The Lessee must maintain all landscaped and garden areas outside the Building in good order and condition. The Lessee will:

- (a) weed all gardens and landscaped areas;
- (b) mow all lawns and keep them neat and tidy; and
- (c) generally maintain the grounds neat and free from rubbish.

8.5 Lessee's Works

- (a) The Lessee must not make any alterations or additions to the Premises without the prior written approval of the Lessor (which may not be unreasonably withheld where the Lessee complies with this clause 8.5) and of each Authority whose approval is necessary to enable the work to be lawfully carried out.
- (b) The Lessee must give the Lessor plans and specifications for the proposed work and pay any reasonable fees charged by the Lessor's architect for advising on them.
- (c) The Lessee must undertake the work in accordance with the Requirements and of any Authority.

8.6 Playground Equipment

Despite clause 8.5, the Lessee may from time to time without the requirement to obtain the consent of the Lessor alter, add to, modify, repair, replace or remodel Playground Equipment provided that the Lessee does so in compliance with all Requirements and the requirements of any Authority.

8.7 Air-conditioning Equipment

- (a) The Lessee must at the expense of the Lessee, enter into and maintain a preventative maintenance contract for the regular servicing and maintenance of air-conditioning equipment in the Building in accordance with the manufacturer's recommendation.
- (b) Nothing in this clause requires the Lessee to carry out repairs or replacements of a capital nature. The Lessor must at the cost of the Lessor undertake repairs or replacements of a capital nature and to be clear, must replace any major working components of the air-conditioning equipment which are damaged or in need of replacement.
- (c) If the air-conditioning equipment reaches the end of its economical usefulness, the Lessor must at its own cost replace the air-conditioning equipment.

8.8 Repair at End of Lease

The Lessee must:

- (a) give the Premises back to the Lessor in good repair and working order subject to clause 8.1 and ensure that the Premises are clean and free from rubbish; and

- (b) remove any signs displayed on the Premises and make good any damage caused by the installation of signs or their removal to the reasonable satisfaction of the Lessor.

8.9 Removal of Lessee's Fixtures

- (a) The Lessee must take the Lessee's Fixtures away from the Premises when the Lease ends.
- (b) The Lessee must not damage the Premises by the removal of the Lessee's Fixtures and if it does so, must immediately make good any damage to the reasonable satisfaction of the Lessor.
- (c) Lessee's Fixtures which are not removed within twenty-one (21) days of expiry of this Lease will become the property of the Lessor.
- (d) The Lessor may, at the expense of the Lessee, remove and dispose of the Lessee's Fixtures if the Lessee does not take them away as required under clause 8.9(c).

9. INSURANCES

9.1 Lessee's Insurance

The Lessee must:

- (a) insure against public liability in relation to the Premises for a sum not less than the sum specified in Item 8 of the Reference Schedule for a single claim or for another minimum sum that the Lessor may reasonably require;
- (b) insure all plate and other glass on the Premises against breakages.

9.2 Policy

The Lessee must:

- (a) effect each policy with an insurer of good repute and apparently sound financial backing;
- (b) ensure that the policy effected under clause 9.1(a) of this Lease notes the interest of the Lessor as owner of the Premises; and
- (c) give the Lessor a Certificate of Currency issued by the insurer at reasonable intervals as notified by the Lessor to the Lessee in writing.

9.3 Lessor's Insurance

- (a) The Lessor must effect and keep current a policy of building reinstatement and replacement insurance in respect of the Building against fire and all other risks of damage to or destruction of the Building for the full replacement value of the Building, the Lessor's Fixtures and the Services.
- (b) If requested by the Lessee the Lessor must give to the Lessee a Certificate of Currency issued by the insurer at reasonable intervals as notified by the Lessee to the Lessor in writing.
- (c) If the Lessor fails to maintain the insurance required under clause 9.3(a) the Lessee may effect and maintain that insurance.

10. RELEASE AND INDEMNITY

10.1 Risk and Release

- (a) All of the Lessee's Fixtures in the Premises will be at the Lessee's sole risk.
- (b) The Lessee will occupy and use the Premises at the Lessee's risk.

- (c) To the full extent permitted by law, the Lessee releases the Lessor from liability for any claim for loss or damage in respect of or arising from:
- (i) any property in the Premises;
 - (ii) damage or injury to any person or property on the Premises; or
 - (iii) any of the circumstances set out in clause 10.2(a),

except to the extent that such claim is caused or contributed to by any negligence, deliberate act or default of the Lessor or the Lessor's Employees.

10.2 Indemnity

The Lessee indemnifies the Lessor against all claims for loss or damage arising from:

- (a) any property damage or personal injury or death occurring in or on the Premises to the extent caused or contributed to by any act or default of the Lessee or the Lessee's Employees; and
- (b) the negligent use of the Services and the facilities in the Premises or the Lessor's Fixtures, by the Lessee and the Lessee's Employees,

except to the extent that such claim is caused or contributed to by any negligence, deliberate act or default by the Lessor or the Lessor's Employees, contractors, agents and any person who may be on the Land or in the Building with the authority of the Lessor.

