

QUEENSLAND TITLES REGISTRY
Land Title Act 1994, Land Act 1994 and Water Act 2000

LEASE/SUB LEASE

Brenda Wishey
FORM 7 Version 6

Duty Imprint

Page 1 of 1

Dealing Number



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1. Lessor

LUKE FRANCIS GEORGE

Lodger (Name, address E-mail & phone number)

Lodger
Code

2. Lot on Plan Description

LOT 1 ON SP186175

Title Reference

50629162

3. Lessee

Given names

Surname/Company name and number

(include tenancy if more than one)

MTIS GROUP (ASIA PACIFIC) PTY LTD
ACN 602 899 338

4. Interest being leased

Fee Simple

RGL spoke to Joe Dias on phone on 13 May 2021, Joe has confirmed the tenant is not related or connected.

5. Description of premises being leased

Whole of Lot

6. Term of lease

Commencement date/event: 01/01/2019

Expiry date: 31/12/2022 and/or Event:

#Options: 1 x 3 years

#Insert nil if no option or insert option period (eg 3 years or 2 x 3 years)

7. Rental/Consideration

\$92,500.00 per annum

8. Grant/Execution

The Lessor leases the premises described in item 5 to the Lessee for the term stated in item 6 subject to the covenants and conditions contained in:- *the attached schedule; *the attached schedule and document no. _____;

* document no. _____; *Option in registered Lease no. _____ has not been exercised.

* delete if not applicable

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

..... signature

..... full name

..... qualification

Witnessing Officer

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

14/01/19
Execution Date

Lessor's Signature

9. Acceptance

The Lessee accepts the lease and acknowledges the amount payable or other considerations for the lease.

..... signature

..... full name

..... qualification

Witnessing Officer

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

14/01/19
Execution Date

Lessee's Signature

MTIS GROUP (ASIA PACIFIC) PTY LTD ACN 602 899 338

SCHEDULE

Title Reference 50629162

This is the Schedule referred to in Item 8 of Form 7 Lease between the Landlord and the Tenant named in the reference schedule below.

REFERENCE SCHEDULE

Item 1	Landlord	Luke Francis George
	Address	171 Hansen Rd Yugur 4520
Item 2	Tenant	MTIS Group (Asia Pacific) Pty Ltd CAN 602 899 338
	Address	Suite 16, 23 Breene Place, Morningside QLD 4170
	Facsimile No.	
Item 3	Leased Premises [Clause 1.2(11)]	1/210 Queensport Road, Murarrie QLD 4172
Item 4	Term [Clause 3.1]	Four (4) years commencing on 01/01/2019
Item 5	First Option to Renew [Clause 17.1]	3 years
Item 6	Second Option to Renew [Clause 17.4]	Nil
Item 7	Rent [Clause 4.1(1)]	\$92,500 per annum plus GST
Item 8	CPI Review Dates [Clause 4.2]	Each anniversary of the date of Commencement
Item 9	Market Review Dates [Clause 4.4]	nil
Item 10	Percentage Increase: Percentage Rent Review Dates [Clause 4.5]	
Item 11	Proportion of Outgoings [Clause 5.1(1)]	All ; 100%
Item 12	Use of Premises [Clause 6.1]	Office and Warehouse
Item 13	Guarantor	
	Name	Benjamin Joseph Adamson
	Address:	Unit 26, 57 Lambert Street, Kangaroo Point QLD 4169
	Name:	James Laurence Adamson
	Address:	Unit 15, 68-70 Norman Crescent, Norman Park QLD 4170
	[Clause 19]	
Item 14	Number of Car Parks Car Park Licence Fee (per car park)	per annum plus GST
Item 15	Bond Amount equivalent to 3 months rent plus GST (which at commencement is \$25,437.50) Clause 24	

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Item 16 **Landlord's Works Nil**
 Clause 18

Item 17 **Tenant's Works**
 Clause 18

1. MEANING OF WORDS

1.1 Words in the Reference Schedule have the meaning opposite them.

1.2 The following words have the following meanings:-

- (1) **"Air Conditioning Equipment"** means the plant, electrical installation, duct work, diffusers and other associated equipment used for the manufacture and reticulation of conditioned air throughout the Premises and includes all mechanical ventilation.
- (2) **"Body Corporate"** means the Body Corporate for Nautilus Business Park community titles scheme 35941
- (3) **"Building"** means the building or buildings of the landlord erected on the land.
- (4) **"Common Areas"** means those parts of the building not intended to be demised including foyers, passageways, staircases and car parks.
- (5) **"Financial Year"** means 1 July to 30 June.
- (6) **"GST"** means a goods and services tax, purchase tax or any other similar tax or duty imposed at the point of sale or time of acquisition or payable on goods, services or other things.
- (7) **"Insolvent"** means -
 - (a) For a natural person committing an act of bankruptcy, being made bankrupt or being subject to an arrangement under Part IX or Part X of the Bankruptcy Act.
 - (b) For a company, being wound up, having an official manager or administrator appointed, or having a receiver, manager, agent in possession, appointed to any of the property of the company
- (8) **"Land"** means the land specified in Item 2 of the Form 7 Lease.
- (9) **"Landlord"** means the Lessor in the Form 7 Lease.
- (10) **"Landlord's Fixtures"** means the property owned by the Landlord in the Premises or on the Land, including air conditioning equipment (if any), fencing, gates and doors, electrical fittings and equipment, water mains, fire service mains, floor coverings, lifts and elevators, telecommunication and data transfer equipment and cables, automatic door equipment (if any), any equipment, fixtures or fittings which the Landlord has agreed to install for the Tenant, and for which the Landlord has not been paid, all hydrants, stop cocks, fire hoses, alarm systems, fire prevention and extinguishing equipment, toilets, grease traps, water apparatus, wash basins
- (11) **"Outgoings"** means the Landlord's reasonable expenses directly attributable to the operation, of the Premises and charges, levies, rates or taxes payable by the Landlord as owner of the Premises, including:-
 - (a) Rates, charges, taxes (excluding Land Tax, and capital gains and Income Tax), assessments and fees paid to any Statutory Authority;
 - (b) The supply of sewerage and water services and garbage and waste removal;
 - (c) Water consumption and waste water charges; and
 - (d) All Body Corporate levies including administrative levies, sinking fund levies, insurance levies and special levies or any other levy or charge by the Body Corporate from time to time.

