

Dealing Number



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1. Lessor

CRAIG ANTHONY ROSS and GERALDINE CHARMAINE
ROSS Trustee under Instrument 716841984

Lodger (Name, address, Email & phone number)

Romans and Romans Lawyers
P O Box 692, Stones Corner, Qld, 4120
Ph: 3847 3333
Email: steve@romanslawyers.com.au

Lodger

Code

2201

2. Lot on Plan Description

Lot 7 on BUP 105623

Title Reference

50166170

3. Lessee

Given names

Surname/Company name and number

(include tenancy if more than one)

HAWKER PACIFIC PTY LTD
ACN 001 540 316

4. Interest being leased

FEE SIMPLE

5. Description of premises being leased

WHOLE OF THE LAND

6. Term of lease

Commencement date: 1/ 12/ 2017
Expiry date: 30/11/2020
Options: 1 X 2 years

7. Rental/Consideration

SEE ATTACHED 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;

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

.....signature

.....full name

See Attached Schedule

.....qualification

/ /
Execution Date

.....
Lessor's Signature

Witnessing Officer

(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.

HAWKER PACIFIC PTY LTD
ACN 001 540 316

.....signature

.....full name

.....qualification

Witnessing Officer

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

15/2/2018
Execution Date

DIRECTOR


Lessee's Signature
ADRIAN KHOO
SECRETARY

Title Reference 50166170

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;


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


.....signature
STEVEN FRANCIS MIOTTI
.....full name
SOLICITOR
.....qualification

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

19,2,18
Execution Date


.....
Lessor's Signature


.....signature
STEVEN FRANCIS MIOTTI
.....full name
SOLICITOR
.....qualification

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

19,2,18
Execution Date


.....
Lessor's Signature

Title Reference 50166170

1 REFERENCE DATA

ITEM 1 PARTIES:

Landlord: Craig Anthony Ross and Geraldine Charmaine Ross Trustee under Instrument 716841984.

Address for Notices: 739 Logan Road, Greenslopes, Qld, 4120.

Solicitors for Landlord: Romans and Romans Lawyers.

Tenant: Hawker Pacific Pty Ltd ACN 001 540 316.

Address for Notices: 18 Selhurst Street, Coopers Plains, Qld, 4108.

ITEM 2 TERM:

Date of Commencement: 1 December, 2017.

Expiration Date: 30 November, 2020.

ITEM 3 PREMISES:

Unit No: 13.

Address of Building: 27 Selhurst Street, Coopers Plains, Qld, 4108.

ITEM 4 SIZE OF PREMISES:

Not applicable (whole of Land).

ITEM 5 ANNUAL RENT:

- (a) Commencement date of rental payment: 1 December, 2017.
- (b) Annual Rent:
- (I) Annual Rent: \$48,000.00.
- (II) Monthly Rent: \$4,000.00.
- (c) Rent due date: the first day of each Month.
- (d) Interest on arrears: at the Stipulated Rate as defined in Clause 2.

ITEM 6 REVIEW DATE/S:

Lease year	Commencing	Review Method
Year 2	1.12.18	Greater of CPI or Fixed Review
Year 3	1.12.19	Greater of CPI or Fixed Review

ITEM 7 OUTGOINGS:

Percentage payable by Tenant: 100 percent.

ITEM 8 USE OF PREMISES:

Office, warehouse and other associated activities with respect to aircraft component maintenance.

ITEM 9 INSURANCE REQUIREMENTS:

As set out in clause 9.2.

ITEM 10 RIGHT OF RENEWAL (if any):

Term: Two (2) years.

Title Reference 50166170

Date must be exercised
in writing:

Six months (6) before the commencement of option term.

Commencement Date
of Renewed Term:

1 December, 2020.

FURTHER RIGHT OF RENEWAL (if any)

Term:

Nil.

Date must be exercised
in writing:

Not Applicable.

Commencement Date
of Further Renewed Term:

Not Applicable.

ITEM 11 **REVIEW DATES FOR
RENEWED TERM:**

Lease year	Commencing	Review Method
Year 1	1.12.20	Market Review
Year 2	1.12.21	Greater of CPI or Fixed Review

**REVIEW DATES FOR FURTHER
RENEWED TERM:**

Lease year	Commencing	Review Method
Not applicable.		

ITEM 12 **AMOUNT OF BOND:**

\$16,000.00.

ITEM 13 **FIXED REVIEW PERCENTAGE:**

3 percent.

ITEM 14 **GUARANTORS:**
(name and address)

Not Applicable whilst the Tenant is a wholly owned subsidiary of Hawker Pacific Airservices Ltd.

Each item in this Lease to any of the titles contained in this Part is to be construed to incorporate the data stated and the terms provided under that title.

2 DEFINITIONS AND INTERPRETATION

2.1 Definitions

Unless otherwise provided or unless there is something inconsistent in the subject matter, the expressions following (whether appearing with or without capital letters) have the meanings assigned to them in this clause:

- 2.1.1 "Air Conditioning Equipment" means the plant, electrical, installations, ductwork, and diffusers used for the manufacture and reticulation of conditioned air throughout the Premises and includes all mechanical ventilation.
- 2.1.2 "Building" means the improvements from time to time existing on the Land and, where appropriate.
- 2.1.3 "Body Corporate" means the body corporate constituted under the Body Corporate and Community Management Act 1997 for the Scheme.
- 2.1.4 "Common Property" means the common property for the Scheme.
- 2.1.5 "Complex" means the buildings on the parcels of land situated at 27 Selhurst Street, Coopers Plains, Qld, 4108 and includes the Premises and all other buildings and improvements, Common Property, Services, facilities and amenities situated on the Complex and such other structures erected or to be erected on the Complex from time to time (save any buildings, structures or land that the Landlord in its sole discretion may from time to time determine shall not form part of the Complex)

Title Reference 50166170

- 2.1.6 "Date of Commencement" means the date referred to in Item 2 of the Reference Data as the Date of Commencement.
- 2.1.7 "Fire Equipment" includes all stopcocks, hydrants, fire hoses, fire alarms, fire sprinklers, and other fire prevention extinguishing and detection equipment in the Premises.
- 2.1.8 "Form 7" means the lease in Form 7 to the Land Title Act 1994 to which this Schedule is attached.
- 2.1.9 "GST", "GST Law", "Tax Invoice" and "Input Tax Credit" have the meaning given to them in the GST Act.
- 2.1.10 "GST Act" means a *New Tax System (Goods and Services Tax) Act 1999* and unless otherwise expressly stated all consideration and other amounts payable under or in connection with this Lease are taken to be exclusive of GST.
- 2.1.11 "Guarantor" means the guarantor or collectively the guarantors referred to in Item 14 of the Reference Data and also any person who enters into covenants with the Landlord as a guarantor under clause 25. If the Guarantor is one person, the expression includes that person his executors and administrators. If the Guarantor is more than one person, the guarantor includes those persons and their respective executors and administrators jointly and severally. If the guarantor is a corporation, the guarantor includes that corporation and its successors or if more than one corporation includes those corporations and their respective successors.
- 2.1.12 "Index Number" means the Consumer Price Index (All Groups) for the city of Brisbane as published by the Australian Bureau of Statistics. If that index is suspended, discontinued, or modified so that it does not reflect on a consistent basis changes which have occurred in the cost of living in the city of Brisbane during any Lease Year, the expression will mean an index which in the opinion of the Australian Statistician (whether published or advised at the request of either party) does reflect on a consistent basis changes which have occurred in the cost of living in the City of Brisbane during any Lease Year. If the Australian Statistician has not published and will not advise an appropriate index, the expression will mean an index or method of measuring increases in the cost of living agreed in writing by the parties and in default of agreement within a period of fourteen (14) days, an index or method determined at the request of either party by the President or Acting President of the Australian Property Institute or their nominee.
- 2.1.13 "Insured Risks" means the risks against which the Landlord is required by this Lease to effect insurance and any additional risks against which the Landlord effects insurance relating to the Premises. The term includes risks against which the Body Corporate has insured the Premises.
- 2.1.14 "Land" means the lot described in Item 2 of the Form 7.
- 2.1.15 "Landlord" means the lessor referred to in Item 1 of the Form 7 its successors and assigns and unless inconsistent with the subject matter or context includes all person for the time being authorised by the Landlord.
- 2.1.16 "Landlord's Property" means all plant, equipment, fittings, fixtures and furniture which the Landlord supplies to the Tenant for use in or on the Premises.
- 2.1.17 "Lease" means this lease including the Form 7 together with any annexures and schedules and any covenant or agreement expressed to be supplemental to this Lease and all amendments to those documents.
- 2.1.18 "Lease Year" means each separate year of the term of this Lease the first Lease Year commencing on the Date of Commencement and each subsequent Lease Year commencing on the corresponding day of each succeeding year; the expression includes any broken period between the end of the last complete Lease Year and the date of termination.
- 2.1.19 "Market Review Dates" are the dates specified in Item 6 of the Reference Data.
- 2.1.20 "Month" means a calendar month.
- 2.1.21 "Outgoings" means all expenses and outgoings paid or incurred by the Landlord in respect of the Premises under the following heads of expenditure:

Title Reference 50166170

- (a) Rates, charges and other levies payable to the local authority in whose area the Premises are located.
- (b) Rates and charges payable to any local or other authority responsible for the provision or reticulation of water and/or sewerage and/or drainage services.
- (c) Levies, contributions and/or other amounts payable to any local or other authority for or on account of fire protection services.
- (d) Body Corporate Levies.
- (e) The cost of cleaning treating and polishing the external windows glass and other external surfaces of the Premises including but not limited to cleaning materials.
- (f) The cost of cleaning the Premises.
- (g) 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 Federal State or Local authorities and whether on a capital, revenue value, or any other basis and even though of a novel character) including Land Tax which are assessed, charged, or imposed in respect of the Premises or any part of them other than income tax and capital gains tax.
- (h) All charges for electricity, gas, oil, or other fuel incurred in the operation of the Air Conditioning Equipment and other plant and equipment in the Premises.
- (i) The cost of all repairs painting plumbing maintenance renewals and replacements incurred by the Landlord in keeping the Premises in good and substantial repair and condition, of a non-capital nature.
- (j) The cost of inspecting servicing maintaining repairing amending overhauling replacing and insuring all apparatus plant machinery and equipment supplied by the Landlord in respect of the Premises including but not limited to stand-by generators (if any), the Air Conditioning Equipment, the Fire Equipment and items relating to mechanical ventilation cooling of a non-capital nature.
- (k) Insurance which the Landlord effects in connection with the Premises.
- (l) any other expenditure properly incurred by the Landlord in the operation of or in connection with the Complex, the Premises and/or the Building of a non-capital nature.

2.1.22 "Pipes" means all pipes, sewers, drains, mains, conduits, ducts, gutters, water courses, wires, cables, channels, flues, and all other conducting media and including any fixings, louvres, cowls, and any ancillary apparatus.

2.1.23 "Premises" means that part of the building referred to in item 5 of the Form 7. The expression includes any part of a pipe, pole, wire, cable, or duct which is intended to be used solely for the servicing or enjoyment of the Premises and is within the Premises but not within a wall, floor, or ceiling forming a boundary of the Premises. A reference to the Premises includes the Landlord's Property

2.1.24 "Redecorate" includes:

- (a) washing down the interior of the Premises including all partitions and additions made to the Premises;
- (b) treating as previously treated all internal surfaces of the Premises by painting, staining, polishing, or otherwise to a specification reasonably approved by the Landlord;
- (c) replacing all carpet and or floor tiles which in reasonable opinion of the landlord are worn or damaged and need replacement but does not include replacement due to fair wear and tear; and
- (d) repainting interior walls on the Premises in colours reasonably approved by the Landlord.