11. ASSIGNMENT, SUBLETTING AND MORTGAGING

11.1 Assignment, Subletting etc

- (a) The Lessee must not:
 - (i) assign this Lease;
 - (ii) give a sub-lease, license or concession of the whole of Premises; or
 - (iii) part with possession of the whole of the Premises,without the prior written consent of the Lessor.
- (b) The Lessee may without the consent of the Lessor sub-lease part of the Premises or grant a license or concession over part of the Premises for a term expiring at least one (1) day before expiry of the Term or any period of renewal. The Lessee must not sub-lease part of the Premises without the consent of the mortgagee of the Land. The Lessor must, if requested by the Lessee and at the Lessee's cost, use reasonable endeavours to obtain the written consent of any mortgagee to the Lessee sub-leasing part of the Premises.
- (c) To be clear the grant of a sub-lease, license or concession under clause (b) of this clause 11.1 will not limit the obligations of the Lessee under or the extent to which the Lessee is bound by the Lessee's Covenants.

11.2 Consent

The Lessor may not unreasonably withhold its consent to an assignment or sub-lease if:

- (a) the proposed assignee or sub-lessee is a respectable, responsible and solvent person;

- (b) the proposed assignee or sub-lessee enters into a deed with the Lessor containing a covenant that the assignee or sub-lessee will comply with the Lessee's Covenants and that deed is prepared by the Lessor's solicitors at the reasonable cost of the Lessee; and
- (c) in the case of an assignee or sub-lessee which is a corporation, the Lessee procures execution of any guarantee required by the Lessor under clause 11.3.

11.3 Corporate Assignee or Sub-Lessee

- (a) If the assignee or sub-lessee is a corporation, the shares in which are not quoted on any stock exchange in Australia, it may be a term of the Lessor's consent to an assignment or sub-letting that the directors of that corporation guarantee to the Lessor the observance and performance by the assignee or sub-lessee of the Lessee's Covenants including payment of all Rent, Operating Costs and other moneys payable by the Lessee under this Lease.
- (b) The guarantee will be in a form reasonably required by the Lessor and will be prepared by the Lessor's solicitors at the reasonable cost of the Lessee.

11.4 Change in Control of Lessee

If:

- (a) the Lessee is a company which is not a company listed on the Australian Stock Exchange; and
- (b) there is a proposed change in the shareholding of the Lessee or any company of which the Lessee is a subsidiary so that a different person or group of persons will control the composition of the board of directors or more than fifty per cent (50%) of the shares giving a right to vote at General Meetings,

then the Lessee may not make that change unless it obtains the Lessor's approval and complies with clause 11.2 as if the person or group of persons acquiring control were a proposed new assignee.

11.5 Release

If the Lessee assigns this Lease in accordance with this clause 11, then the Lessee will be released from the Lessee's Covenants in respect of the period after the assignment takes effect.

11.6 Mortgaging Lessee's Interest in Premises

- (a) The Lessee will not mortgage, charge or otherwise encumber this Lease or the Lessee's interest in this Lease or the Premises, nor will it mortgage, charge, lease or otherwise deal with any of the Lessee's Fixtures without first obtaining the written consent of the Lessor which consent must not be unreasonably withheld.
- (b) The Lessor must enter into an agreement with the Lessee's credit provider (**Financier**) on terms reasonably required by the Financier, which may (among other things):
 - (i) confer upon the Financier or any Receiver to the Lessee a right to access the Premises to inspect the Premises and the Lessee's fixtures;
 - (ii) confer upon the Financier or any Receiver to the Lessee a right to enter into possession of the Premises in exercise of the Financier's rights under the securities given by the Lessee to the Financier, provided that the Financier pays Rent and other moneys payable under this Lease during the period of possession;
 - (iii) confer upon the Financier or any Receiver to the Lessee a right to assign this Lease or sublet the Premises, in accordance with this Lease; and
 - (iv) require the Lessor to notify the Financier of any default by the Lessee under the Lease and allow the Financier a reasonable opportunity to make good that default before exercising a right

of termination or a right to take possession of the Premises or a right to convert the tenancy under the Lease to a periodic tenancy.

- (c) The Lessee must pay the Lessor's reasonable legal costs incurred under or in connection with this clause 11.6.

12. LESSOR'S COVENANTS

12.1 Quiet Enjoyment

Subject to the terms of this Lease, the Lessee may use the Premises without interruption or disturbance from the Lessor or any person claiming by, through or under the Lessor.

12.2 Rates and Taxes

The Lessor will pay such rates and taxes assessed on or in respect of the Premises as are not required by this Lease to be paid by the Lessee.

12.3 Lessor's repair Obligations

The Lessor must at the cost of the Lessor:

- (a) keep the Premises in good repair and condition except to the extent which the Lessee is obliged to do so under this Lease and, in particular, must use reasonable endeavours to maintain the Premises in a structurally sound, safe and water tight condition throughout the Term including repainting of the exterior of the Building as often as is necessary to maintain a good appearance of the Building; and
- (b) maintain all Services to the Premises except for temporary interruption due to circumstances beyond the control of the Lessor (in which case the Lessor must use its best endeavours to rectify the interruption as soon as possible).