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(11) **Premises** or **"Leased Premises"** means the area shown hatched on the sketch plan attached to this Lease including:

- (a) the floor and ceiling finishes (but not any other part) of the floor slabs and ceiling slabs that bound the Premises;
- (b) the inner half severed through the middle of the internal non-load bearing walls that divide the Premises from the adjoining premises and Common Areas;
- (c) the doors and windows and frames at the Premises;
- (d) all additions and improvements to the Premises;
- (e) all the Landlord's Fixtures and Landlord's fittings in the Premises;
- (f) all pipes that are in and that exclusively serve the Premises; and
- (g) all equipment that is in or on and that exclusively serves the Premises;

Provided however that if the Premises consists of the whole of the Land then Premises means the Land and includes any Building and other improvements erected on the Land.

(12) **"Prescribed Percentage"** means the amount specified in Item 11 of the Reference Schedule but if not completed then the percentage of the Total Lettable Floor Area which is from time to time represented by the floor area of the Premises, where the Total Lettable Floor Area means the floor area of all those parts of the Building that are leased or may be available for lease but does not include the floor area of the common areas and the car park or any part of the Building used exclusively for storage.

(13) **"Redecorate"** includes:

- (a) washing down the whole of the exterior of the Premises and the interior of the Premises including all partitions and additions made to the Premises; and
- (b) treating as previously treated all internal surfaces of the Premises by painting staining polishing or otherwise to a specification approved by the Landlord; and
- (c) replacing all carpet and/or floor tiles of ceiling tiles which in the opinion of the Landlord are worn or damaged and in need of replacement.

(14) **"Rent"** means the Rent calculated in accordance with Clause 4.

(15) **"Services"** means all utilities and services connected to and servicing the Premises.

(16) **"Statutory Authority"** means a Government or semi Government body which is established or empowered by Statute.

(17) **"Tenant"** means the Lessee in the Form 7 Lease.

(18) **"Tenant's Fittings"** means all of the Tenant's fixtures, fittings and chattels which are in the Premises and which are not owned by the Landlord.

(19) **"Term"** means the period of time specified in Item 4 of the Reference Schedule.

(20) **"Valuer"** means a fellow or an associate of the Australian Property Institute (Inc) Queensland Division who has at least five (5) years experience as a Valuer in valuing property similar to the Premises and who is active in the relevant market at the time of his appointment.

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2. INTERPRETATION

- 2.1 For ease of reference, paragraph headings have been included but the Lease is not to be construed by reference to them.
- 2.2 Any reference to the Premises or the centre includes reference to part of them.
- 2.3 References to single number and to any gender include the plural number and other genders.
- 2.4 References to any Act or Law include amendments or replacements of them and Proclamations, Rules, Regulations, Orders and Notices issued under them.
- 2.5 If there is more than one Tenant, the liabilities are joint and several.
- 2.6 The Terms of this Lease comprise the whole agreement between Landlord and Tenant.
- 2.7 If any area of the Premises is to be measured, the method of measurement shall be that used by the Building Owners and Managers Association of Australia Limited at the time of measurement.
- 2.8 If any Clause in this Lease requires the Landlord to give its consent or approval, that consent or approval shall not be unreasonably withheld.
- 2.9 If a Notice is required to be given by one party to another, that Notice must be given in writing.
- 2.10 A reference to Landlord, Tenant or Guarantor includes in the case of a person, his personal representative and assigns, and in the case of a company its successors and assigns.

3. TERM OF LEASE AND HOLDING OVER AT END OF LEASE

3.1 Lease

The Landlord leases the Premises to the Tenant for the Term, subject to the provisions of this Lease.

- 3.2 The Landlord grants the Tenant the right to use the Landlord's Fixtures for the Term.

3.3 Holding Over

If, after the Term has ended, the Tenant continues to occupy the Premises with the Landlord's consent:-

- (1) The Tenant occupies the Premises on a month to month basis.
- (2) The Rent is the same as that which applies at the end of the Lease increased by 3%.
- (3) Rent, Outgoings and other monies payable must be paid in the same manner as under the Lease.
- (4) As far as possible, the Terms of the Lease apply to the monthly tenancy.
- (5) The monthly tenancy may be terminated by either party giving the other one months notice.

4. RENT

4.1 Rent

- (1) The Tenant must pay to the Landlord the Rent (by periodic bank transfer if the Landlord so requires) whether or not any demand has been made, by equal monthly instalments in advance on the first day of each month. If the Lease commences or ends on a day other than the first day of a month, Rent must be apportioned.

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- (2) The Rent for the first year of the Lease will be the amount shown in Item 7 of the Reference Schedule and for the second and any subsequent year of the Lease will be that amount increased in accordance with any of the following provisions as might apply, provided however that in no circumstances will the Rent Review result in the Rent being lower than the Rent paid during the year just concluded.

4.2 CPI Review

- (1) In this Clause, the following words have the following meanings:-
- (a) **"CPI"** means Consumer Price Index All Groups Brisbane
- (b) **"Index Number"** means the CPI published by the Australian Statistician
- (2) The Rent must be reviewed on each of the dates referred to in Item 8 of the Reference Schedule (the CPI Review Dates) to the higher of:

a) the Rent for the Lease Year just concluded, before the CPI review date increased by three Percent per annum (3%):-

or

b) The Rent calculated in accordance with the following formula.

$$R = \frac{A \times PR}{B}$$

Where R = the new Rent

A = the Index Number for the quarter ending immediately prior to the relevant CPI Review Date

PR = the Rent payable prior to the CPI Review Date

B = The Index Number for the quarter ending immediately prior to one year before to the relevant CPI Review Date

4.3 Suspension of CPI

If the CPI is discontinued, and the parties cannot agree upon a substitute Index or formula, the parties agree to adopt the index or variation factor nominated by the Commonwealth Statistician upon a request by the Landlord which is in the opinion of the Commonwealth Statistician reasonably comparable to the Consumer Price Index.