2.1.25 "Reference Data" means the data set out in Part 1 of this Schedule.

Title Reference 50166170

- 2.1.26 "Rent" has the meaning given to that expression in clause 3.2.
- 2.1.27 "Scheme" means the community titles scheme that includes the Land.
- 2.1.28 "Services" means the services provided to the Complex, the Land or to the Leased Premises by the Landlord or any Authority (including water, electricity, gas, sewerage, drainage, fire services, sprinkler systems or devices and the Air Conditioning Equipment);
- 2.1.29 "Stipulated Rate" means a percentage interest rate of 10% per annum.
- 2.1.30 "Tenant" means the lessee referred to in Item 3 of the Form 7 and if this Lease is taken by one person, the tenant includes that person, his executors, administrators, and permitted assigns. If this Lease is taken by more than one person, the tenant includes those persons and each of their respective executors, administrators, and permitted assigns jointly and severally. If a corporation is a Tenant, the tenant includes that corporation, its successors, and permitted assigns.
- 2.1.31 "Valuers' Institute" means the Australian Property Institute.
- 2.1.32 "writing" includes printing, typing, lithography, and other modes of reproducing words in a visible form and "written" has a corresponding meaning.
- 2.1.33 "Accounting Period" means each full twelve (12) month period ending on the 30th June in each Lease Year after the Date of Commencement.

2.2 Interpretation

- 2.2.1 Every covenant, agreement, or obligation expressed or implied in this Lease by which two or more persons covenant, agree, or are bound binds those persons jointly and each of them severally. Every provision expressed or implied in this Lease which applies to two or more persons applies to those persons jointly and each of them severally.
- 2.2.2 References to the Valuers Institute and any other authorities, associations, and bodies whether statutory or otherwise will, if any of those authorities, associations, or bodies ceases to exist or is reconstituted, renamed, or replaced or if its powers or functions are transferred to any other authority, association, or body be deemed to refer to the authority, association, or body established or constituted in its place and/or as nearly as may be succeeding to its powers or functions.
- 2.2.3 References to any right of the Landlord to have access to the Premises extend to all persons authorised by the Landlord including agents, professional advisers, contractors, workmen and others.
- 2.2.4 References to the Premises, in the absence of any provision to the contrary, include any part of the Premises.
- 2.2.5 Any covenant by the Tenant not to do any act or thing is deemed to include an obligation not to permit that act or thing to be done, and to use its reasonable endeavours to prevent that act or thing being done by a third party.
- 2.2.6 Any provision in this Lease requiring the consent or approval of the Landlord also requires the consent or approval of any mortgagee of the Premises and any superior landlord where that consent is required. Nothing in this Lease implies that any obligation is imposed upon any mortgagee or superior landlord not to refuse any consent or approval unreasonably.
- 2.2.7 References to the "Consent of the Landlord" or words to similar effect mean a consent in writing signed by or on behalf of the Landlord and references to "Approved" and "Authorised" or words to similar effect mean approved or authorised in writing by or on behalf of the Landlord.
- 2.2.8 The terms "the Parties" or "Party" mean the Landlord and/or the Tenant but except where there is an express indication to the contrary, exclude the Guarantor.

Title Reference 50166170

- 2.2.9 Words in the singular include the plural and vice versa. A reference to any gender includes every other gender. Words denoting individuals include corporations.
- 2.2.10 A reference in this Lease to an Act of Parliament or any section of an Act are to be read as though the words "or any statutory modification or re-enactment of it or any statutory provision substituted for it" were added to the reference. Any general reference to "Statute" or "Statutes" includes any regulations or orders made under the Statute or Statutes.
- 2.2.11 Every obligation or covenant (whether positive or negative) undertaken by any Party (including the Guarantor) will, despite the wording, be deemed to be and will be construed as if each obligation or covenant is a separate and independent covenant made by the Party undertaking the obligation and continuing (unless the context otherwise requires) throughout the term of this Lease and subsequently so long as it remains to be performed.
- 2.2.12 References in this Lease to any clause, subclause, paragraph, or Schedule without further designation will be construed as a reference to the clause, subclause, paragraph, or Schedule of this Lease so numbered.
- 2.2.13 The headings or marginal notes in this Lease are included for convenience only and do not affect the construction of this Lease.

3 RENT

3.1 Payment of Annual Rent

The Tenant will pay to the Landlord (including by way of periodic bank transfer if the Landlord so requires) in each Lease Year the Annual Rent without any formal or other demand by equal monthly instalments in advance on the first day of each month and in the case of any broken period of less than one month by an instalment on the first day of the broken period of an amount ascertained by multiplying the number of days in that broken period by the Annual Rent for the Lease Year of which it forms part and dividing the result by 365.

3.2 Annual Rent and Reviews

The expression "Annual Rent" means an annual sum calculated as follows:

- (a) for the first Lease Year the amount shown in Item 5(b)(I) of the Reference Data;
- (b) for each subsequent Lease Year an amount determined at the date of commencement of the Lease Year ("Review Date") by Fixed Review, CPI Review or Market Review as nominated in Item 6 of the Reference Data. In the absence of any nomination for a Lease Year, the Annual Rent for that Lease Year will be the same as for the previous Lease Year.

In this clause:

- (c) "Fixed Review" means increasing the Annual Rent payable for the Lease Year last concluded by the percentage for the relevant Lease Year nominated in Item 13 of the Reference Data;
- (d) "CPI Review" means multiplying the Annual Rent payable for the Lease Year last concluded by a fraction obtained by dividing the Index Number for the last quarter immediately preceding the first day of the Lease Year under review by the Index Number for the last quarter immediately preceding the first day of the Lease Year last concluded.
- (e) "Market Review" means determining the current market rent for the Premises at the date of commencement of the Lease Year under review in accordance with the method for determining current market rent in clause 4.

3.3 Obligation to Pay Pending Determination

Pending determination of the Rent for any Lease Year, rent will be paid at the rate payable during the Lease Year last concluded and will be adjusted retrospectively to the beginning of the Lease Year under review.

Title Reference 50166170

3.4 Rent Obligations Absolute

Tenant's obligation to pay all Rent and the rights of the Landlord to the Rent are absolute and unconditional and are not subject to any abatement, reduction, set-off, defence, counterclaim, or recoupment. Except as may otherwise be expressly provided in this Lease and despite any law to the contrary, this Lease will not terminate and the respective obligations of the Landlord or the Tenant will not otherwise be affected, by reason of:

- 3.4.1 the invalidity or unenforceability or lack of due authorisation or other defect of this Lease;
- 3.4.2 the lack of any right, power, or authority of the Tenant to enter into this Lease or any prohibition or interruption of or other restriction against the Tenant's use, operation, or possession of the Premises for any reason;
- 3.4.3 the interference with the use operation or possession by any person or entity;
- 3.4.4 any other indebtedness or liability whenever arising of the Landlord or the Tenant to any other person, firm, or corporation or to any governmental authority;
- 3.4.5 any insolvency bankruptcy or similar proceedings by or against the Landlord or the Tenant; or
- 3.4.6 any other cause.

The Rent will continue to be payable in all events and in the manner and at the times provided in this Lease unless the obligation to pay it is terminated under the express provisions of this Lease.

4 MARKET REVIEW DETERMINATION

4.1 Open Market Rent Determination

- 4.1.1 The open market rent shall be agreed upon between the Landlord and the Tenant but if not so agreed by one (1) month prior to the commencement of the rental year under review shall be determined by a valuer to be appointed at the instance of either party by the President for the time being of the Valuer's Institute whose decision acting as an expert shall be final and binding on the parties and whose costs shall be borne and paid for by the Landlord and the Tenant in equal shares and either party paying the whole of such costs shall be entitled to recover one-half thereof from the other.
- 4.1.2 If the revised annual rent payable on and from the commencement of the rental year under review has not been agreed by that date the rent shall continue to be payable at the rate previously payable and forthwith upon the revised annual rent and any shortfall between the rent and the revised rent payable up to and including the date of the rent being ascertained and thereafter at the rate determined hereunder for the rental year under review. The revised annual rent shall be deemed to have been ascertained on the date when the same has been agreed between the parties or the date of the decision of the expert as the case may be.
- 4.1.3 The following provisions shall apply in relation to the appointment of a valuer pursuant to clause 4.1 1 hereof and to the determination by such valuer of the open market rent:
 - (a) the valuer appointed shall be a full member of the Valuer's Institute who, as at the date of his appointment, has not less than five (5) years practice as a valuer carrying out valuations of properties situated in Brisbane;
 - (b) the valuer shall confirm in writing to the Landlord and the Tenant his agreement to act and to be bound by the undermentioned provisions and the date of such notification is hereinafter called "the date of the valuer's appointment":
 - (i) to consider any submission that may be made to him in writing by the Landlord or the Tenant relating to the question of the open market rental provided the same are received within fourteen (14) days of the date of the valuer's appointment;

Title Reference 50166170

- (ii) to make his determination within one (1) month of the date of the valuer's appointment or within such extended period as the Landlord and Tenant may agree and to deliver his determination to the Landlord and the Tenant within such period;
- (iii) to provide his determination in writing and shall with his determination provide reasons upon which his determination has been based.

Time shall be of the essence in relation to the time periods referred to in this sub-clause 4.1.3

4.2 Meaning of Open Market Rent

For the purposes of clause 4.1, the open market rent shall mean the rent which a willing landlord is prepared to accept from a willing tenant for the Premises subject to the provisions of this Lease for a term equal to the original term of this Lease having regard, inter alia, to:

- 4.2.1 the rent payable by other tenants for buildings of comparable size and amenities in Brisbane;
- 4.2.2 the assumption that the Tenant has fully complied with and observed all the covenants and obligations herein contained on the part of the Tenant to be performed or observed (notwithstanding the Tenant may not have done so);
- 4.2.3 for the purpose of determining the open market rent no account shall be taken of:
 - (a) any goodwill attributable to the Demised Premises by reason of any trade or business carried on therein by the Tenant or any sub-tenant; and
 - (b) the effect of any improvements to the Premises (to which the Landlord shall have given written consent) carried out by the Tenant or any sub-tenant otherwise than in pursuance of an obligation to the Landlord, and
 - (c) any effect on rent of the fact that the Tenant or any sub-tenant may have been in occupation of the Demised Premises.

5 OUTGOINGS

5.1 Outgoings

The Tenant will from time to time during the term of this Lease immediately on demand pay to the Landlord in addition to the Rent sums of money equal to the percentage of the Outgoings set out in Item 7 of the Reference Data.

5.2 Prepayment of the Outgoings

The Landlord, in addition to its right under clause 5.1 to require immediate reimbursement in respect of the Outgoings may prior to the commencement of any Accounting Period furnish to the Tenant an estimate of the amount required to be paid by the Tenant to the Landlord under clause 5.1 in respect of that Accounting period. The Tenant will pay the estimated amount by equal periodic payments during that Accounting period on the monthly dates appointed by this Lease for payment of the Annual rent, the first of those periodic payments to be paid on the next day appointed for payment of the Annual Rent following the notification by the Landlord to the Tenant of its estimate. At the end of each Accounting period an adjustment will be made between the Landlord and the Tenant by the payment of any deficiency by the Tenant to the Landlord or the refunding or crediting of any excess by the Landlord to the Tenant as the case may be. The amount of the equal periodic payments required to be paid by the Tenant as provided in this clause will be calculated by dividing the Landlord's estimate of the amount due for that Accounting Period by the number of days appointed for payment of the Annual rent remaining in that Accounting period after the date on which the Landlord furnishes to the Tenant its estimate. At the end of each accounting period the Landlord will furnish to the Tenant a statement of the Outgoings paid by the Landlord for which it is seeking to recover or have recovered from the Tenant together with such evidence including invoices as may be reasonably required by the Tenant.