12.4 Compliance with Requirements

At its expense, the Lessor must comply and observe any Requirement except where the Lessee is expressly required by this Lease to comply with such Requirement.

12.5 Mortgagee Consent

The Lessor must obtain at its own cost the unconditional written consent of any mortgagee, chargee or other person who has or claims an interest in the Premises to this Lease and deliver that consent to the Lessee by no later than the Date of Commencement.

12.6 Registration of Lease

The Lessor must promptly cause this Lease to be registered at the appropriate office subject only to payment by the Lessee of registration fees on this Lease.

13. DEFAULT

13.1 Default

The Lessee will be in default if:

- (a) the Lessee has failed to pay Rent or other money payable under this Lease or has failed to perform or observe the Lessee's Covenants and the Lessor has given notice in writing specifying the default and allowing the Lessee a reasonable period (being not less than fourteen (14) days) to rectify the default and the Lessee has failed to rectify the default specified within the period allowed in the notice; or
- (b) an Insolvency Event occurs.

13.2 Forfeiture of Lease

If the Lessee is in default as specified in clause 13.1, the Lessor may at its option after first giving notice where required by law:

- (a) re-enter and take possession of the Premises; or
- (b) by notice in writing to the Lessee terminate this Lease and from the date of giving such notice this Lease terminates; or
- (c) by notice in writing to the Lessee convert the term to a periodic tenancy in which event this Lease will terminate as from the giving of such notice and, thereafter, the Lessee will hold the Premises from the Lessor as tenant for a term of one (1) month and, thereafter, from month to month at a monthly rent equal to monthly instalments on account of the Rent (such rent being payable monthly in advance) but otherwise on the terms and conditions of this Lease so far as they can be applied to a periodic tenancy. Any such periodic tenancy may be terminated in accordance with Section 134 of the *Property Law Act 1974* provided that if the Lessee defaults in the performance of its obligations after such conversion the tenancy may be terminated on not less than 72 hours' notice to the Lessee expiring at any time.

13.3 Damages for Breach

If the Lessee commits a breach of a fundamental obligation of this Lease (whether positive or negative) which the Lessor elects to treat as a repudiation of this Lease by the Lessee and as a result the Lessor terminates this Lease, the Lessor may, without prejudice to any other remedy it may have at law against the Lessee, recover damages from the Lessee being the difference between the aggregate of Rent and other money payable by the Lessee for the unexpired residue of the Term less any amount the Lessor obtains, or could reasonably be expected to obtain by observing clause 13.4.

13.4 Lessor to Mitigate

If this Lease is terminated, the Lessor must take reasonable steps to mitigate its loss and endeavour to re-lease the Premises on reasonable terms. The Lessor's entitlement to damages will be assessed on the basis that the Lessor has observed the obligation to mitigate damages. The Lessor's conduct in mitigating its damages will not, of itself, constitute acceptance of the breach or repudiation or a surrender by operation of law.

13.5 Removal of Lessee's Fixtures

- (a) If the Lessor becomes entitled to re-enter the Premises, the Lessee must, within twenty-one (21) days after receiving written notice from the Lessor to do so, immediately remove all of the Lessee's Fixtures from the Premises.
- (b) If the Lessee fails to remove the Lessee's Fixtures within the twenty-one (21) day period the Lessor may:
 - (i) remove them at any time and store or sell them at the cost of the Lessee, and; or
 - (ii) treat them as being abandoned in which case they will become the property of the Lessor.

14. DAMAGE AND DESTRUCTION

14.1 Rent Reduction

If the Building is damaged or destroyed and as a result, the Premises are wholly or partially unfit for use or the Lessee cannot gain access to the Premises then from the date of the damage or destruction until the date that the Premises are fit for use and accessible, the Lessor:

- (a) must reduce the Rent and any other money payable to the Lessor by a reasonable amount depending on the type and extent of the damage or destruction; and

- (b) cannot require the Lessee to clean, repair or maintain the Premises until the Premises are fit for use and accessible.

14.2 Reinstatement of the Premises

- (a) If the Building is damaged or destroyed:

- (i) the Lessor may elect to reinstate or rebuild the Premises and if so, give notice in writing in that behalf to the Lessee (**Lessor's Reinstatement Notice**) as soon as is reasonably practicable after the event giving rise to the damage or destruction; or
- (ii) the Lessee may by notice in writing to the Lessor (**Lessee's Reinstatement Notice**) given not later than 60 days of the happening of the event giving rise to the damage or destruction, require the Lessor to reinstate or rebuild the Premises.