4.4 Market Rent Review

- (1) The Rent must be reviewed on each of the dates referred to in Item 9 of the Reference Schedule (the Market Review Dates) in accordance with the following procedure, provided that in no circumstances will the Rent so determined be lower than the rent for the Lease Year just concluded, before the market review date:-
- (a) The Landlord may by notice in writing, not earlier than three (3) months before the Market Review Date, advise the Tenant of the Landlord's assessment of market Rent appropriate to the Premises as from the review date.
- (b) Unless the Tenant gives notice of his objection to the Landlord's nominated new Rent within twenty one (21) days of the delivery of the Landlord's notice the Rental nominated by the landlord will take effect on the Market Review Date. If the Tenant does give a notice of objection, the following provisions will apply:
- (c) The Landlord and the Tenant, and their representatives must meet not later than fourteen (14) days after the Tenant's objection is received and attempt to reach agreement upon the market rent which will apply to the Premises.

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- (d) If agreement is not reached the matter will be referred for determination to a valuer agreed upon by Landlord and Tenant, or failing agreement, nominated by the President of the Australian Property Institute (Inc) Queensland Division.
- (e) The appointed valuer must ascertain the market rent within one month of his appointment and must do so as an expert, and not an arbitrator. The valuer's determination shall be final and binding upon the Landlord and the Tenant. The Landlord and the Tenant must equally share the valuer's costs.
- (f) The valuer, at his sole discretion, may invite the Landlord and the Tenant to make written submissions to him.
- (g) In determining the annual market rent any valuer will:
 - (i) disregard any deleterious condition of the Premises, which results from any breach of the Lease by the Tenant
 - (ii) disregard any incentives or rent free period being offered to Tenants in the market at the time of the review.

4.5 Percentage Rent Increases

The Rent must be reviewed on each of the dates referred to in Item 10 of the Reference Schedule (the Percentage Rent Review Dates) in accordance with the following formula:

$$R = PR + (PR \times A)$$

Where R = the new Rent

A = the number referred to at Item 10 expressed as a percentage

PR = the Rent payable prior to the percentage rent review date

4.6 Payment of Rent Pending Review

Until the new Rent has been fixed, the Tenant must continue paying the Rent for the previous year. Any variation of the Rent as a result of the Rent review must take effect from the relevant review date.

4.7 Tenant's obligation to reimburse Landlord for GST

- (1) In this Clause GST refers to goods and services tax under A New Tax System (Goods and Services) Act 1999 ("GST Act") and the terms used have meaning as defined in the GST Act.
- (2) 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.
- (3) 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.
- (4) The Tenant's liability under (3) is to reimburse the full amount of GST, disregarding and excluding the Landlord's entitlement to input tax credits or other credits or reimbursements for GST.
- (5) In respect of each payment by the Tenant under (3), 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.

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4.8 In calculating any rental adjustment by reference to a previous years Rent any incentive or abatement allowed during that year will be disregarded.

5. OUTGOINGS

5.1 Payment of Outgoings

- (1) The Tenant must pay the Prescribed Proportion of Outgoings.
- (2) The Landlord may choose to either -
 - (a) Notify the Tenant of the Landlord's estimate of Outgoings payable by the Tenant for each period not exceeding one year in advance of the estimate; or
 - (b) Notify the Tenant from time to time during the Term by the issue of any account for Outgoings.
- (3) The Tenant must pay Outgoings in the manner required by the Landlord by either -
 - (a) equal monthly instalments in advance on the same day and in the same manner as the Tenant pays Rent; or
 - (b) payment of a lump sum to the Landlord covering the invoice, statement or account for that Outgoing.

5.2 Accounting for Outgoings

- (1) If the Landlord requires the Tenant to pay Outgoings by equal monthly instalments, the Landlord must, at the end of each financial year, give the Tenant an itemised statement of all Outgoings actually paid during the period and the amount paid by the Tenant on account of the estimated Outgoings.
- (2) Any adjustment between the estimated and the actual Outgoings paid by the Tenant must be made within one (1) month after the date of the Landlord producing the itemised statement.
- (3) Any refund or further payment must be made by the relevant party.

5.3 The Landlord may in its absolute discretion determine from time to time that an item of Outgoings expense is disproportionately attributable to any one of the Tenants or group of Tenants and in those circumstances the Landlord may apportion so much of that Outgoings expense to that Tenant or group of Tenants as it considers reasonable in the circumstances and that Tenant or group of Tenants will pay the amount of that Outgoing as determined by the Landlord.

5.4 Electricity, Gas and Services

The Tenant will pay all charges for electricity, gas or water consumed on the Premises and will meet the cost of installation and/or rental with respect to any metre for measuring same. The Tenant will meet all trade waste charges, wet refuse charges, waste water fees, licence fees and other impost charged by any statutory authority relating to or arising from the Tenant's use of the Premises. If any such costs are paid by the Landlord, the Tenant will reimburse the Landlord within seven (7) days of being billed for same by the Landlord. If there is no separate metre for any electricity, gas or water consumed on the Premises the Tenant will contribute to the cost of such services in the proportion which the floor area of the Premises bears to the total lettable area serviced.

6. USE OF PREMISES

6.1 Permitted Use

The Tenant must only use the Premises for the purpose specified in Item 12 of the Reference Schedule.