5.3 Light and Power

The Tenant will not use any form of light, power, or heat other than electric current or gas supplied through meters. This covenant does not prevent the use of auxiliary power or lighting (other than an exposed flame) during any period of power failure or power restrictions.

Title Reference 50166170

5.4 Water Electricity and Gas

The Tenant will pay all assessments for water, electricity and gas relating to the Premises by their due dates for payment.

5.5 Future Taxes on Premises

The Tenant will pay and discharge without exception all rates, taxes (not including land tax), 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 Federal State or Local Authorities and whether on a capital or revenue basis or any other basis and even though of a novel character including any Goods and Services Tax) which may at any time during the term of this Lease be assessed, charged, or imposed upon or in respect of the Premises or the use and occupation of the Premises. Whether assessed against the Landlord or directly against the Tenant they will be paid to the relevant assessing Authority not later than the due date for the payment. If assessed against the Landlord they will be paid by the Tenant to the Landlord upon demand.

5.6 Special Services

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

5.7 Cleansing Dues

If the relevant Local or other Authority provides any cleansing or refuse service for the Premises (whether at the request of the Tenant or by direction of any officer of that Authority), the Tenant will pay the cost of the service to the relevant assessing Authority on or before the due date if assessed directly against the Tenant but otherwise to the Landlord within seven (7) days of being billed by the Landlord.

5.8 Air-Conditioning

The Tenant shall during the Term when, where and so often as need be, maintain and repair the air-conditioning equipment (excluding the central cassette system which has been decommissioned) in good and substantial repair, order and condition except for fair wear and tear. The Landlord warrants that the Air-conditioning Equipment (excluding the central cassette system which has been decommissioned) was in good and substantial repair, order and condition at the Date of Commencement. The Landlord agrees to effect any repairs of a structural or capital nature to the Air-conditioning Equipment and will also replace the Air-conditioning Equipment at the end of its economic life provided however that the repairs or replacement is not as a result of any negligent act or omission of the Tenant.

5.9 Fire Equipment

The Tenant shall during the Term when, where and so often as need be, maintain and repair the Fire Equipment in good and substantial repair, order and condition except for fair wear and tear. The Landlord warrants that the Fire Equipment was in good and substantial repair, order and condition at the Date of Commencement. The Landlord agrees to effect any repairs of a structural or capital nature to the Fire Equipment and will also replace Fire Equipment at the end of its economic life provided however that the repairs or replacement is not as a result of any negligent act or omission of the Tenant.

6 USE

6.1 Use of the Premises

The Tenant will not use or permit the Premises to be used for any purpose other than the purpose specified in Item 8 of the Reference Data. The Tenant acknowledges that:

- 6.1.1 it is the responsibility of the Tenant to obtain the consent of any planning or other authority which may be required for the Tenant to carry on its business on the Premises and the failure of the Tenant to obtain that consent does not relieve the Tenant of its obligation to pay Rent and otherwise to perform its obligations under this Lease;
- 6.1.2 no promise, representation, warranty, or undertaking has been given by or on behalf of the Landlord in respect to the suitability or adequacy of the Premises for any use or business or to the fixtures, fittings, furnishings, finish, plant, machinery, and equipment of or in the Premises; and

Title Reference 50166170

6.1.3 any warranties as to the suitability, fitness, and adequacy of the Premises implied by law are negated.

6.2 Compliance with Statutes, Regulations, etc.

6.2.1 The Tenant will duly and punctually comply with and observe all Statutes and all orders, ordinances, regulations, and by-laws relating to the Premises or to the Tenant's use or occupation of the Premises and all requirements and orders lawfully given or made by any public body or authority relating to the Premises within the time required by the notice or order.

6.2.2 The Tenant will not knowingly do or omit to do any act or thing whereby the Landlord may become liable to pay any penalty imposed or to bear the whole or any part of any expenses incurred under any statute, ordinance, regulation, by-law, order, requirement, or notice.

6.2.3 The Tenant is not required by this clause to make any structural improvements or structural alterations unless they are required or made necessary by reason of any neglect or default by the Tenant or any person claiming under the Tenant or by reason of the business carried on in the Premises or the number or sex of the employees or persons at the Premises.

6.3 Annoying or Injurious Conduct

The Tenant will not:

6.3.1 carry on in any part of the Premises any annoying, noxious, offensive, or illegal business, occupation, or practice; or

6.3.2 do any act or thing or use any plant or machinery which through noise, odours, vibrations, or otherwise may be or grow to the annoyance, nuisance, grievance, damage, hazard, or disturbance of the Landlord or of the occupiers of neighbouring premises; or

6.3.3 use the Common Property in a way that unreasonably interferes with its use by others.

6.4 Use of Appurtenances

The Tenant will not use the water closets, drains, and other water apparatus, and other appurtenances in the Premises for any purposes other than those for which they were constructed and will not place in them any sweepings, rubbish, rags, ashes, or other deleterious substances.

6.5 Drains and Waste

All blockages which may occur in any Pipes originating within the Premises will be cleared by licensed tradesmen employed by the Tenant.

6.6 Interference with Services

Except as otherwise provided in this Lease, the Tenant will not interfere with any appurtenances, Pipes, water supply, gas, electrical, plumbing, or other services contained in or about the Premises or the Air Conditioning Equipment or the Fire Equipment without first obtaining the consent in writing of the Landlord.

6.7 Erection of Signs

The Tenant will not cause any advertising or other sign or advertisement or hoarding to be painted or erected or otherwise placed on the Premises without the consent of the Landlord and the Body Corporate. The Landlord's consent will not be withheld unreasonably to the using or exhibiting of any advertisement or sign customary to the Tenant's class of business if the advertisement or sign strictly complies with the by-laws of the Body Corporate and local or other authorities.

Prior to the signage being placed on the Premises, plans and specifications must be submitted to the Landlord for approval by the Landlord and the Body Corporate.

The Tenant is responsible to ensure all signage meets Council approval and any other statutory requirements.

The Tenant is responsible for any fees or costs associated with the direction of the signage.

Title Reference 50166170

The Tenant is responsible for maintaining, repairing and insurance in relation to their signage.

The Tenant must at the expiry of the Lease remove all signage at their expense and repair any damage that the signs may have caused to the Premises to the Landlord's reasonable satisfaction.

6.8 Prohibition on Erection of Blinds

The Tenant will not erect or affix any blinds or awnings to the outside of any improvements on the Premises or any blinds (venetian or otherwise) to the interior of the windows, display windows, or doors or affix any fittings to the exterior walls or ceilings of the Premises without the written consent of the Landlord which may be granted or refused or granted subject to conditions in the absolute discretion of the Landlord. Where required by by-law the Tenant will obtain the consent of the Body Corporate.

6.9 Prohibition on Marking or Damaging Walls

The Tenant will not without the Landlord's consent which consent will not be unreasonably withheld, deface or damage any parts of the Premises except so far as may reasonably be necessary for the erection of approved signs, blinds, or awnings. On the removal of signs, blinds, or awnings, the Tenant will make good any damage or unsightliness caused in or about the erection or removal of them even if the Landlord has consented to them.

6.10 Rodents and Vermin

The Tenant will at its own cost and expense keep the Premises free and clear of rodents, termites, cockroaches, and other vermin.

6.11 Overloading of Floors

The Tenant will observe the maximum floor loading weights nominated by the Landlord and will not permit the floors of the Premises to be broken, strained, or damaged by overloading them. In particular the Tenant will not install any safes or other heavy equipment except in positions and subject to conditions approved in writing by the Landlord.

6.12 Infectious Diseases

If any infectious disease happens upon the Premises which may require notification by virtue of any statute, regulation, or ordinance, the Tenant will:

- 6.12.1 give all the necessary notices and any other information which may be required to the proper authorities;
- 6.12.2 give a copy of the notification to the Landlord; and
- 6.12.3 at its own expense thoroughly fumigate and disinfect the Premises.

6.13 Inflammable Substances

The Tenant will not use any chemical, burning fluids, oil, acetylene, or alcohol in lighting the Premises or, except in the ordinary course of the Tenant's business, for any business or other purpose.

6.14 Not to Make Voidable Insurance Policies

The Tenant will not do or permit anything to be done on the Premises or bring or keep anything in the Premises that may in any way:

- 6.14.1 make void or voidable any policy of insurance applicable to the Premises; or
- 6.14.2 conflict with any laws or regulations or with any insurance policy applicable to the Premises; or
- 6.14.3 cause the amount of premium payable in respect of any insurance policy to be increased.

Without prejudice to the rights of the Landlord to determine this Lease, the Tenant will pay to the Landlord on demand any increase of premium which may be occasioned by a breach of this clause.

Title Reference 50166170

6.15 To Observe Fire Laws

The Tenant will at all times in its use of the Premises comply with the requirements of the Insurance Council of Australia and Queensland Fire and Rescue Service and the laws and regulations for the time being in force relating to fires and the provisions of every relevant Statute, regulation, and ordinance.

6.16 Fire Drills and Evacuation Procedures

The Landlord and the Body Corporate may require the Tenant to perform fire drills and to observe all necessary emergency evacuation procedures and the Tenant and all persons under its control will cooperate with the Landlord and the Body Corporate in performing those drills and procedures.

6.17 Auction Sales

The Tenant will not hold or permit to be held any auction sale in or about the Premises.

6.18 Security

The Tenant will cause all exterior doors and windows in the Premises to be locked securely at all times when the Premises are not being used. The Landlord's representatives may enter the Premises for the purpose of locking any doors or windows left unlocked or unfastened or checking the general security of the Premises.

6.19 Overloading of Electricity

The Tenant will not without the written consent of the Landlord install any electrical equipment on the Premises that overloads the cables, switchboards, or sub-boards through which electricity is conveyed to the Premises. If the Landlord grants that consent any alterations which may be necessary to comply with the requirements of the insurance underwriters of the Premises or any Statutes, regulations, ordinances, or by-laws will be effected by the Landlord at the expense of the Tenant and the entire cost of the alterations will be paid by the Tenant to the Landlord upon demand. The Landlord may require the Tenant to deposit with the Landlord the estimated cost of the alterations before they are commenced.

6.20 Use of External Areas

The Tenant must not use the Premises or the Common Property for parking or storage of motor vehicles, caravans, boats, demountable buildings, or containers of any kind other than in the day to day use of the Premises authorised by this Lease.

6.21 Body Corporate

The Tenant will comply with:

- 6.21.1 the by-laws of the Body Corporate; and
- 6.21.2 all lawful directions of the Body Corporate; and
- 6.21.3 all obligations imposed on occupiers by or in accordance with the Body Corporate and Community Management Act 1997; and
- 6.21.4 all obligations imposed on occupiers by the community management statement for the Scheme.

6.22 Common Property

The Tenant must obtain the approval of the Body Corporate before doing anything that physically or aesthetically affects the Common Property.

7 MAINTENANCE AND REPAIR

7.1 Notice of Damage

The Tenant will advise the Landlord promptly in writing of any damage sustained to the Premises or the defective operation of any of the appurtenances in the Premises.