- (b) Where a Lessor's Reinstatement Notice or a Lessee's Reinstatement Notice is given, subject to:

- (i) the Lessor's insurer accepting a claim under the Lessor's policy of insurance in respect of the Premises for the reinstatement or rebuilding of the Premises;
- (ii) the proceeds of the policy being sufficient to cover the cost of reinstatement or rebuilding, including the cost of demolition, consultant's fees and the obtaining of all necessary consents and approvals;
- (iii) all relevant Authorities giving necessary consents and approvals for the reinstatement or rebuilding or for use of the Premises (as applicable); and
- (iv) the succeeding provisions of this clause 14,

the Lessor must with all reasonable expedition cause the Premises to be reinstated or rebuilt but is not obliged to reinstate or rebuild the Building or the Premises to the former specifications so long as the layout and dimensions are not materially different.

- (c) If:

- (i) during the last 2 years of the Term the Premises are damaged or destroyed so that the Premises are rendered wholly unfit for occupation or use by the Lessee or so as to effectively prevent the economical use of the Premises by the Lessee; and
- (ii) the Lessee has not given notice exercising an option for a further term under clause 15 (if applicable),

then subject to clause 14.2(d), the Lessor may within 3 months after the event giving rise to the damage or destruction terminate this Lease by giving not less than 1 month's written notice to the Lessee but without prejudice to any antecedent rights of either party prior to the date of termination.

- (d) If the Lessor intends to terminate this Lease under clause 14.2(c) and the Lessee has an option to renew this Lease which has not been exercised, the Lessor must first notify the Lessee in writing of its intention to terminate within 2 months after the event giving rise to the damage or destruction.

- (e) Within 1 month of the Lessee receiving the Lessor's notice of intention to terminate under clause 14.2(d), the Lessee may exercise the option despite any time limits imposed by this Lease on exercising the option.

- (f) If:

- (i) the Lessee exercises the option pursuant to clause 14.2(e), the Lessor is not entitled to terminate this Lease under clause 14.2(c) and the Lessor must promptly reinstate or rebuild the Premises, subject to clause 14.2(b)(i), (ii) and (iii); or

- (ii) the Lessee does not exercise the option pursuant to clause 14.2(e), the Lessor may terminate this Lease within a further month in accordance with clause 14.2(c).

14.3 Termination by Lessor

If:

- (a) the Lessee does not give a Lessee's Reinstatement Notice; or
- (b) any one or more of the conditions specified in clause 14.2(b) have not been satisfied, whether or not the Lessee gives a Lessee's Reinstatement Notice,

the Lessor may terminate this Lease by giving not less than 1 month's notice in writing to the Lessee and no compensation is payable for that termination.

14.4 Termination by Lessee

If:

- (a) the Lessor having given a Lessor's Reinstatement Notice; and
- (b) all conditions specified in clause 14.2(b) have been satisfied or (where possible) waived by the Lessor,

and the Lessor does not commence or having commenced does not complete reinstatement or rebuilding within a reasonable period (having regard to the nature and extent of the damage or destruction) the Lessee may terminate this Lease by giving not less than 1 month's notice in writing to the Lessor and no compensation is payable for that termination.

14.5 Dispute Resolution

- (a) The Lessee is entitled to dispute the reasonableness of any reduction of Rent and other monies.
- (b) Any dispute as to the extent and reasonableness of any reduction in Rent and other monies must be determined by an independent valuer appointed by the President of the Institute at the request of either party.
- (c) In making the determination, the appointed valuer acts as an expert and the determination is final and binding on both parties.
- (d) The cost of the determination must be paid by the parties equally unless otherwise decided by the appointed valuer.

14.6 Antecedent Rights

Termination under this clause 14 or any other provision of this Lease does not affect either party's accrued rights before termination.

14.7 Lessor's Rights not Affected

This clause 14 does not affect any rights the Lessor may have if the rights under an insurance policy in connection with the Premises are prejudiced or a policy is cancelled or payment of a premium or claim is refused by the insurer because of the act, omission, negligence or default of the Lessee or the Lessee's Employees. In any of those events, clause 14.1 does not apply.

14.8 Resumption

The Lessor or the Lessee may terminate this Lease (without compensation from either party) by written notice to the other if the Premises or any part of the Premises is taken for public purposes by a competent Authority so as to render the Premises substantially unfit for occupation by the Lessee or substantially inaccessible.

15. RENEWAL

15.1 First Option to Renew

If the Lessee wishes to take a lease of the Premises for the First Option Term after the expiration of the Term and:

- (a) not less than three (3) months prior to expiry of the Term, gives written notice to the Lessor to that effect;
- (b) as at the date of the Lessee giving notice under clause 15.1(a), there is no subsisting breach by the Lessee of the Lessee's Covenants entitling the Lessor to immediately terminate this Lease under clause 13.2;
- (c) as at the date of expiry of the Term there is no subsisting breach by the Lessee of the Lessee's Covenants entitling the Lessor to immediately terminate this Lease under clause 13.2,

then the Lessor will grant to the Lessee a lease of the Premises for the First Option Term (**new lease**) on the following conditions:

- (d) the new lease will commence on the date next following expiry of the Term;
- (e) the Rent for the First Option Term will be determined in accordance with clause 15.5; and
- (f) the terms and conditions of the new lease will be the same as the Lease except this clause 15.1 will be deleted.