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6.2 Things the Tenant must not do

The Tenant must not:-

- (1) annoy, disturb or cause any damage or injury to any occupiers of adjacent premises, or passers by;
- (2) act offensively in the Premises;
- (3) install, paint or attach any sign upon any exterior wall or part of the Premises without the Landlord's consent;
- (4) overload the floor of the Premises or overload any services which are supplied in or to the Premises;
- (5) make any alterations to or modify any part of the Premises (or Landlord's Fittings) including partitions and services within the Premises, nor install any heavy equipment without the Landlord's consent;
- (6) drill into or paint any part of the Premises without the Landlord's consent;
- (7) do anything which may jeopardise the Landlord's insurance, or cause the Landlord's insurance premiums to increase;
- (8) store any chemicals or inflammable substances upon the Premises unless they are normally used in the Tenant's business;
- (9) use any of the Landlord's Fixtures improperly;
- (10) erect any blinds or awnings to the outside of the Premises;
- (11) obstruct any passageways or common areas or access thereto by other Tenants, employees or invitees;
- (12) contaminate the land; or
- (13) sleep or reside on the Premises or allow any person to do so.

6.3 Signage

- (1) The Tenant will not erect any signs, billboards or hoardings on the Premises or the Building or the Land without the Landlord's consent which may be withheld or granted on such terms and conditions as the Landlord might approve. Any request by the Tenant for approval under this Clause will include a plan showing the location, dimensions and construction details of any signage. The Tenant is responsible for obtaining any approval from any statutory authority for the erection of any such signs. The Tenant is liable for all costs of erection, maintenance and removal of the signage.
- (2) If any signs are installed or painted on the Premises or the Land without the Landlord's consent, the Landlord may use any means to remove them and the Tenant must pay the Landlord for such removal.
- (3) If the Landlord wishes to sell or Lease the lot, the Landlord may place such advertisements or signs upon or near the Premises as the Landlord thinks fit. However, no "For Lease" signs shall be fixed upon the Premises until the last three months of the Lease Term.

6.4 Requirements of Authorities

The Landlord makes no warranty that the Premises or the Tenant's Fixtures are suitable for the Tenant's Business. It is the Tenant's responsibility to obtain the consent of any Statutory Authority for the operation of its business, but the failure to obtain any such consent will not relieve the Tenant from its obligations to pay Rent and otherwise perform its obligations under this Lease for the Term.

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6.5 Security

When the Premises are not in use, the Tenant must properly secure them to prevent burglary, break ins and theft.

6.6 Tenant to Carry on Business Properly

The Tenant must conduct its business in a proper orderly and businesslike fashion from the Premises and remain open during the usual trading hours for the Building nominated by the Landlord or if none are so nominated between the hours of 8.30am and 5.00pm Monday to Friday.

6.7 Not to contaminate land or cause nuisance

(1) Tenant's Obligations

The Tenant covenants that, during the continuance of this lease, the Tenant will:

- (a) not to use or permit to be used or stored at the leased premises any radioactive, toxic or hazardous chemicals, wastes or substances, except in concentrations and quantities permitted by the relevant statutory authorities and in accordance with any licences, permits or authorisations required by law and in accordance with the conditions imposed by such authorities or under their permission;
- (b) not permit any petroleum product, oil, grease, or any noxious, dangerous or poisonous chemical or substance:
 - (i) to be brought onto the Land except as needed in the ordinary course of the Tenants business, and the Tenant must promptly notify the Landlord and comply with all relevant Requirements and the requirements of any Authority and the Landlord's insurer in respect of such storage or use;
 - (ii) discharged through the pipes of the water or sewerage service at the leased premises or into any nearby stream or river or into or under the soil, and to
 - (iii) discharge them only as permitted by the relevant statutory authorities, as required by law and in accordance with any conditions imposed by those authorities;
- (c) control and restrict the emission of smoke or odours at and from the leased premises in accordance with the applicable legislation, regulations and the requirements of statutory authorities;
- (d) not use the leased premises in an excessively noisy or noxious or offensive manner;
- (e) not use plant or machinery in the leased premises so as to constitute a nuisance or disturbance to the Landlord or to other tenants of the building, due to noise, vibration, odours or otherwise;
- (f) comply with the requirements of the Environmental Protection Act and Regulations (Qld) including complying with all lawful demands, notices and requirements of the regulatory authorities in respect of contamination of the premises caused by the Tenant or by the occupiers of the premises, including notices to remediate the leased premises;
- (g) notify the landlord within 14 days after receiving any demand or notice from a regulatory authority in respect of contamination of the leased premises.

(2) Indemnity

The Tenant agrees to indemnify the Landlord against any liability, loss, damage, expense or claim which the Landlord may incur as a consequence of the breach by the Tenant of any obligation under paragraph (1), including fines, legal costs, consultants' fees and remediation costs.

7. MAINTENANCE AND REPAIR

7.1

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- (1) The Tenant must keep the Premises and the Landlord's fixtures in good repair and condition throughout the Term. This obligation extends to the interior and exterior paint work (including signage), which must be touched up, or if necessary, repainted when reasonably necessary or the Landlord reasonably requires (fair wear and tear excepted).
- (2) If insurance moneys which would normally have been paid to repair any damage to the Premises are not paid because of some default, neglect, omission or misconduct of the Tenant, the Tenant is responsible for repairing that damage.
- (3) The Tenant is not responsible for any major structural maintenance or repair unless the maintenance or repair is caused by any act, omission, neglect, default or misconduct of the Tenant or the Tenant's employees.
- (4) The Tenant will at its own expense enter into service agreements with contractors approved by the Landlord for the regular servicing at intervals advised by the Landlord for the air conditioning equipment, the roller door, fire prevention and extinguishing equipment and such other of the Landlord's Fixtures as the Landlord may notify from time to time.