Title Reference 50166170

7.2 Maintenance of Premises

The Tenant will repair the Premises and keep them in good repair except damage caused by:

- 7.2.1 fair wear and tear;
- 7.2.2 latent defects or damage caused or contributed by any negligent act or omission of the Landlord and its servants and or agents or
- 7.2.3 an Insured Risk other than where the insurance money is irrecoverable because of any act or default of the Tenant or anyone who is at the Premises expressly or by implication with the Tenant's consent.

Where the policy of insurance for the Insured Risks requires payment of excess or deductible by the Landlord or Body Corporate, the Tenant will pay the excess or deductible (or where the damage is to the Premises and other areas a fair proportion of the excess or deductible) to the Landlord or Body Corporate on demand.

The Tenant will not be obliged to affect any repairs of a capital or structural nature to the Premises save and except where damage is caused by any negligent act or omission of the Tenant.

7.3 Inspection by Landlord

The Tenant will permit the Landlord upon three days written notice to the Tenant and accompanied by a representative of the Tenant to enter upon and view the condition of the Premises and immediately upon notice being given to the Tenant by the Landlord will execute all repairs and work agreed to be done by the Tenant. The Tenant will also permit the Landlord upon three days written notice to the Tenant and accompanied by a representative of the Tenant to enter upon the Premises for the purpose of effecting any alterations, remodelling, or repairs which the Landlord may wish to carry out and the Landlord agrees to affect the alternations, remodeling or repairs in such a manner to cause the least interference with the Tenant's use of the Premises.

7.4 Landlord's Right to Repair

If the Tenant at any time makes default in the performance or observance of any express or implied covenants in this Lease relating to the repair of the Premises, the Landlord may (but without prejudice to the Landlord's right of re-entry) enter upon the Premises and repair them at the expense of the Tenant.

7.5 Tenant to Redecorate

Intentionally Deleted.

7.6 Glass

The Tenant will replace all glass in the Premises that is broken during the Term of this Lease save and except for breakage caused by any negligent act or omission of the Landlord.

7.7 Cleaning

The Tenant will:

- 7.7.1 keep the Premises in a thorough state of cleanliness;
- 7.7.2 not allow any accumulation of useless property or rubbish; and
- 7.7.3 at its own expense employ staff for the regular cleaning of the Premises and the interior and exterior surfaces of windows and glass.

8 ALTERATIONS

8.1 No Alterations Without Consent

The Tenant will not make any structural or other alterations or additions to the Premises or appurtenances in the Premises or the Air Conditioning Equipment or the Fire Equipment without first submitting full detailed drawings and other specifications of the proposed works and particulars of the materials proposed to be used and obtaining the Landlord's and Body Corporate's consents in writing. The Landlord's consent shall not be unreasonably withheld. If the Landlord

Title Reference 50166170

grants its consent it will be a condition of that consent that the works are carried out under the supervision of the Landlord's architect. The Tenant will pay to the Landlord immediately on demand all costs and expenses incurred by the Landlord or Body Corporate including architect's and other consultants fees payable by the Landlord whether consent is granted or not.

8.2 Alterations Required for Tenant's Business

Any alterations which may be required to the Premises, or to the Air Conditioning Equipment, the Fire Equipment or the water, gas, electrical, plumbing, or other services to make or keep the Premises suitable for use by the Tenant in its business or required by reason of the number or sex of the persons employed in the Premises will be effected by and at the expense of the Tenant. The Tenant must first submit full detailed drawings and other specifications of the proposed work and class of materials proposed to be used and obtain the Landlord's consent in writing (which consent will not be unreasonably refused having regard only to the interests of the Landlord if the alterations are required by law) and the Body Corporate's consent in writing. The Tenant indemnifies the Landlord against all injury or damage to the Premises caused in or about the erection or construction of the alterations or additions or in the removal of the alterations and additions even though the Landlord may have consented to them save for any injury or damage to the Premises caused by any negligent act or omission of the Landlord, its servants and or agents.

8.3 Internal Partitions

The Tenant will not install any internal partitions in the Premises or make any alterations or modifications to any internal partitions without the written consent of the Landlord. The Landlord's consent will not be unreasonably withheld if the following conditions are complied with:

- 8.3.1 the Tenant is to submit to the Landlord full detailed drawings and specifications of the proposed works;
- 8.3.2 the drawings and specifications are to meet with the approval of the Landlord's architect;
- 8.3.3 the materials to be used in carrying out the works are to be of a standard as to type, quality, colour, and size as the Landlord determines;
- 8.3.4 the works are to be carried out by a builder Approved by the Landlord;
- 8.3.5 the works are to be carried out under the supervision of the Landlord's architect;
- 8.3.6 the Tenant is to pay to the Landlord immediately upon demand all reasonable costs and expenses incurred by the Landlord including architect's and other consultants' fees payable by the Landlord whether any Approval is granted or not; and
- 8.3.7 if required, the Tenant will obtain the consent of the Body Corporate.

Any partitions erected by the Tenant remain the property of the Tenant who is responsible for their maintenance and insurance.

8.4 Costs of Internal Works

Any works Approved under clause 8.3 will be effected by and at the expense of the Tenant including the costs of all additional lights and power outlets, switches, telephone outlets, and alterations or any other services which may be required by reason of the position of partitions. The Tenant indemnifies the Landlord against all injury or damage to the Premises caused in or about the execution of those works save for any injury or damage to the Premises caused by any negligent act or omission of the Landlord, its servants and or agents.

8.5 Tenant's Fixtures

If the Tenant has paid all Rent and observed and performed all the covenants, agreements, and provisions contained in this Lease which are the Tenant's responsibility and on the part of the Tenant, any fixtures and things which with the consent of the Landlord have been installed by the Tenant on the Premises may at the expiration of the term of this Lease be taken down and removed from the Premises for the Tenant's own benefit but always only upon the condition that the removal can be carried out without danger to the stability of the structure of the Premises. The Tenant will make good to the satisfaction of the Landlord or the architect of the Landlord any damage done or unsightliness occasioned to the Premises by or as a result of the installation or removal of any of these fixtures and things including the Tenant's works referred to in clause 24.2 and will paint all office walls, doors and trims situated in the Premises with two coats of quality paint of a neutral colour. Additionally, the Tenant will commercially clean or floors and internal walls to the Premises. Any

Title Reference 50166170

fixtures and things not removed by the Tenant and all other goods of the Tenant left on the Premises will be deemed abandoned by the Tenant and become the property of the Landlord. The Landlord may in its discretion sell or otherwise dispose of abandoned fixtures, things, and goods in any manner the Landlord thinks fit.

9 INDEMNITY, RISK, INSURANCE, LIABILITY

9.1 Indemnities

The Tenant indemnifies the Landlord against all actions, claims, demands, losses, damages, costs, and expenses which the Landlord may sustain or incur or for which the Landlord may become liable whether during or after the term of this Lease in respect of or arising from:

- 9.1.1 loss, damage, or injury from any cause to property or person inside or outside the Premises occasioned or contributed to by the neglect or default of the Tenant or any servant, agent, licensee, invitee, subtenant, or other person claiming through or under the Tenant to observe or perform any of the covenants, conditions, regulations, and restrictions on the part of the Tenant in this Lease whether positive or negative, expressed or implied;
- 9.1.2 the negligent use, misuse, waste, or abuse by the Tenant or any servant, agent, licensee, invitee, subtenant, or other person claiming through or under the Tenant of any water, gas, or electricity, or other services to the Premises;
- 9.1.3 the overflow, leakage, or escape of water, fire, gas, electricity, or any other harmful agent in or from the Premises caused or to the extent contributed to by any act or omission on the part of the Tenant, its servants, agents, licensees, invitees, subtenants, or other persons claiming through or under the Tenant;
- 9.1.4 the failure of the Tenant to notify the Landlord of any defect in any of the Air Conditioning Equipment, the Fire Equipment, or other appurtenances in the Premises of which the Tenant is aware or ought to be aware;
- 9.1.5 loss, damage, or injury from any cause to property or person caused or to the extent contributed to by the use of the Premises by the Tenant or any servant, agent, licensee, invitee, or subtenant and arising out of the neglect or default of the Tenant or any servant, agent, licensee, invitee, or subtenant however caused other than by the wilful or negligent act of the Landlord, its servants, or agents;
- 9.1.6 the improper or faulty erection or construction of facilities, trade fixtures, or equipment installed on or in the Premises by the Tenant however caused other than by the wilful or negligent act of the Landlord, its servants, or agents; or
- 9.1.7 any personal injury sustained by any person in or about the Premises however caused other than by the wilful or negligent act of the Landlord, its servants, or agents.

9.2 Insurances

- 9.2.1 The Tenant will during the term of this Lease at its sole cost and expense obtain and keep in full effect with insurers in the name of the Tenant which notes the interest of the Landlord, the following insurances:
 - (a) Public Risk. Public Risk Liability insurance applying to all operations of the Tenant and which will include bodily injury liability and property damage liability, personal injury liability, products liability, contractual liability, contingent liability, and tenant's legal liability with respect to the occupancy by the Tenant of the Premises. The policy will be written on a comprehensive basis with limits of not less than ten million dollars (\$20 000 000.00) per occurrence or any higher limits the Landlord or its mortgagee reasonably requires from time to time.
 - (b) Plate Glass. Insurance of all plate glass in the Premises or forming part of the boundary walls of the Premises for reinstatement following breakage or damage from any cause.
 - (c) General. Any other form or forms of insurance as the Landlord or the Landlord's mortgagee reasonably requires from time to time in amounts and for perils against which a prudent lessee would protect itself in similar circumstances.

Title Reference 50166170

9.2.2 All insurance policies required by this clause will be taken out with insurers noting the interest of the Landlord on the policies. Certificates of Insurance will be delivered to the Landlord as soon as practicable after they are taken out.

9.2.3 If the Tenant fails to take out or to keep in force any insurance required by this clause, the Landlord may effect the insurance at the sole cost of the Tenant and all outlays by the Landlord will be payable by the Tenant to the Landlord as additional rent on demand without prejudice to any other rights and remedies of the Landlord under this Lease.

9.3 Assumption of Risk by Tenant

The Tenant agrees to occupy and use the Premises at the risk of the Tenant. The Landlord will not in any circumstances be liable to the Tenant for any damage to the plant, equipment, fixtures, fittings, merchandise, stock-in-trade, or any other property of any description of or in the possession of the Tenant and contained in or about the Premises occasioned by the following unless caused by any negligent act or default of the Landlord:

9.3.1 water, heat, fire, electricity, vermin, explosion, tempest, riot, civil commotion, bursting pipes, or by the entry of water from any source;

9.3.2 by the operation, non-operation, or malfunction of the Air Conditioning Equipment or the Fire Equipment; or

9.3.3 by any other cause.

The Landlord will not be liable for any loss of profits resulting from the damage even if the damage occurs by reason of:

9.3.4 any defect in the construction of the Premises or of any of the appurtenances in the Premises; or

9.3.5 by reason of any act or omission by any contractor of the Landlord or any other tenant of the Premises and their respective employees or any member of the public.

9.4 Interruption of Services

Despite any implication or rule of law to the contrary, the Landlord will not in any circumstances be liable to the Tenant for any loss or damage suffered by the Tenant for any malfunction, failure to function, or interruption of or to the water, gas, or electricity services, the Air Conditioning Equipment, or the Fire Equipment, or any of the appurtenances contained in the Premises, or for the blockage of any sewers, wastes, drains, gutters, downpipes, or storm water drains from any cause unless caused by any negligent act or default of the Landlord.