15.2 Second Option to Renew

If the Lessee wishes to take a lease of the Premises for the Second Option Term after expiration of the First Option Term and:

- (a) not less than three (3) months prior to expiry of the First Option Term gives written notice to the Lessor to that effect;
- (b) as at the date of the Lessee giving notice under clause 15.2(a), there is no subsisting breach by the Lessee of the Lessee's Covenants entitling the Lessor to immediately terminate this Lease under clause 13.2;
- (c) as at the date of expiry of the First Option Term there is no subsisting breach by the Lessee of the Lessee's Covenants entitling the Lessor to immediately terminate this Lease under clause 13.2,

then the Lessor will grant to the Lessee a lease of the Premises for the Second Option Term (**new lease**) on the following conditions:

- (d) the new lease will commence on the date next following expiry of the First Option Term;
- (e) the Rent for the Second Option Term will be determined in accordance with clause 15.5; and
- (f) the terms and conditions of the new lease will be the same as the Lease except this clause 15.2 will be deleted.

15.3 Third Option to Renew

If the Lessee wishes to take a lease of the Premises for the Third Option Term after expiration of the Second Option Term and:

- (a) not less than three (3) months prior to expiry of the Second Option Term gives written notice to the Lessor to that effect;

- (b) as at the date of the Lessee giving notice under clause 15.3(a), there is no subsisting breach by the Lessee of the Lessee's Covenants entitling the Lessor to immediately terminate this Lease under clause 13.2;
- (c) as at the date of expiry of the Second Option Term there is no subsisting breach by the Lessee of the Lessee's Covenants entitling the Lessor to immediately terminate this Lease under clause 13.2,

then the Lessor will grant to the Lessee a lease of the Premises for the Third Option Term (**new lease**) on the following conditions:

- (d) the new lease will commence on the date next following expiry of the Second Option Term;
- (e) the Rent for the Third Option Term will be determined in accordance with clause 15.5; and
- (f) the terms and conditions of the new lease will be the same as the Lease except this clause 15.3 will be deleted.

15.4 Fourth Option to Renew

If the Lessee wishes to take a lease of the Premises for the Fourth Option Term after expiration of the Third Option Term and:

- (a) not less than three (3) months prior to expiry of the Third Option Term gives written notice to the Lessor to that effect;
- (b) as at the date of the Lessee giving notice under clause 15.4(a), there is no subsisting breach by the Lessee of the Lessee's Covenants entitling the Lessor to immediately terminate this Lease under clause 13.2;
- (c) as at the date of expiry of the Third Option Term there is no subsisting breach by the Lessee of the Lessee's Covenants entitling the Lessor to immediately terminate this Lease under clause 13.2,

then the Lessor will grant to the Lessee a lease of the Premises for the Fourth Option Term (**new lease**) on the following conditions:

- (d) the new lease will commence on the date next following expiry of the Third Option Term;
- (e) the Rent for the Fourth Option Term will be determined in accordance with clause 15.5; and
- (f) the terms and conditions of the new lease will be the same as the Lease except this clause 15.4 will be deleted.

15.5 Determination of Rent

- (a) The Rent for the first Rental Year of the First Option Term, the first Rental Year of the Second Option Term, the first Rental Year of Third Option Term and the for the first Rental Year of the Fourth Option Term will be the current rent value of the Premises as at the commencement of the relevant Rental Year as determined pursuant to clause 2 of the Rent Review Schedule.
- (b) The Rent for the second and subsequent Rental Years of the First Option Term, the Second Option Term, the Third Option Term and the Fourth Option Term will be adjusted in accordance with clause 1 of the Rent Review Schedule.

16. LESSOR'S ADDITIONAL RIGHTS

16.1 Right to Enter

Subject to clause 16.5, the Lessor may enter the Premises to see if the Lessee is complying with its obligations under this Lease or to do anything the Lessor must or may do under this Lease or to view the condition of the Premises generally.

16.2 Lessor may Rectify

Subject to clause 16.5, the Lessor may do anything which the Lessee should have done under this Lease but which it has not done in accordance with that notice, and may recover from the Lessee the cost thereof.

16.3 Other Work on Premises

Subject to clause 16.5, the Lessor may enter the Premises and carry out work required by law or by any Authority. When exercising its rights under this clause, the Lessor must do everything reasonably necessary to minimise interference with the Lessee's business.

16.4 Viewing

Subject to clause 16.5, the Lessor may:

- (a) enter the Premises to show prospective purchasers, mortgagees or lessees through the Premises; and
- (b) display from the Premises a sign indicating that the Land is available for purchase; and
- (c) display during the last six (6) months of the Term a sign indicating that the Premises are available for lease.