7.2 Cleaning, Maintenance and Breakages

- (1) The Tenant must:-
 - (a) keep all drains and pipes on or servicing the Premises in good order and repair, and clear of blockages;
 - (b) keep the Premises clean and of good appearance;
 - (c) place all rubbish, trade waste, shop refuse and garbage in the proper receptacles and arrange for its regular removal from the Premises;
 - (d) keep the Tenant's Fittings clean and properly maintained;
 - (e) replace and repair:-
 - (i) all broken glass in the Premises,
 - (ii) broken light bulbs, globes or tubes and electrical fittings in the Premises
 - (f) keep the Premises free and clear of rodents, termites, white ants, cockroaches and vermin;
 - (g) properly maintain and service all the Landlord's fixtures in, on or servicing the Premises;
 - (h) mow, weed and water all lawns and gardens, properly tend to any trees and shrubs and remove garden refuse from the Land

7.3 Inspection and Landlord's Repairs

- (1) After giving at least one days notice to the Tenant, the Landlord may enter and inspect the Premises.
- (2) In an emergency, the Landlord may enter and inspect the Premises without giving notice.
- (3) After inspecting the Premises, the Landlord may serve a notice of repair upon the Tenant requiring any defect, or want of repair, to be rectified within a reasonable time.
- (4) If the repairs referred to in the notice of repair are not carried out within a reasonable time, the Landlord may carry out such repairs and the Tenant must pay for them.

7.4 Landlord may enter to satisfy Statutory Authority's Requirements

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- (1) Upon giving the Tenant not less than one days notice, the Landlord and the Landlord's workmen may enter the Premises to carry out any works which may be required by any Statutory Authority.
- (2) In carrying out such works, the Landlord must cause as little disruption to the Tenant's business as possible.

7.5 Tenant's Notice of Defect

The Tenant must promptly notify the Landlord of any damage or defect to the Services, or to the Landlord's Fixtures. If the Tenant fails to notify the Landlord of any such damage or defect, the Landlord shall not be responsible for the consequences.

7.6 Fitting Works

- (iii) The Lessee must not undertake fitting works within the premises (even those mandatory by law or required to obtain or comply with any lawful consent or approval) without the prior written consent of the Lessor and in applying for that consent must provide for the Lessor's perusal a plan and specification of the work showing:

- (a) all dimensions;
- (b) materials used in construction; and
- (c) building services requiring alteration to facilitate the work,

and regardless of the outcome of the Lessee's application for the Lessor's consent, the fees of the Lessor's consultant, builder or architect in perusing and advising on the plans and specifications for the Lessor's benefit are payable by the Lessee.

- (2) The Lessor's consent to the fitting works may be refused or granted conditionally and in the case of major fitting works without limiting the scope of the Lessor's discretion is deemed subject to the conditions that:
 - (a) Prior to commencement of the work the Lessor is provided with:
 - (i) Copies of the plan and specification endorsed with any required approval by the local government building authority and state fire authority;
 - (ii) A cash bond or bank guarantee for an amount stipulated by the Lessor to secure performance of the Lessee's obligations under clause 8.2 (b)(v); and
 - (iii) Evidence that the party undertaking the works on behalf of the Lessee is a registered builder and holds adequate coverage under a contractors all risks insurance policy for the performance of the fitting works;
 - (b) Supervision (at the expense of the Lessee) of the fitting works construction (unless erection of partitioning only) is undertaken by a registered architect nominated by the Lessor;
 - (c) The Lessee undertakes the fitting works at its risk and indemnifies the Lessor against any loss or injury incurred by any person during construction or as a result of the works being defective;
 - (d) Written evidence of satisfactory final inspection of the fitting works by the authorities approving the plans furnished to the Lessor with 7 days of practical completion of the works together with a full set of drawings certified "as built"; and
 - (e) Immediate reinstatement of the premises (and building services) to its original design and standard of finish at the expiration or sooner termination of this lease (unless expressly waived in writing by the Lessor at or prior to that time) and the making good of all damage caused by that work to the satisfaction of the Lessor is undertaken by the Lessee upon which any bond required by the Lessor under clause 8.2 (b)(i)(B) must be released to the Lessee.

8. ASSIGNMENT AND SUBLETTING

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8.1 No Transfer or other Dealing with Lease

The Tenant must not assign, transfer, mortgage or otherwise deal with its interest in this Lease, nor sub-let or vacate the Premises, nor grant a licence to any other person in respect of the Premises, without first obtaining the Landlord's consent.

8.2 Landlord's Consent

The Landlord must consider any application for consent under Clause 8.1 upon its merits and will ordinarily consent if the following pre-requisites are met:-

- (1) There is no unremedied breach of this Lease;
- (2) the Tenant can demonstrate that the incoming Tenant is respectable, responsible, solvent and capable of continuing the business carried on at the Premises for the balance of the Term;
- (3) if the incoming Tenant is a company, other than a company whose shares are listed on the Australian Stock Exchange, its obligations are guaranteed by its Directors and/or such other persons as may be acceptable to the Landlord;
- (4) the Tenant and the incoming Tenant and its guarantors sign such Deed or Agreements as may reasonably be required by the Landlord;
- (5) the Tenant pays the Landlord's reasonable expenses of vetting the incoming Tenant, giving its consent, and preparing and processing any Deed or Agreement required under Clause 8.2(4);
- (6) if a security bond or bank guarantee is held by the Landlord to secure the Tenant's performance of its obligations under this Lease, the incoming Tenant substitutes for that bond or bank guarantee another bond or bank guarantee satisfactory to the Landlord.

8.3 Change of Shareholding in Tenant

If the Tenant is a company, a change in ownership of 50% or more in the shareholding of the Company shall be considered an assignment of the Lease which will trigger the operation of Clause 8.2.

8.4 Security over Tenant's Fittings

- (1) The Tenant must not secure the Tenant's fittings by mortgage, charge or bill of sale without obtaining the consent of the Landlord.
- (2) Provided the Landlord can reach agreement with the security taker on the terms of a waiver or right of entry agreement, the Landlord's consent will be given. Any legal or other expenses incurred by the Landlord must be paid by the Tenant.

9. INSURANCES AND INDEMNITIES

9.1 Tenant's Insurances

- (1) Throughout the Term, the Tenant must keep current insurance policies covering the Premises for:-
 - (a) Public Risk in an amount of not less than Ten Million Dollars arising out of a single incident;
 - (b) The breakage of any plate glass in the Premises for its full insurable value;
 - (c) Insurance of all the Tenant's Fittings; and
 - (d) Business interruption insurance for a period of not less than six (6) months.