9.5 Condition Precedent

Despite anything contained in this Lease or any implication or rule of law to the contrary, the Landlord will not be liable for any damage or loss the Tenant may suffer by reason of the neglect or omission of the Landlord to do any act or thing to or in respect of the Premises of which the Tenant is or ought to be aware and which (as between the Landlord and the Tenant) the Landlord might be legally liable to do unless the Tenant gives to the Landlord notice in writing of that act or omission and the Landlord without reasonable cause fails within a reasonable time to take proper steps to rectify the act or omission.

9.6 Landlord's Insurance

Except where the Body Corporate insures the structure of the Premises, the Landlord will insure the Premises against damage by:

9.6.1 fire;

9.6.2 lightning;

9.6.3 impact by aircraft;

9.6.4 earthquake;

9.6.5 explosion;

Title Reference 50166170

9.6.6 impact by vehicles and animals;

9.6.7 malicious damage other than by persons in or about the Premises with the actual or implied consent of the Tenant, any subtenant, or licensee;

9.6.8 rainwater; or

9.6.9 storm and/or tempest,

in broad cover form with repair and replacement terms on terms and conditions reasonable in the market at the time the insurance is effected. The obligation to insure against any risk is conditional upon insurance for that risk being available from reputable insurers at reasonable rates.

10 ASSIGNMENT

10.1 Covenant Against Assignment, Subletting and Franchising

The Tenant will not:

10.1.1 mortgage or otherwise charge the Tenant's interest in this Lease;

10.1.2 assign, underlet, grant any license over or part with the possession of the Premises; or

10.1.3 share with any person the occupancy of the Premises,

without first obtaining the written consent of the Landlord. The consent will not be unreasonably withheld, in the case of the proposed assignment or subletting of the whole of the Premises, to a respectable and financially responsible assignee or subtenant. As a condition precedent to the Landlord's consent to any assignment or subletting and prior to the execution of any consent, the Landlord may require the assignee or subtenant:

10.1.4 to enter into a covenant with the Landlord that the assignee or subtenant will observe, perform, fulfil, and keep all covenants, conditions, and restrictions contained in this Lease and on the part of the Tenant to be observed, performed, fulfilled, and kept; and

10.1.5 to execute and deliver to the Landlord a power of attorney in favour of the Landlord in the same terms with necessary alterations as those contained in Part 20 of this Lease,

the covenant and Power of Attorney to be prepared by the Landlord's solicitors at the cost and expense of the Tenant. The Tenant will pay all other costs and expenses of the Landlord arising out of or in relation to the assignment or subletting. If the intended assignee is a limited liability company then upon the Landlord's demand at least two (2) (or more if the Landlord so requires) of its directors or shareholders of satisfactory standing will join in the deed as sureties for the company in order jointly and severally to covenant with the Landlord as sureties that:

10.1.6 the company will pay the Rent and perform and observe the covenants by the Tenant and conditions contained in this Lease;

10.1.7 they indemnify the Landlord against all loss, damages, costs, and expenses arising by reason of any default by the company;

10.1.8 any neglect or forbearance of the Landlord will not release or exonerate the sureties; and

10.1.9 the sureties will accept a new lease of the Premises upon disclaimer of this lease by the company or on its behalf or on dissolution of the company the new lease to be for the residue then unexpired of the term of this Lease and at the Rent payable under this Lease and subject to the same Tenant's and Landlord's covenants respectively and the same provisos and conditions in all respects as are contained in this Lease. The onus of proving the respectability and financial responsibility of any proposed assignee, subtenant, or surety is upon the Tenant at its expense.

The liability of the Tenant under the covenants, provisions, and conditions contained in the Lease will not be impaired or discharged by reason of any time or other indulgence, now or at any time after, granted by the Landlord to any assignee or subtenant. The liability of the Tenant to assure the performance of the Lease will not be affected by any further assignments or subletting of the Lease.

Title Reference 50166170

10.2 Subleases

The Landlord's consent to a subletting of part only of the Premises may be granted or refused whilst acting reasonably and every permitted sublease of the whole or part of the Premises may be granted at a rent equal to the then open market rental value of the underlet premises and will contain covenants:

- 10.2.1 for the upwards only review of the rent reserved on the basis on which the Rent is to be reviewed in this Lease;
- 10.2.2 prohibiting the sublessee from doing or allowing any act or thing in relation to the underlet premises inconsistent with or in breach of the provisions of this Lease; and
- 10.2.3 by the sublessee with the Landlord not to assign or sublet the underlet premises without the consent in writing of the Landlord.

10.3 Concessions, Licences, etc.

Without in any way limiting the generality of clause 10.1 and clause 10.2, the Tenant will not permit any business to be operated in or from the Premises by any concessionaire, franchisee, licensee, or others without the written consent of the Landlord in each instance. The Landlord's consent must not be unreasonably withheld. The consent by the Landlord to any concession, franchise, or licence will not constitute a waiver of the necessity for the consent to any subsequent concession, franchise, or licence. If the Landlord agrees to grant its consent to any concession, franchise, or licence each concession, franchise, or licence will only be granted upon and subject to the following conditions that:

- 10.3.1 the concession, franchise, or licence will be subject to the terms covenants and conditions contained in this Lease;
- 10.3.2 the aggregate area of all concessions, franchises, or licences will not at any one time exceed a percentage of the area of the Premises as the Landlord, in its sole discretion, considers advisable;
- 10.3.3 each concessionaire, franchisee, or licensee will carry on business under the trade name and style of the Tenant and in a manner so that to all intents and purposes, the business will appear as an integral part of the Tenant's business operations;
- 10.3.4 the Tenant will provide the Landlord with an executed copy of each concession, franchise, and licence agreement and the Landlord will have the right to Approve the terms of the agreement or to request changes to the agreement which the Tenant covenants to make or have made prior to its grant; and
- 10.3.5 at the option of the Tenant, the Tenant and any concessionaire, franchisee, or licensee will execute any document or instrument which the Landlord requires including, without limitation, a sublease of the Premises substantially in the form of this Lease.

10.4 Corporate Tenant

Where any person who holds a substantial interest in the Tenant (the Tenant being a corporation) at the time of the execution of this Lease ceases to hold a substantial interest, the Tenant will immediately give notice in writing of that fact to the Landlord. The Landlord may at its discretion within ninety (90) days of receipt of that notice terminate this Lease by giving the Tenant thirty (30) days prior notice in writing. This lease expires on the expiration of the notice. For the purposes of this Clause, a substantial interest in the Tenant is a holding of not less than thirty per centum (30%) of the issued share capital of the Tenant or a holding of shares in the Tenant which entitle the holder to not less than thirty per centum (30%) of the voting power of all shares represented at any meeting of members of the Tenant.

10.5 Change of Corporate Ownership Deemed Assignment

Where the Tenant is a corporation not being a company whose shares are listed on any Stock Exchange in Australia, the following circumstances will constitute or be deemed to constitute an assignment of this Lease (requiring the prior consent of the Landlord under clause 10.1):

- 10.5.1 if at any time during the term of this Lease any corporation or any related corporation (as defined by the legislation regulating corporations as at the Date of Commencement) not holding or holding between them more than fifty percent (50%) of the issued capital or voting rights of the Tenant, acquires or acquire between them so much of the issued capital or voting rights of the Tenant as when added to the issued capital or voting rights (if

Title Reference 50166170

any) previously held by that corporation or related corporations represent in the aggregate more than fifty per cent (50%) of the issued capital or voting rights of the Landlord;

10.5.2 if at any time during the term of this Lease any person or any persons and their relatives (as defined in the Income Tax Assessment Act 1936 as at the Date of Commencement) not holding or holding between them more than fifty percent (50%) of the issued capital or the voting rights of the Tenant acquires or acquire between them so much of the issued capital or voting rights of the Tenant as when added to the issued capital or voting rights (if any) previously held by that person or those persons represent in the aggregate more than fifty per cent (50%) of the issued capital or voting rights of the Tenant; or

10.5.3 if at any time during the term of this Lease, the changes referred to in clause 10.5.1 or clause 10.5.2 occur to any holding company (as defined in the legislation regulating corporations as at the Date of Commencement) of the Tenant or in any holding company of any holding company of the Tenant.

11 COSTS

11.1 Costs of Litigation

If without fault on its part, either Party is made a party to any litigation commenced by or against the other (other than litigation between the Landlord and the Tenant) and arising directly or indirectly out of the acts or omissions of the other in relation to the Premises, the Party not at fault will be paid by the other Party on demand all legal fees and disbursements (as between solicitor and own client) incurred in connection with the litigation.

11.2 Costs to be Borne by Tenant

The Tenant will pay:

11.2.1 all of the Tenants reasonable legal fees incidental to the preparation and registration fees payable in respect of this Lease limited to the sum of \$1200.00 for professional fees excluding GST, outlays and registration fees;

11.2.2 all costs, charges, and expenses (including for example, legal costs and fees payable to a surveyor or architect) incurred by the Landlord for the purpose of or incidental to the preparation and service of any notice under section 124 or section 127 of the Property Law Act 1974 even if forfeiture is avoided otherwise than by relief granted by the Court;

11.2.3 all costs of and incidental to the grant or refusal of any consent or authority of the Landlord which may be requested by the Tenant under the terms of this Lease; and

11.2.4 all monies the Landlord may expend or be put to in consequence of any default by the Tenant in the performance and observance of any covenant or agreement contained or implied in this Lease or which is authorised or entered into or made by the Tenant.

12 MORTGAGEE OF FREEHOLD

12.1 Mortgagee's Consent

12.1.1 Intentionally Deleted.

13 LANDLORD'S ASSURANCES

13.1 Quiet Enjoyment

If the Tenant promptly pays the Rent and observes and performs the covenants and agreements in this Lease, the Tenant may peaceably hold and enjoy the Premises during the term of this Lease without any interruption by the Landlord or any persons lawfully claiming under or in trust for the Landlord.

Title Reference 50166170

13.2 Landlord to Pay Rates

The Landlord will pay all municipal rates and land tax payable in respect of the Land except those rates and taxes (if any) which the Tenant has covenanted to pay in whole or in part.

13.3 Structural Soundness

The Landlord will use its reasonable endeavours to keep the Premises in a sound structural condition.

14 DEFAULT

14.1 Default by Tenant

14.1.1 Events of Default – Right to Re-Enter. If:

- (a) the Rent or any part of it is unpaid for fourteen (14) days after it has become due provided that a formal or legal demand has been made;
- (b) the Tenant breaches any of the covenants or agreements (whether expressed or implied) in this Lease and on the part of the Tenant to be performed or observed (including covenants and agreements of a negative character);
- (c) the repairs required by any notice given under clause 7.3 are not completed within the time specified in the notice; or
- (d) the Tenant, being a corporation, enters into provisional liquidation or liquidation whether voluntary or otherwise (except for the purpose of reconstruction or amalgamation) or has a receiver and/or manager appointed,

THEN subject to the Landlord giving notice under section 124 of the Property Law Act 1974, the Landlord or any person duly authorised by the Landlord may, at any time on one (1) days written notice or without notice, re-enter the whole or part of the Premises in the name of the whole and determine this Lease but without prejudice to the right of action or other remedy of the Landlord in respect of any antecedent breach of the Tenant's covenants, stipulations, or agreements contained or implied in this Lease.