16.5 Right of Entry Restriction

All rights of entry or access to the Premises exercisable by the Lessor or its employees, agents, contractors and invitees under the provisions of this Lease or otherwise are subject to and must only be exercised in accordance with the following requirements:

- (a) the Lessor must give the Lessee at least forty-eight (48) hours prior written notice of its intention to enter the Premises;
- (b) the right of entry must only be exercised in the company of a representative of the Lessee; and
- (c) generally so as to minimise interference with the Lessee's business.

In the case of an emergency, the Lessor may enter at any time and without notice, but must still do everything reasonably necessary to minimise interference with the Lessee's business.

17. TRUSTS

If the Lessee enters into the Lease as trustee of any trust (**Trust**) then whether or not the Lessor may have notice of the Trust, the Lessee warrants with the Lessor as follows:

- (a) the Lease extends to all rights and indemnities which the Lessor now or subsequently may have against the Trust and the Trust fund;
- (b) the Lessee has full and complete power and authority under the Trust to enter into the Lease and the provisions of the Trust do not purport to exclude or take away the right of indemnity of the Lessee against the Trust or the Trust fund and the Lessee must not release that right of indemnity or permit any breach of trust or be a party to any other action which might prejudice that right of indemnity; and

- (c) despite anything in any deed of trust or settlement or other document contained the Lessee will be and at all times remain personally liable to the Lessor for the due performance, fulfilment and observance of the Lessee's Covenants.

18. NOTICES AND APPROVALS

18.1 Requirements

All notices, requests, demands, consents, approvals or other communications under the Lease (**Notice**) to, by or from a party must be:

- (a) in writing;
- (b) addressed to a party in accordance with its details set out in Item 9 (a) and 9(b) of the Reference Schedule, or as otherwise specified by that party by Notice (**Notified Contact Details**); and
- (c) signed by the sending party or a person duly authorised by the sending party or, if Notice is sent by email (if applicable), sent by the sending party.

18.2 How a Notice must be given

In addition to any other method of serving Notices permitted to by Law, the Notice may be given by one of the methods set out in Clause 18.3.

18.3 When Notices considered given and received

Subject to Clause 18.4, a Notice is regarded as being given by the sending party and received by the receiving party:

- (a) if delivered by hand to the address set out in the Notified Contact Details, when delivered to that address;
- (b) if sent by pre-paid post to the address set out in the Notified Contact Details, at 9am on the third (3rd) Business Day (or the seventh (7th) Business Day, if posted to or from a place outside Australia) after the date of posting;
- (c) if sent by facsimile to the facsimile number set out in the Notified Contact Details, at the time indicated by the sending party's transmission equipment as the time that the facsimile was sent in its entirety; and
- (d) if sent by email to the address set out in Notified Contact Details (or to the email address of that party's legal representative) when the email (including any attachment) is sent to the receiving party at that email address, unless the sending party receives a notification of delivery failure within 24 hours of the email being sent.

18.4 Time of Delivery and Receipt

If pursuant to Clause 18.3 a Notice would be regarded as given and received on a day that is not a Business Day or after 5.00pm on a Business Day, then the Notice will be deemed as given and received 9.00am on the next Business Day.

18.5 General

A party may change its contact details as set out in Item 9(a) and 9(b) of the Reference Schedule by giving a Notice to the other parties.

19. POWER OF ATTORNEY

19.1 Power of Attorney

After the right of re-entry has arisen the Lessor, as the Lessee's attorney, may:

- (a) sign a surrender of this Lease; or
- (b) procure the surrender to be registered.

19.2 Appointment

The Lessee irrevocably appoints the Lessor and each of its officers as the Lessee's attorney to act under clause 19.1.

20. GENERAL PROVISIONS

20.1 Waiver and Variation to be in Writing

A provision of or a right under the Lease may not be waived or varied except in writing signed by whoever is to be bound.

20.2 Timing of Payment on Demand

If the Lease does not specify a date for payment of any amount by the Lessee, then the Lessee must pay that amount within twenty-one (21) days after the Lessor demands it.

20.3 Lessor's Consent

Unless otherwise stated, the Lessor agrees that where the Lessor's consent or approval is required under this Lease that consent or approval must not be unreasonably withheld or delayed.

20.4 Prior Breaches

Expiry or termination of the Lease does not affect any rights in connection with a breach of this Lease before then.

20.5 Severance

If any part of the Lease is, or becomes void and unenforceable that part is or will be severed from the Lease to the intent that all parts of that are not, or do not become, void or unenforceable remain in full force and effect and are unaffected by that severance.

20.6 Moratorium

To the fullest extent permitted by law, the provisions of a statute which would, but for this clause:

- (a) extend or postpone the date for the payment of money; or
- (b) abrogate, nullify, postpone or otherwise affect any right, power, remedy or discretions given to or accruing to the Lessor,

under the Lease does not apply to limit or affect the terms of the Lease.

20.7 Whole Agreement

The Lease contains the entire agreement between the parties and supersedes all previous correspondence and negotiations.

20.8 Governing Law

The Lease is governed by and construed in all respects in accordance with the laws of Queensland.