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- (2) Any insurance policy or policies taken out by the Tenant to cover the risks referred to in Clause 9.1(1) must:-
 - (a) be with an insurer approved by the Landlord;
 - (b) cover the risks and the amounts and contain conditions which are acceptable to the Landlord; and
 - (c) be taken out in the joint names of the Landlord and the Tenant for their respective interests.
- (3) The Tenant must promptly pay all insurance premiums.
- (4) Upon request, the Tenant must deliver copies of the current insurance policies, or certificates of currency, to the Landlord.

9.2 Indemnity

(1) Indemnity

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:

- (a) Loss, damage or injury from any cause to property or person inside or outside the Building occasioned or contributed to by the neglect or default of the Tenant or any servant, agent, licensee, invitee, sub-tenant 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;
- (b) The negligent use, misuse, waste or abuse by the Tenant or any servant, agent, licensee, invitee, sub-tenant or other person claiming through or under the Tenant of any water, gas or electricity or other services to the Premises or to the building;
- (c) The overflow, leakage or escape of water, fire, gas, electricity or any other harmful agent in or from the Premises caused or contributed to by any act or omission on the part of the Tenant, its servants, agents, licensees, invitees, sub-tenants or other persons claiming through or under the Tenant;
- (d) The failure of the Tenant to notify the Landlord of any defect in any of the Landlord's Fittings or other appurtenances in the Premises of which the Tenant is aware or ought to be aware;
- (e) Loss, damage or injury from any cause to property or person caused or contributed to by the use of the Premises by the Tenant or any servant, agent, licensee, invitee or sub-tenant and arising out of the neglect or default of the Tenant or any servant, agent, licensee, invitee or sub-tenant;
- (f) The improper or faulty erection or construction of facilities, trade fixtures or equipment installed on or in the Premises by the Tenant;
- (g) 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.

10. LANDLORD NOT LIABLE FOR DAMAGE TO TENANT'S PROPERTY

10.1 Tenant's risk

- (1) The Tenant occupies and uses the Premises and the Landlord's fixtures at the Tenant's risk;
- (2) The Landlord is not liable for any claim by the Tenant, the Tenant's employees or any other person which may arise from:-

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- (a) any fault in the construction or state of repair of the Premises or the Building or the Land;
- (b) any defect in the services or the Landlord's Fixtures or interruption to services; or
- (c) the leakage or flow of any fluid, substance or electricity into or from any part of the Premises.

10.2 Release

The Tenant releases the Landlord from liability in respect of damage or injury to any property or persons in the Premises except where that liability arises from the wilful misconduct of the Landlord, its employees, contractors or invitees.

11. LANDLORD'S OBLIGATIONS

11.1 Quiet Enjoyment

If the Tenant complies with all of its obligations under this Lease, the Landlord must not interrupt or disturb the Tenant's enjoyment of the Premises.

11.2 Sale of Land

- (1) If the Landlord sells the land during the Term of this Lease and this Lease is not registered then the Landlord must obtain an agreement from the purchaser that the purchaser will be bound by this Lease and will recognise the options for renewal (if any) contained in this Lease.
- (2) Upon being given one (1) days notice, the Tenant must allow the Landlord and the Landlord's agent to have access to the land and the Premises at all times to enable them to present the land and the Premises to prospective purchasers, and, during the last three (3) months of the Term, prospective Lessees.

11.3 Insurance

The Landlord must insure the Building for its full insurable value against fire, storm and accidental damage.

11.4 Tenant to have Access

The Landlord permits the Tenants, its employees, agents, licensees, and invitees at all times during the term of this Lease to have access (in common with the Landlord and all other persons to whom the Landlord grants a similar right) to and from the Premises through the entrances and exits of the building, and to toilets within the building for the purpose of the Tenant's business.

12. DAMAGE TO PREMISES

12.1 If the Premises are totally or substantially damaged so as to materially affect the use by the Tenant:-

- (1) The Tenant's obligations to pay Rent and any other moneys payable under this Lease shall be suspended for the period during which the Premises cannot be used;
- (2) If the Premises are still useable, but the useability is diminished due to the damage, the Tenant's obligation to pay Rent and other moneys payable under this Lease shall be reduced in proportion to the reduction in useability.
- (3) If the Landlord notifies the Tenant that the damage is such as to make its repair impractical or undesirable, either the Landlord or the Tenant may terminate this Lease by giving the other not less than seven (7) days written notice and no compensation is payable in respect of that termination.
- (4) If the Landlord fails to repair the damage within a reasonable time, the Tenant may by giving not less than thirty (30) days notice of intention to terminate this Lease and if the Landlord fails to substantially commence

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rectification within that thirty (30) days then the Tenant may thereafter terminate this Lease by written notice to the Landlord.

12.2 Exceptions

- (1) Clause 12.1 will not apply where:-
- (a) the damage is caused or contributed to by any breach of this Lease by the Tenant or any negligent or wilful act of the Tenant or the Tenant's employees; or
 - (b) an insurer under the Landlord's policy refuses indemnity or reduces the sum payable under the policy because of any act or default of the Tenant or the Tenant's employees.

12.3 Reinstatement

- (1) Nothing in this Lease obliges the Landlord to repair or reinstate the Premises if they are damaged.
- (2) If the Landlord decides to repair or reinstate the Premises, the Landlord may remodel them or fit them out differently.

12.4 RESUMPTION

If at any time the whole or any part of the premises is lawfully resumed by any authorised authority under the *Acquisition of Land Act (Qld)* or other statute then:

- a. the Lessor has exclusive rights to any compensation payable;
- b. if as a result the premises are substantially physically unfit for use by the Lessee then either party may terminate this Lease and that dispute is to be resolved by expert determination of an architect appointed by the President of the Royal Australian Institute of Architects (Queensland Chapter) at the reference of either party whose fees are to be borne equally by the parties and whose findings on both issues (or either) binds the parties.