14.1.2 Damages. If the Landlord determines this Lease under clause 14.1.1, the Landlord may recover from the Tenant in addition to damages and amounts recoverable apart from this clause:

- (a) any Rent and Outgoings due but unpaid at the date of the determination;
- (b) the amount by which the Rent and Outgoings between the date of determination and the date of expiry of this Lease by effluxion of time exceeds the rent and outgoings received or likely to be received from any other tenant to whom the Premises are relet or may be relet during that period;
- (c) any other amount necessary to compensate the Landlord as a result directly or indirectly of the Tenant's default and the Landlord's determination of the Lease including, for example:
 - (i) costs and expenses incurred in maintaining the Premises;
 - (ii) costs of recovering possession of the Premises;
 - (iii) (iii) expenses of reletting including necessary renovation or alteration of the Premises;
 - (iv) (iv) legal costs; and
 - (v) (v) real estate commissions charges and fees.

For the purposes of clause 14.1.2(b), the onus of proving that the Premises are likely to be relet and the amount of the rent likely to be received is upon the Tenant. For the purpose of calculating the rent and Outgoings that would have been payable after the determination of this Lease and to the extent that the Rent and Outgoings that would have been payable cannot be established certainly, it will be assumed

Title Reference 50166170

that the Rent and Outgoings would have increased annually by five per centum (5%) cumulative on each anniversary of the Date of Commencement. The Landlord will take such steps that are reasonably necessary to mitigate its damages.

14.1.3 Landlord's Right when Tenant Abandons Premises. If the Tenant vacates or abandons the Premises or otherwise repudiates this Lease without lawful excuse prior to the expiration of the term, the Landlord may without being under any obligation so to do seek to find another tenant for the Premises. For that purpose the Landlord may from time to time enter upon the Premises and permit prospective tenants to view them and may otherwise do all acts and things necessary in the opinion of the Landlord to renovate, restore, clean, and secure the Premises without accepting or being deemed to have accepted a surrender of this Lease. It is the intention of the parties that this Lease and the obligations of the Tenant under this Lease subsist until another person enters into occupation of the Premises as tenant or the Landlord expressly accepts a surrender of this Lease. For the purpose of this clause, the Tenant is deemed to have vacated the Premises if it ceases to carry on its permitted use for a period of seven (7) consecutive days without having paid in advance the instalments payable on account of Rent and contributions to Outgoings in respect of that period of seven (7) days.

14.1.4 Reservation of Rights. The rights and powers conferred on the Landlord by this clause 14.1 are in addition to any other right or power which may be conferred upon the Landlord at law or in equity.

14.2 Non-Waiver

No delay or omission to exercise any right power or remedy accruing to the Landlord upon any continuing breach or default under this Lease impairs any right, power, or remedy of the Landlord and it will not be construed to be a waiver of or acquiescence in any continuing breach or default or of or in any similar breach or default occurring subsequently; and no waiver of any single breach or default will be deemed a waiver of any earlier or later breach or default. Any waiver, permit, consent, or approval of any kind or character of any breach or default under this Lease or any waiver of any provision or condition of this Lease must be in writing and will be effective only to the extent set out in the written waiver. All remedies either under this Lease or by law or otherwise afforded to the Landlord are cumulative and not alternative.

14.3 Accord and Satisfaction

No payment by the Tenant or receipt by the Landlord of a lesser amount than the Rent stipulated in this Lease will be considered to be other than on account of the stipulated Rent. An endorsement or statement on a cheque or in a letter accompanying a cheque or payment as Rent will not be considered to be an accord or satisfaction. The Landlord may accept a cheque or payment without prejudice to the Landlord's right to recover the balance of the Rent or pursue any other remedy.

14.4 Performance of Tenant's Covenants by Landlord

If the Tenant makes default in payment of any moneys covenanted by the Tenant to be paid or in the observance or performance of any of the covenants contained or implied in this Lease and on the part of the Tenant to be observed and performed, the Landlord may pay that money and observe and perform those covenants and the Tenant will pay to the Landlord immediately upon demand all moneys which the Landlord expends in that behalf with interest calculated at the Stipulated Rate from the time of those moneys having been so expended to the date of payment.

14.5 Interest on Arrears

The Tenant will pay to the Landlord interest on any Rent or other moneys which are in arrears calculated at the Stipulated Rate from the time of the Rent, or other moneys respectively falling due, to the date of payment.

15 DAMAGE OR DESTRUCTION

15.1 Substantially Unfit or Substantially Inaccessible

If the Premises are damaged by an event beyond the control of the Tenant or by an Insured Risk so as to render the Premises substantially unfit for the occupation and use of the Tenant or (having regard to the nature and location of the Premises and the normal means of access) substantially inaccessible, then:

15.1.1 EXCEPT where the damage has been caused by the negligent act or omission of the Tenant or of any servant, agent, licensee, invitee, customer, or visitor of the Tenant or of any sublessee, licensee, or other occupier claiming by, through, or under the Tenant which is not an Insured Risk or where the insurance money is irrecoverable under the policy of insurance for the Insured Risk:

Title Reference 50166170

- (a) A proportionate part of the Rent and other moneys payable under this Lease according to the nature and extent of the damage sustained, abates and all or any remedies, for recovery of that proportionate part of the Rent and other moneys falling due after the damage, are suspended until the Premises have been restored or made fit for the Occupation and use of the Tenant or accessible to the Tenant as the case may be.
- (b) Within fourteen (14) days of the Premises being rendered unfit or inaccessible, the Tenant may serve on the Landlord written notice that the Premises have been rendered unfit or inaccessible (a Damage Notice). Unless within the period of thirty-one (31) days after being served with a Damage Notice, the Landlord serves written notice on the Tenant that the Landlord will restore the Premises or make them fit for the occupation and use of or render them accessible to the Tenant within a period of no more than ninety (90) days (a Restoration Notice), the Tenant may (not before the expiration of the period of thirty-one (31) days and not after the expiration of the period of seventy-five (75) days from the date of service of the Damage Notice on the Landlord) terminate this Lease by notice in writing to the Landlord.
- (c) If the Landlord gives a Restoration Notice to the Tenant and does not within a reasonable time substantially commence and diligently proceed to restore the Premises or make them fit for the occupation and use of or render them accessible to the Tenant, the Tenant may serve on the Landlord notice of intention to terminate this Lease. Unless the Landlord upon receipt of that notice proceeds with reasonable expedition and diligence to restore the Premises or make them fit for the occupation and use of or render them accessible to the Tenant as the case may require, the Tenant may terminate this Lease by giving not less than one (1) month's notice in writing to the Landlord and at the expiration of the last mentioned notice this Lease terminates.

15.1.2 If in the Landlord's reasonable opinion the damage to the Premises is such that it is impractical or undesirable to restore the Premises or make them fit for the occupation and use of the Tenant or render them accessible to the Tenant or if the damage to the Premises occurs less than two and one half (2½) years prior to the expiration of the term of this Lease, the Landlord may terminate this Lease by giving not less than one (1) month's notice in writing to the Tenant and at the expiration of that notice this Lease terminates.

15.1.3 No liability attaches to the Landlord by reason of termination of this Lease under clause 15.1.1 or clause 15.1.2, and otherwise any termination is without prejudice to the rights of either party in respect of any antecedent breach or nonobservance of any covenant or provisions of this Lease.

15.2 Wholly Unfit or Totally Inaccessible

If the Premises are taken for any public purpose or are destroyed or so damaged that the Premises are rendered wholly unfit for the occupation and use of the Tenant or totally inaccessible:

- 15.2.1 the Landlord may, despite anything contained or implied in this Lease, terminate this Lease by giving not less than one (1) month's notice in writing to the Tenant and at the expiration of that notice this Lease terminates and no liability attaches to the Landlord by reason of the termination;
- 15.2.2 except where the destruction or damage has been caused or contributed to by the negligent act or omission of the Tenant or of any servant, agent, licensee, invitee, customer, or visitor of the Tenant or of any sublessee, licensee, or other occupier claiming by, through, or under the Tenant, the Tenant may terminate this Lease by giving not less than one (1) month's notice in writing to the Landlord and at the expiration of that notice this Lease terminates; and
- 15.2.3 any termination under clause 15.2.1 or clause 15.2.2 is without prejudice to the rights of either party in respect of any antecedent breach or nonobservance of any covenant or provision of this Lease.

15.3 Resolution of Disputes

Any dispute arising under clause 15.1 or clause 15.2 will be determined by a member of the Valuers' Institute appointed by the President for the time being of that Institute on the application of the Landlord or the Tenant. The person so appointed will in making their determination act as an expert and not as an arbitrator and their determination will be final and binding on both parties. The cost of the determination will be borne by either or both of the Parties (and if by both of the Parties in the proportion between them) as the person making the determination decides.

Title Reference 50166170

16 GENERAL

16.1 Time Essential

Time is essential for all obligations of the Tenant in this Lease. The Tenant indemnifies the Landlord against all losses, costs, and expenses which the Landlord may sustain or incur as a consequence of any failure by the Tenant to perform and observe on the due date any obligations on its part contained or implied in this Lease.

16.2 Entire Agreement

The terms and conditions set out in this Lease contain the entire agreement as concluded between the Parties despite any negotiations or discussions prior to the execution of this Lease and despite anything contained in any brochure, report, or other document prepared by the Landlord for submission to potential tenants of the Premises. The Tenant also acknowledges that it has not been induced to enter into this Lease by any representation verbal or otherwise made by or on behalf of the Landlord which is not set out in this Lease.

16.3 Negating of Moratorium

To the fullest possible extent, the provisions of all statutes now existing and subsequently to come into force and operating directly or indirectly to lessen or otherwise modify or vary or affect in favour of the Tenant the obligations of the Tenant or to stay, postpone, or otherwise prevent or prejudicially affect the exercise by the Landlord of all or any of the rights, powers, and remedies conferred on the Landlord by this Lease are expressly negated and excluded from this Lease.

16.4 New Guarantor

Within fourteen (14) days of the death of any Guarantor during the term of this Lease, or of any Guarantor becoming bankrupt, or having a receiving order made against them, or becoming insane, or being a company passing a resolution to wind up, or entering into liquidation, or having a receiver appointed, the Tenant will give notice of this to the Landlord. If required by the Landlord, the Tenant, at their own expense, must, within twenty eight (28) days, procure some other person acceptable to the Landlord to execute a guarantee in respect of the Tenant's obligations contained in this Lease in the form of the Guarantor's covenants which are contained in this Lease or in any guarantee separate from this Lease.

16.5 Inspection by Purchaser or Tenant

The Tenant will:

- 16.5.1 allow the Landlord to exhibit on the Premises notices advertising the Premises for sale;
- 16.5.2 at all reasonable times upon prior reasonable notice permit the Landlord to show the Premises to prospective purchasers; and
- 16.5.3 within the three (3) month period immediately preceding the expiration of the term granted by this Lease, permit the Landlord to show the Premises to prospective tenants at all reasonable times, and on prior reasonable notice, and allow the Landlord to affix and exhibit on the Premises where the Landlord thinks fit the usual For Sale and/or To Let notices. In each case the notices may display the name and address of the Landlord and its agents.

The Tenant will not remove any notice without the prior written consent of the Landlord.

16.6 Modification of Implied Covenants

The obligations and powers implied in leases by section 105 and section 107 of the Property Law Act 1974 are negated. All other covenants on the part of the Tenant implied by the Property Law Act 1974 are not negated but are modified to the extent of any inconsistency with the provisions of this Lease.