20.9 Counterparts

This Lease may consist of a number of counterparts and the counterparts taken together constitute one and the same instrument.

21. BANK GUARANTEE

21.1 Provision of Bank Guarantee

On or before the Date of Commencement, the Lessee must deliver to the Lessor the Bank Guarantee to the value specified in Item 10 of the Reference Schedule.

21.2 Calling Up Guarantee

If the Lessee defaults under the Lease, the Lessor may call upon the Bank Guarantee without notice to the Lessee.

21.3 Replacement of Bank Guarantee

If the Lessor makes any call upon the Bank Guarantee the Lessee must, no later than twenty one (21) days after the Lessor gives the Lessee a notice asking for it, provide to the Lessor a replacement or additional Bank Guarantee so that the amount guaranteed is equal to the amount specified in Item 10 of the Reference Schedule.

21.4 Increase

If the Lessor gives to the Lessee a notice in writing in that behalf, the Lessee must following the expiry of each five (5) yearly interval increase proportionately the amount of the Bank Guarantee so that the value represents the amount specified Item 10 of the Reference Schedule.

21.5 Assignment by Lessor

If the Lessor transfers or assigns its interest in the Lease or the Land, then the Lessor will also be entitled to assign the benefit of all obligations of the Lessee under this clause 21 and the Lessee must, if requested by the Lessor, at the cost of the Lessor either:

- (a) enter into a deed or agreement with any transferee or assignee to perfect that assignment; or
- (b) provide a replacement Bank Guarantee in a form acceptable to the Lessor (acting reasonably) in favour of the transferee or assignee.

21.6 Return of Bank Guarantee

The Bank Guarantee (so far as it has not been resorted to) will be surrendered by the Lessor to the Lessee as soon as practicable after:

- (a) the performance by the Lessee of all of the Lessee's Covenants (including following a permitted assignment of this Lease where the assignee provides a replacement Bank Guarantee); and
- (b) the Lessee vacating the Premises.

REFERENCE SCHEDULE

Item 1

(Clauses 1 & 4)

PREMISES

The Land and improvements known as 202 Thozet Road, Koongal QLD 4701

Item 2

(Clauses 1 & 4)

TERM

Ten (10) years

Item 3

(Clause 1)

DATE OF COMMENCEMENT

The 30 day June 2017

Item 4

(Clauses 1, 5.1 & 5.3)

RENT

\$142,200.00 per annum (plus GST)

Item 5

(Clause 1 of the Rent Review Schedule)

RENT REVIEWS

(a) Fixed Increase Adjustment Date

- 18 • the first day of the second, third, fourth, fifth, seventh, eighth, ninth and tenth Rental Years of the Term;
- 19 • where the Lease is renewed under clause 15.1, the first day of the second, third, fourth and fifth Rental Years of the First Option Term;
- where the Lease is renewed under clause 15.2, the first day of the second, third, fourth and fifth tenth Rental Years of the Second Option Term;
- where the Lease is renewed under clause 15.3, the first day of the second, third, fourth and fifth Rental Years of the Third Option Term; and
- where the Lease is renewed under clause 15.4, the first day of the second, third, fourth and fifth Rental Years of the Fourth Option Term.

(Clause 2 of the Rent Review Schedule)

(b) Market Review Date

- the first day of the sixth Rental Year of the Term;
- where the Lease is renewed under clause 15.1, the first day of the first Rental Year of the First Option Term;
- where the Lease is renewed under clause 15.2, the first day of the first Rental Year of the Second Option Term;
- where the Lease is renewed under clause 15.3, the first day of the first Rental Year of the Third Option Term; and
- where the Lease is renewed under clause 15.4, the first day of the first Rental Year of the Fourth Option Term.

Item 6

(Clause 7.1)

PERMITTED USE

Child Care Centre and any other ancillary use or any other lawful use

Item 7

(Clause 15.1)
(Clause 15.2)
(Clause 15.3)

OPTION TERM

- (a) First Option Term – five (5) years
- (b) Second Option Term – five (5) years
- (c) Third Option Term – five (5) years
- (d) Fourth Option Term – five (5) years.

Item 8

(Clause 9.1)

PUBLIC LIABILITY INSURANCE

Twenty million dollars (\$20,000,000.00)

Item 9

(Clause 18)

ADDRESS FOR SERVICE

- (a) Lessor:
Address:
Facsimile:

Handwritten numbers: 146466, 150859, 155300, 160047, 164849

Handwritten notes: AX 1.03, 12948081, 14243

Email:
(b) Lessee:
Address:
Facsimile:
Email:

Item 10

(Clauses 1 & 21)

BANK GUARANTEE

An amount equal to three (3) months Rent (plus GST).

RENT REVIEW SCHEDULE

1. FIXED INCREASE REVIEW (clauses 5.3 and 15.5)

At each Fixed Increase Adjustment Date, the Rent for the ensuing Rental Year will be an amount determined in accordance with the following formula:

$$R = A \times 1.03$$

Where:

R is the Rent payable by the Lessee for the Rental Year commencing on the current Review Date; and

A is the Rent payable by the Lessee for the Rental Year immediately prior to the current Review Date.