13. TENANT'S DEFAULT

13.1 The Tenant is in default if:-

- (1) The Rent, Outgoings or any other money payable to the Landlord is unpaid for fourteen (14) days whether or not any demand has been made
- (2) Any repairs required by the Landlord have not been made within a reasonable time.
- (3) Any of the Tenant's obligations or covenants in this Lease have not been performed or observed.
- (4) The Landlord forms the reasonable view that the Tenant is insolvent.

13.2 Landlord's Action upon Default

After giving any notice required by law, and without jeopardising any other claim which the Landlord might have against the Tenant, if the Tenant is in default under Clause 13.1, the Landlord may:-

- (1) re-enter and take possession of the Premises (by force if necessary) and eject the Tenant and all other persons from the Premises, whereupon this Lease will terminate;
- (2) by notice to the Tenant, terminate this Lease from the date of the notice; and/or

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- (3) by notice to the Tenant, convert the Term to a monthly tenancy, in which case the Tenant must occupy the Premises as a Tenant from month to month.

13.3 Landlord's Expenses

In addition to any Rent or other moneys payable to the Landlord which are outstanding, the Tenant must pay all of the Landlord's expenses of taking action in respect of, or rectifying, a default.

13.4 Waiver

- (1) The Landlord's failure to object or exercise its rights upon any default by the Tenant will not be a waiver of that default or acquiescence in any recurrence or continuation of such default. Any waiver by the Landlord must be in writing.
- (2) The doctrine of an accord and satisfaction will not apply to the relationship between the Tenant and the Landlord. Any part payment by the Tenant will never constitute a waiver by the Landlord of its right to receive the balance payment unless specifically so agreed by the Landlord in writing.

13.5 Moneys Paid after Termination

Any money which is paid to the Landlord after termination of this Lease must be applied to:-

- (1) firstly, towards payment of Rent and other moneys due under this Lease; and
- (2) secondly, on account of the Landlord's expenses of dealing with the Tenant's default.

13.6 Removal and Disposal of Tenant's Fittings

- (1) Upon re-entry and termination of this Lease, the Landlord may remove the Tenant's fittings and store it at any secure place without being liable at law to the Tenant.
- (2) Any expenses of such removal and storage must be paid by the Tenant.
- (3) After storing the Tenant's fittings for one month, during which the Tenant must be afforded every opportunity to pay moneys due to the Landlord and recover the fittings, the Landlord may dispose of the fittings by auction, private sale or otherwise.
- (4) Any proceeds of sale must be applied in the manner referred to in clause 13.5.

13.7 Interest

Any Rent or other moneys owing to the Landlord and unpaid after falling due shall attract interest at 15% per annum. Interest will accrue on a daily basis and be capitalised at the end of each month from the date on which payment of Rent and other moneys should have been made to the date that they are paid.

14. ESSENTIAL TERMS

14.1 The following covenants are essential to this Lease, the breach of which may be considered by the Landlord to be a repudiation:-

- (1) Payment of Rent [Clause 4]
- (2) Payment of Outgoings [Clause 5]
- (3) Payment of GST [Clause 4.7]
- (4) Use of the Premises [Clause 6]

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- (5) Assignment, mortgaging or sub-letting without consent [Clause 8]
- (6) Repair [Clause 7]
- (7) Insuring [Clause 9].

Time is of the essence with respect to the obligations of the Tenant and the Guarantors under this Lease.

14.2 Entitlement to Damages

- (1) Any loss suffered by the Landlord as a result of the Tenant's default and/or termination under Clause 13 or by the Tenant's repudiation may be recovered as damages.
- (2) The damages which may be recovered will be the difference between the Rents, Outgoings and other moneys which the Landlord would have received had the Tenant remained in possession of the Premises for the Term, less any moneys received by the Landlord during the Term, or moneys which the Landlord could reasonably be expected to receive by re-Renting the Premises for the balance of the Term.
- (3) The Landlord's right to recover damages from the Tenant will not be affected by:-
 - (a) the Tenant permanently vacating the Premises;
 - (b) the Landlord re-entering the Premises to terminate this Lease;
 - (c) the Landlord's acceptance of the Tenant's repudiation; or
 - (d) the Tenant's conduct amounting at Law to a surrender of this Lease.

14.3 Mitigation of Damages

The Landlord's obligation to mitigate its loss by endeavouring to re-lease the Premises upon reasonable Terms will not apply where the Tenant has abandoned the Premises.

15. END OF LEASE

15.1 Tenant's Obligations

At the end of this Lease the Tenant must:-

- (1) deliver all keys for the Premises to the Landlord; and
- (2) deliver the Premises and the Landlord's Fixtures in good order and repair, properly cleaned and freshly painted on the inside; and
- (3) remove all the Tenant's Fittings from the Premises; and
- (4) not damage the Premises in removing its fittings;
- (5) remove all signage from the Premises or from any pylon sign on the Land and repair any damage caused unless directed not to do so by the Landlord; and
- (6) reinstate the Premises to their state and condition before the commencement of this Lease including relocating any water, electricity, gas or fire services to their original location before commencement of the Lease and repair all damage and/or changes made to the Premises during the installation and/or removal of the Tenant's Fittings.

15.2 Failure to Remove Tenant's Fittings

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Any Tenant's fittings or other property not removed from the Premises at the end of the Lease may be considered abandoned and shall become the Landlord's property.

15.3 Tenant to Pay Landlord's Expenses

The Tenant:-

- (1) indemnifies and protects the Landlord from any claims made against the Landlord by any person who claims an interest in the Tenant's Fittings or property where the Tenant's fittings or property are considered to be abandoned; and
- (2) must pay the Landlord any expenses incurred by the Landlord in removing, storing and disposing of the Tenant's Fittings and property.

16. MISCELLANEOUS PROVISIONS

16.1 Costs

The Tenant must pay the Landlord:-

- (1) Stamp Duty and Registration fees on this Lease or any assignment, sub-lease or transfer of this Lease;
- (2) Surveyor's fees for preparing any plan required for registration of this Lease;
- (3) The Landlord's reasonable legal and administration expenses incurred as a result of:-
 - (a) stamping and registering this Lease,
 - (b) giving any consent required under the Lease,
 - (c) obtaining the mortgagee's consent and producing the Title Deed,
 - (d) any assignment or sub-letting or mortgage of this Lease,
 - (e) any extension or renewal of this Lease or the exercise of any option hereunder,
 - (f) any surrender or termination of this Lease,
 - (g) any default by the Tenant or the Tenant's employees in complying with the provisions of this Lease, and
 - (h) any litigation with which the Landlord becomes involved arising from the Tenant's occupancy of the Premises.