16.7 Notices

Unless otherwise stated, any notice given by the Landlord is deemed to be duly given and served on the Tenant if signed by the Landlord or the solicitors for the Landlord or if the Landlord is a corporation then by any officer of or the solicitors for the Landlord and delivered to the Tenant (or if more persons than one are tenants under this Lease then to any one or more of them) personally or if the Tenant is a corporation then to any person at its registered office or principal place of business in this State or if left at the Premises or sent to the Tenant through the post in an envelope addressed to the Premises and in the latter case service is deemed to have been effected on the day following posting. Any notice by the Tenant to the Landlord must be signed by the Tenant and must be given or served in the manner prescribed by section 257 of the Property Law Act 1974.

Title Reference 50166170

16.8 Holding Over

If the Tenant with the consent of the Landlord remains in occupation of the Premises after the expiration of the term of this Lease then:

- 16.8.1 the Tenant will be a tenant from month to month of the Landlord of the Premises on the terms of this Lease so far as they are applicable to a monthly tenancy;
- 16.8.2 the monthly tenancy may be determined by either party in the manner prescribed by Division 4 of Part VIII of the Property Law Act 1974; and
- 16.8.3 the rent payable in respect of the monthly tenancy will be the amount of Rent payable monthly under this Lease immediately prior to the expiration of the term and will be payable in advance.

16.9 Severability

If it is held by a Court of competent jurisdiction that:

- 16.9.1 any part of this Lease is void, voidable, illegal, or unenforceable; or
- 16.9.2 this Lease would be void, voidable, illegal, or unenforceable unless any part of this Lease were severed, that part will be severable from and will not affect the continued operation of the rest of this Lease.

16.10 Community Title Disputes

The Tenant will give to the Landlord written notice of any matter under the dispute resolution provisions of the Body Corporate and Community Management Act 1997 in the nature of:

- (a) an application by the Tenant relating to the Scheme; and
- (b) an application by any other person that relates to the Tenant or the Premises; and
- (c) any order including interim orders affecting the Premises or the occupier of the Premises.

16.11 Community Title Dispute Resolutions

The Tenant will comply with the terms of all orders, interim orders, determinations and resolutions (including resolutions by agreement where the Tenant is a party to the agreement) arising from a community title dispute that relate to the Premises.

17 TRUSTS

17.1 Trusts

If the Tenant at any time upon or subsequent to entering into this Lease or entering into or incurring the obligations contained in this Lease is acting in the capacity of trustee of any trust (the Trust) then whether or not the Landlord may have notice of the Trust, the Tenant covenants with the Landlord as follows:

- 17.1.1 This Lease extends to all rights of indemnity which the Tenant now or subsequently may have against the Trust and the trust fund.
- 17.1.2 The Tenant has full and complete power and authority under the Trust to enter into this Lease and the provisions of the Trust do not purport to exclude or take away the right of indemnity of the Tenant against the Trust or the trust Fund. The Tenant will not release that right of indemnity or commit any breach of trust or be a party to any other action which might prejudice that right of indemnity.
- 17.1.3 Despite the terms of any deed of trust or settlement or other document, the Tenant will be and at all times remain personally liable to the Landlord for the use performance fulfilment and observance of the obligations in this Lease.
- 17.1.4 During the currency of this Lease the Tenant will not without the consent in writing of the Landlord cause, permit, or suffer to happen any of the following events:

Title Reference 50166170

- (a) the removal replacement or retirement of the Tenant as sole trustee of the Trust;
- (b) any alteration to or variation of the terms of the Trust;
- (c) any advancement or distribution of capital of the Trust; or
- (d) any resettlement of the trust property.

The Tenant further covenants with the Landlord that it will be an event of default under this Lease if the Tenant is guilty of any breach of trust in respect of the Trust or ceases to be the sole trustee of the Trust or otherwise suffers removal, replacement, or retirement as trustee of the Trust.

18 OPTION

18.1 Option to Renew

If the Tenant:

- 18.1.1 not less than six (6) months prior to the expiration of this Lease gives written notice to the Landlord that it wishes to renew this Lease; and
 - 18.1.2 has at all times up to the date of expiration of the term of this Lease complied punctually with its obligations under this Lease;
- then the Landlord will grant to the Tenant a further lease of the Premises on the following conditions:
- 18.1.3 the length of the renewal term will be the period referred to in Item 10 of the Reference Data;
 - 18.1.4 the rent for the first year of the renewal term will be determined in accordance with clause 3.2 as if the date of commencement of the renewal term were a Review Date and the method of review were as nominated for that Review Date in Item 11 of the Reference Data;
 - 18.1.5 the terms and conditions will be the same as the terms and conditions of this Lease except for the changes specified in the Modification Schedule at the end of this clause.

Modification Schedule

- A. This clause 18.1 will be deleted.
- B. The Review Dates in Item 6 of the Reference Data will be deleted and replaced with the Review Dates in Item 11 of the Reference Data.

19 FURTHER OPTION

19.1 Further Option to Renew

If the Tenant:

- 19.1.1 not less than six (6) months prior to the expiration of the renewal term of this Lease gives written notice to the Landlord that it wishes to renew this Lease; and
 - 19.1.2 has at all times up to the date of expiration of the renewal term of this Lease complied punctually with its obligations under this Lease;
- then the Landlord will grant to the Tenant a further lease of the Premises on the following conditions:
- 19.1.3 the length of the further renewal term will be the further period referred to in Item 10 of the Reference Data;
 - 19.1.4 the rent for the first year of the further renewal term will be determined in accordance with clause 3.2 as if the date of commencement of the further renewal term were a Review Date and the method of review were as nominated for that Further Review Date in Item 11 of the Reference Data;

Title Reference 50166170

19.1.5 the terms and conditions will be the same as the terms and conditions of this Lease except for the changes specified in the Modification Schedule at the end of this clause.

Modification Schedule

- A. This clause 19.1 will be deleted.
- B. The Review Dates in Item 6 of the Reference Data will be deleted and replaced with the Further Review Dates in Item 11 of the Reference Data.

19.2 New Guarantee

If at the date of exercise of the option contained in clause 18.1 and clause 19.1 the obligations of the Tenant under this Lease are the subject of guarantee or indemnity the Tenant must:

- 19.2.1 procure from the persons who provided the guarantee or indemnity another guarantee or indemnity in respect of the lease for the renewal term or the further renewal term on the same terms apart from necessary changes; and
- 19.2.2 produce the properly executed valid and enforceable guarantee or indemnity to the Landlord within fourteen (14) days after the Landlord provides to the Tenant the documentation for the new guarantee or indemnity for the renewal term or further renewal term.

19.3 Sale of Land

If in the event that this Lease is not registered and the Landlord sells or otherwise disposes of the reversion of this Lease prior to the exercise of any option contained in clause 18.1 and clause 19.1 the Landlord shall at its own expense procure from the Purchaser or disponee a covenant in favour of the Tenant that the Purchaser or disponee shall observe and be bound to the terms of this Lease and the options contained in clause 18.1 and clause 19.1 PROVIDED ALWAYS that the obligation of the Landlord to obtain the covenant from the Purchaser or disponee shall cease and determine upon registration of this Lease at the Department of Natural Resources. Upon the delivery by the Landlord to the Tenant of the covenant duly executed by the Purchaser or disponee the Landlord shall be deemed without any further written agreement to be released and discharged from all liability then or thereafter arising out of the failure of the Purchaser or disponee or any subsequent purchaser or disponee to observe and be bound by the option or covenant aforesaid, it being the intention of the parties that the rights of the Tenant for the time being shall be exercisable only against the Landlord for the time being who is the registered or entitled to be registered as proprietor of the Land.

20 POWER OF ATTORNEY

20.1 Appointment

Intentionally Deleted.

21 TERMINATION OF LEASE

21.1 Yield Up

The Tenant will at the expiration or sooner determination of the term of this Lease yield up the Premises in the order and condition described in Part 7.

21.2 Remove Fittings

If the Tenant does not do so as of right under the provisions of clause 8.5 the Tenant will, if so required by the Landlord, remove from the Premises within fourteen (14) days from the expiration or sooner determination of the term of this Lease all fixtures, fittings, floor coverings, signs, and notices, or contents of every description erected or installed by the Tenant and requested to be removed by the Landlord. The Tenant will make good any damage caused to the Premises by the removal and if required by the Landlord will re-alter any alterations made by the Tenant so that the Premises are converted back to their original layout. The Landlord may at its option cause the fixtures, fittings, floor coverings, signs, and notices, or contents to be removed and to be stored in a public warehouse or elsewhere at the risk of the Tenant and any damage to be made good and any alterations to be re-altered. The Landlord may recover the costs of removal, storage, making good, and/or re-alterations from the Tenant as a liquidated debt payable on demand.

Title Reference 50166170

21.3 Abandoned Fittings

Any fittings or fixtures not removed by the Tenant under clause 8.5 and clause 21.2 will be deemed abandoned by the Tenant and will be and become the property of the Landlord. Nothing contained in this clause relieves the Tenant from, and except where the Landlord agrees in writing to the contrary the Tenant will be liable to the Landlord for, the cost and expense of and associated with any removal by the Landlord of fittings and fixtures not removed by the Tenant from the Premises and the cost and expense of and associated with the making good of any damage to the Premises caused by that removal by the Landlord.

21.4 Stock-in-Trade

The Tenant will remove from the Premises all stock-in-trade and other movable chattels prior to the expiration of the term of this Lease except that if this Lease is determined prior to the due date of expiry by effluxion of time the Landlord will if requested so to do by the Tenant allow the Tenant, its servants, and contractors access to the Premises during any one (1) of three (3) days (excluding Saturdays, Sundays, and public holidays) next following the date of determination between the hours of 9.00 am and 5.00 pm for the purpose of removing stock-in-trade and movable chattels from the Premises. If the Tenant fails to remove stock-in-trade or chattels as mentioned in this clause, the Landlord may at its option:

- 21.4.1 cause the stock-in-trade or chattels to be removed and stored in a public warehouse or elsewhere at the risk and at the cost of the Tenant; or
- 21.4.2 treat the stock-in-trade or chattels as if the Tenant had abandoned its interest in them and deal with them in any manner the Landlord thinks fit.

The Tenant indemnifies the Landlord in respect of any damage done to the Premises in or about the removal of stock-in-trade or chattels by the Tenant, its servants, or contractors and also in respect of any costs incurred by the Landlord in the removal and storage of them. The Tenant also indemnifies in respect of all claims, demands, actions, costs, judgments, and expenses which the Landlord may suffer or incur at the suit of any person (other than the Tenant) claiming an interest in the stock-in-trade or chattels by reason of the Landlord acting in accordance with this clause.

21.5 Removal of Signs

At the expiration or earlier determination of this Lease, the Tenant will remove or clean off any advertising or other sign, advertisement, or hoarding painted, erected, or placed on or in the Premises and restore the Premises to the condition they were in immediately before the advertisement, sign, or hoarding was painted, erected, or set up.