2. MARKET REVIEW (clauses 5.3 and 15.5)

2.1 The Rent payable for the Rental Year commencing on a Market Review Date will be determined in accordance with this clause 2.

2.2 The Lessor must serve a notice on the Lessee (**Rent Review Notice**) specifying the amount the Lessor believes would be or is the current annual market rent value of the Premises as at the relevant Rent Review Date.

2.3 The Rent for the ensuing Rental Year will be the sum specified in the Rent Review Notice if within 15 Business Days of receiving the Rent Review Notice the Lessee by notice in writing to the Lessor (**Lessee's Notice**) accepts that the sum specified in the Rent Review Notice is the current market rent value of the Premises.

2.4 If the Lessee does not give a Lessee's Notice within 15 Business Days of receipt of the Rent Review Notice (time being of the essence) and the Lessor and the Lessee fail to agree upon the current market rent value of the Premises within 30 Business Days of receipt of the Rent Review Notice, then either the Lessor or the Lessee may, by notice in writing to the other (**Further Notice**), elect to have the Rent of the Premises determined by a valuer agreed upon by both the Lessor and the Lessee, or if the Lessor and the Lessee cannot agree upon a valuer within 10 Business Days of delivery of the Further Notice, a valuer appointed by the President for the time being of the Institute on the application of either the Lessor or the Lessee.

2.5 The valuer appointed under clause 2.4 (**valuer**):

(a) must be a full member of the Institute;

(b) must have not less than five (5) years experience in the valuation of commercial property;

(c) must make and deliver his determination under clause 2.4 within thirty (30) days of the appointment;

(d) will act as an expert and not as an arbitrator and his determination will be final and binding on the Lessor and the Lessee.

If the valuer does not comply with sub-clause (c) of this clause 2.5, either party may apply to the President of the Institute for the appointment of a replacement valuer. The determination of the first valuer is of no effect unless it is received prior to the appointment of a replacement valuer.

2.6 In determining the annual market rent under clause 2.4, any valuer will:

(a) exclude any deleterious condition of the Premises or the Building if that condition results from any breach of any of the Lessee's Covenants;

- (b) have regard to the terms and conditions of the Lease;
- (c) have regard to the annual market rent value of any comparable premises in the general vicinity of the Premises;
- (d) value the Premises as being fit for immediate occupation and use even if work has been carried out by the Lessee or any sub-lessee, licensee or assignee which has diminished the annual market rent value of the Premises;
- (e) value the Premises as being available to be let by a willing landlord to a willing tenant as a whole without a premium but with vacant possession and subject to the provisions of the Lease (other than the amount of Rent reserved by the Lease but including provisions for rental review);
- (f) assume that all covenants on the part of the Lessee contained in the Lease have been fully performed and observed; and
- (g) disregard any goodwill attaching to the business of the Lessee and the value of the Lessee's Fixtures or the value of any fixtures, fittings or other property or works installed by or carried out by or on behalf of the Lessee.

2.7 The costs of the valuer's determination will be borne equally by the Lessor and the Lessee.

2.8 Despite the provisions of this clause 2 or any other provisions of this Lease, the Rent payable on and from any Review Date will not be less than the Rent paid or payable during the preceding Rental Year.

1. Lot on Plan Description

LOT 2 ON SP 239033

Title Reference

50845662

2. Instrument/document being consented to

Instrument/document type FORM 7 LEASE

Dated

Names of parties LITTLE FRIENDS HOLDINGS PTY LTD A.C.N. 163 681 838 TRUSTEE UNDER INSTRUMENT 715194274 AND GSE MOUNT PTY LTD ACN 616 453 975 AS TRUSTEE

3. Instrument/document under which consent required

Instrument/document type MORTGAGE

Dealing No. 715194275

Names of consenting party NATIONAL AUSTRALIA BANK LIMITED ABN 12 004 044 937

4. Execution by consenting party

The party identified in item 3 consents to the registration of the instrument/document identified in item 2.

Witnessing officer must be aware of his/her obligations under section 162 of the Land Title Act 1994

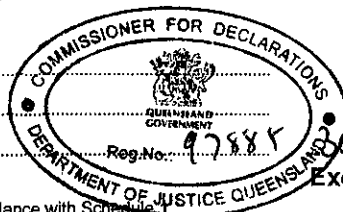
signature

full name

qualification

Witnessing Officer

(Witnessing officer must be in accordance with Schedule 4 of the Land Title Act 1994 eg Legal Practitioner, JP, C Dec)



Execution Date

NATIONAL AUSTRALIA BANK LIMITED ABN 12 004 044 937

Consenting Party's Signature

National Australia Bank Limited
 ABN 12 004 044 937 by its
 Attorney who holds the position
 of Level 3 Attorney under Power
 of Attorney No. 710425749

SCOTT MCGREGOR
 BUSINESS DEVELOPMENT
 MANAGER

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