22 SECURITY

22.1 Bond

- 22.1.1 Prior to entering possession of the Premises, the Tenant will pay to the Landlord the sum set out in Item 12 of the Reference Data as a cash bond for the due observance and performance by the Tenant of all the covenants and provisions contained in this Lease.
- 22.1.2 As soon as the rent payable from each rent review is determined, the Tenant will pay to the Landlord as a further cash bond an amount which, when added to the cash bond or bonds already held by the Landlord (or to the limits of liability under any bank guarantee accepted by the Landlord in lieu of a cash bond under clause 22.1.3), equal to the aggregate of three (3) month's rent at the rate payable by the Tenant at the material time.
- 22.1.3 At the option of the Tenant, the Tenant may instead of paying the amounts in accordance with clause 22.1.1, provide to the Landlord an Australian Trading Bank guarantee, on terms acceptable to the Landlord, of due observance and performance by the Tenant of all the covenants and provisions contained in this Lease, with a maximum liability to the bank of not less than the total of the cash bond or bonds required by clause 22.1.1.
- 22.1.4 If at any time the Tenant fails to observe and perform any of the Tenant's covenants and provisions in this lease, the Landlord may, in its discretion at any time, appropriate to itself absolutely all or any part of the cash bond or bonds or call up any guarantee or guarantees as may be necessary in the opinion of the Landlord to compensate the Landlord for any loss or damage suffered or which may be suffered by the Landlord by reason of that failure. Any appropriation or calling up by the Landlord will not constitute a waiver of that failure and will not prejudice any other right or remedy of the Landlord in respect of it.

Title Reference 50166170

- 22.1.5 If the whole or any part of the cash bond or bonds are appropriated or any guarantee or guarantees are called up by the Landlord and this Lease remains on foot, the Tenant will immediately upon demand by the Landlord pay to the Landlord the amount so appropriated or called up to be held as a cash bond in accordance with this clause.
- 22.1.6 If the Landlord's interest in the Premises is assigned or transferred, the Landlord may pay or transfer the bond or bonds less all sums appropriated by it in accordance with this clause to the assignee or transferee. Upon payment or transfer, the Landlord will be discharged from all liability to the Tenant or to any other person in respect of the bond or bonds.

23 GST

23.1 Tenant's Obligation to Reimburse Landlord for GST.

- 23.1.1 It is agreed that rent and all other amounts agreed to be paid by the Tenant to the Landlord, being the consideration for the supply expressed in this Lease, are exclusive of GST.
- 23.1.2 In respect of any liability of the Landlord for GST under this Lease, and the renewal or extension of this Lease, including for rent, rates, outgoings or any consideration for any other taxable supply, the Tenant covenants to pay to the Landlord at the same time as any payment is made involving the Landlord in GST liability, the additional amount of GST, together with the payment to which it relates.
- 23.1.3 If the Tenant is required under this Lease to reimburse or pay to the Landlord an amount calculated by reference to a cost, expense, or an amount paid or incurred by the Landlord, the amount of the reimbursement or payment will be reduced by the amount of any input tax credits to which the Landlord is entitled in respect of any acquisition relating to that cost, expense or other amount.
- 23.1.4 In respect of each payment by the Tenant under 23.1.2, the Landlord agrees to deliver to the Tenant as required under the GST Act, tax invoices in a form which complies with the GST Act, and the regulations, to enable the Tenant to claim input tax credits in respect of the taxable supply.

24 ALTERATIONS TO EXISTING FIT OUT, FIXTURES AND SERVICES

24.1 Landlord Works

The Landlord shall undertake at its sole cost and expense the following alterations or work to the Premises in a proper workmanlike manner prior to the Commencement Date:

- 24.1.1 sealing of the underside of the roof of the Premises to the best ability of the Landlord to ensure the silver insulation situated on the underside of the roof does not fall into the warehouse area providing that the Tenant allows the Tenant clear access to that part of the Premises which is required to undertake the work at all times so that the Tenant can undertake the said works.; and
- 24.1.2 the replacement or installation of any vertical blinds that are missing from the vertical blind tracks which is situated in the main office area in the Premises.

24.2 Tenant Works

The Tenant shall undertake at its sole cost and expense the following alterations or work to the Premises in a proper workmanlike manner either prior to or after the Commencement Date, which works must be undertaken by a fully licensed and fully insured tradepersons:

- 24.2.1 Uplifting the carpet in the front office area of the Premises and converting that said area into a workshop provided always that the Tenant shall store the carpet tiles which have been uplifted in a proper and safe place so that the Tenant can relay the carpet tiles upon the expiration of the Lease. The Tenant must relay the carpet tiles on the expiration of the Lease.

Title Reference 50166170

- 24.2.2 The installation of ducting through the roof of the Premises to allow general fume removal from the paint booth and the Premises generally. The Tenant must remove the ducting on the expiration of the Lease and will reinstate the roof of the Premises to their original condition including but not limited to the replacement of all effected roof sheeting with new roof sheeting. The placement and any installation of a unit to be utilised for the removal of any fumes from the paint booth and Premises generally must be in accordance with Work Place Health and Safety Standards all requirements.
- 24.2.3 The installation of double opening doors between the office and the warehouse area situated within the Premises provided always that the Tenant will reinstate the Premises to their original condition unless the Landlord agrees that the Tenant is not required to reinstate the Premises to their original condition.

24.3 Early Possession

The Tenant shall be entitled to early possession of the Premises commencing the date that the Tenant has paid the bond in the sum of \$10,417.10 to the Landlord or its agent and on the terms and conditions of this Lease save for the payment of Rent and Outgoings provided that the Tenant has first complied with its obligations pursuant to clause 9.2 of this Lease and has fully executed this Lease.

24.4 Additional Air conditioning

In the event that the Tenant wishes to install or replace any new split system air conditioning units then those units are to be installed in accordance with the manufacturer's instructions and the compressor system will be mounted with rubber pads between the ground and the compressor to prevent vibration so as to ensure that the noise rating complies with all State and local government regulations.

25 GUARANTEE AND INDEMNITY

IN CONSIDERATION of the Landlord at the request of the Guarantors entering into this Lease with the Tenant the Guarantors covenant and agree with the Landlord that:

- 25.1.1 they will be liable jointly and severally with the Tenant for the due and punctual payment of all Rent and other moneys to be paid by the Tenant under this Lease and for the due performance and observance by the Tenant of all the covenants terms and conditions of this Lease on the part of the Tenant to be performed and observed;
- 25.1.2 the Guarantors indemnify the Landlord from and against all losses damages costs and expenses which the Landlord may suffer or incur in consequence of any breach or non observance of any of the covenants terms and conditions of this Lease on the part of the Tenant to be performed or observed and the Guarantors agree that they will remain liable to the Landlord under this indemnity notwithstanding as a consequence of any breach or non observance the Landlord has exercised any of its rights under this Lease including its rights of re-entry and notwithstanding that the Tenant (being a corporation) may be wound up or dissolved or (being a natural person) may be declared bankrupt and notwithstanding that the guarantee given by the Guarantor may for any reason be unenforceable either in whole or in part;
- 25.1.3 on any default or failure by the Tenant to observe and perform any of the covenants terms and conditions of this Lease the Guarantor will immediately on demand by the Landlord pay all Rent and other moneys and make good to the Landlord all losses damages costs and expenses sustained or incurred by the Landlord by reason or in consequence of any default in performing or observing any of the covenants terms and conditions of this Lease and the Guarantors will also pay to the Landlord interest at the Stipulated Rate from the time of any Rent or other moneys respectively falling due to the date of payment added without the necessity of any prior demand having been made on the Tenant;
- 25.1.4 the liability of the Guarantors under this guarantee and indemnity will not be affected by the granting of time or any other indulgence to the Tenant or by any assignment or purported assignment of the interest of the Tenant under this Lease or by the compounding compromise release abandonment waiver variation or renewal of any of the rights of the Landlord against the Tenant or by any variation of this Lease or by the filling-up of this Lease by the Landlord or its solicitors under the terms of any agreement for lease or by any neglect or omission to enforce those rights or by any other thing which under the law relating to sureties would or might but for this provision release the Guarantors in whole or in part from its obligations under this guarantee and indemnity;

Title Reference 50166170

- 25.1.5 notwithstanding that as between the Guarantors and the Tenant the Guarantors may be a surety only, nevertheless as between the Guarantors and the Landlord the Guarantors are deemed to be a primary debtor and contractor jointly and severally with the Tenant;
- 25.1.6 to the fullest extent permitted by law the Guarantors hereby waive such of its rights as surety or indemnifier (legal equitable statutory or otherwise) as may at any time be inconsistent with any of the provisions of this guarantee and indemnity;
- 25.1.7 the covenants and agreements made by the Guarantors are not conditional or contingent in any way or dependent upon the validity or enforceability of the covenants and agreements of any other person and remain binding notwithstanding that any other person does not execute this Lease or this guarantee and indemnity;
- 25.1.8 the obligations of the Guarantors under this guarantee and indemnity continue until all Rent and other moneys payable under this Lease have been paid and until all other obligations and indemnities have been performed observed and satisfied and those obligations will not be reduced or affected by any notice to quit given by either Party to this Lease or the death insolvency liquidation or dissolution of the Tenant or the Guarantors or either of them;
- 25.1.9 the Guarantors do not execute this guarantee and indemnity as a result of or by reason of any promise representation statement information or inducement of any nature or kind given or offered to the Guarantors by the Landlord or on the Landlord's behalf whether in answer to any enquiry by or on behalf of the Guarantors or not and (except as provided in this guarantee and indemnity) the Tenant was not prior to the execution of this guarantee and indemnity by the Guarantors and is not subsequently under any duty to disclose to the Guarantors or to do or execute any act matter or thing relating to the affairs of the Tenant or its transactions with the Landlord;
- 25.1.10 in the event of the Tenant during the term of this Lease entering into liquidation (or being a person, entering into bankruptcy) and the liquidator or trustee in bankruptcy disclaiming this Lease, or if the Tenant should be dissolved, the Guarantors will accept from the Landlord a lease of the Premises for a term equal in duration to the residue remaining unexpired of the term of this Lease, the new lease to contain the same Tenant's and Landlord's covenants respectively and the same provisos and conditions in all respects (including the proviso for re-entry) as are in this Lease contained together with such other covenants provisos and conditions as the Landlord may reasonably require and on the execution by the Landlord of the further lease the Guarantors will pay all costs of the further lease (including all costs of and incidental to the preparation execution and stamping of the lease and all stamp duty and registration fees) and will immediately execute and deliver to the Landlord the lease in triplicate;
- 25.1.11 in the event of a further lease of the Premises being granted by the Landlord to the Tenant (including to any successors of the Tenant or to its permitted assigns) consequent upon the exercise of any option to renew contained in this Lease or in the event of the Landlord granting to the Tenant any extension of the term of this Lease, then this guarantee and indemnity will be deemed to extend to the further lease or the extension of the term as the case may be and will be read and construed as if the further lease were this Lease and the tenant holding under it were the Tenant referred to in this Lease;
- 25.1.12 all notices or demands to be given or made to or upon the Guarantors will be deemed to be duly given and served on the Guarantors if signed by the Landlord or the solicitors for the Landlord or if the Landlord is a corporation then by any officer of the corporate Landlord or the solicitors for the corporate Landlord and delivered to the Guarantor (or if there is more than one Guarantor then to any one or more of them) personally or if the Guarantor is a corporation then to any person at its registered office or principal place of business in this State or if left at the last known place of business or abode of the Guarantors or if left at or sent to the Guarantors through the post in a prepaid envelope addressed to the Guarantors at the address (if any) of the Guarantor set out in Item 14 of the Reference Data. A notice or demand which is posted will be deemed to have been served on the Guarantors on the day following the date of posting;
- 25.1.13 in the event of the invalidity of any part or provision of this guarantee and indemnity that invalidity will not affect the validity or the enforceability of any other part or provision of this guarantee;
- 25.1.14 where there is more than one person or corporation which together constitute the Guarantors to this Lease, the obligations and liabilities of each of those persons or corporation are joint and several;

(Full name to be printed)