16.2 Notices

- (1) Notices will be considered to be served on the Landlord or the Tenant if they are:-
 - (a) served personally,
 - (b) mailed to a business or residential address,
 - (c) sent by facsimile.
- (2) The Landlord's and the Tenant's addresses and facsimiles are set out in Items 1 and 2 of the Reference Schedule or such other address as may be notified in writing from time to time.

16.3 Time of Service

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Any notice sent by:-

- (1) Post - shall be served on the second business day after which it is posted; or
- (2) Facsimile - will be served at the time the notice is transmitted to the correct number.

16.4 Reservations

- (1) The Landlord reserves the right to;
 - (a) use the Premises for the passage of Services to other parts of the building and to repair, alter or replace the Services after giving reasonable notice
 - (b) use the external surfaces and roof of the Building for any advertising or signage and may erect such structures on the building, the roof, the Common Areas or car park for such purpose as the Landlord deems fit
 - (c) effect any further building work on the Land or extend the Building or perform any renovations or modifications on the Building including the Common Areas as the Landlord considers prudent from time to time and the Tenant waives any right to object to any such works or claim any compensation with respect to any noise or nuisance created thereby
 - (d) close off or restrict any access ways, common property or other areas either permanently or temporarily provided reasonable alternate access is provided to the Premises
 - (e) lease or licence any part of the Common Areas; and
 - (f) reduce the number of car parking spaces in the car park servicing the Building or the Land and/or alter any traffic flow, traffic access or traffic control that might exist in the car park or charge or alter car parking fees

without any obligation to compensate the Tenant.

- (2) If the Lessor assigns its interests under this Lease then from the date of that assignment the Lessor will be released from its obligations under this Lease.
- (3) The Lessor may make rules and vary same in connection with the efficient operation and the use and occupation of the Building, the Land, the Common Areas and the car park.

16.5 Power of Attorney

- (1) The Tenant appoints the Landlord and its officers and nominees to be the Attorney of the Tenant for the purposes of this Clause 16.5.
- (2) At any time after the power to re-enter contained in this Lease has arisen, the Attorney may -
 - Sign and register a Transfer or a Surrender of this Lease; and
 - Dispose any of the Tenant's property in the manner described in Clause 13.6
- (3) The Tenant must ratify and confirm any lawful act of the Attorney.
- (4) The Registrar of Titles is authorised to accept a Statutory Declaration by the Landlord as sufficient evidence that the power to re-enter has arisen.

17. OPTION FOR RENEWAL

17.1 First Option

If Item 5 of the Reference Schedule is completed, and the Tenant:-

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- (1) is not in breach of an essential Term of this Lease, and
- (2) has not been late in payment of rent more than 3 times during the Lease, and
- (3) notifies the Landlord not less than three (3) months and not more than 6 months, before the Term expires that the Tenant wishes to renew the Lease, and
- (4) between the time of notification and the end of Lease, is not in breach of an essential Term of the Lease

then subject to Clause 17.2, the Landlord must grant and the Tenant must take a further Lease of the Premises ("first renewed Lease") upon the same terms and conditions as this Lease, except that Clause 17.1, 17.2, 17.3, 18.1 and 18.2 and 26 will be omitted.

17.2 First Renewed Lease

In the first renewed Lease, the Reference Schedule will be varied as follows:-

- Item 4 - Term - the period shown in Item 5 of the Reference Schedule
- Item 5 - Option to Renew - insert what was in item 6
- Item 6 - Further Option to Renew - not applicable
- Item 7 - Rent an amount determined by following the procedure set out in Clause 4.2 as if the first day of the option Term was a CPI Review Date)
- Item 8 - CPI Review Dates – Each Anniversary of commencement minimum 3%
- Item 9 - Market Review Dates - not applicable
- Item 10 - Percentage Increase – minimum 3%
- Percent Rent Review Dates - each anniversary of Commencement

17.3 First Renewed Lease to be Signed

The Landlord, the Tenant and the Guarantors (if any) must sign an amendment of this Lease or a new Lease within a reasonable time after determination of the Rent for the first renewed Lease.

17.4 Second Option

If Item 6 of the Reference Schedule is completed, and the Tenant:-

- (1) is not in breach of an essential Term of this Lease, and
- (2) notifies the Landlord not less than three (3) months before the Term expires that the Tenant wishes to renew the Lease, and
- (3) between the time of notification and the end of Lease, is not in breach of an essential Term of the Lease

then subject to Clause 17.5, the Landlord must grant and the Tenant must take a further Lease of the Premises ("first renewed Lease") upon the same terms and conditions as this Lease, except that Clause 17, 18.1 and 18.2 and 26 will be omitted.

17.5 Second Renewed Lease

In the second renewed Lease, the Reference Schedule will be varied as follows:-

- Item 4 - Term - the period shown in Item 5 of the Reference Schedule
- Item 5 - Option to Renew - not applicable
- Item 6 - Further Option to Renew - not applicable
- Item 7 - Rent (an amount to be agreed upon between the Landlord and the Tenant, and failing agreement two (2) months before the end of the Term, an amount determined by following the procedure set out in Clause 4.4 as if the first day of the option Term was a Market Review Date)

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- Item 8 - CPI Review Dates - Not Applicable
- Item 9 - Market Review Dates - not applicable
- Item 10 - Percentage Increase - 5%
Percent Rent Review Dates - each anniversary of Commencement

17.6 Second Renewed Lease to be Signed

The Landlord, the Tenant and the Guarantors (if any) must sign an amendment of this Lease or a new Lease within a reasonable time after determination of the Rent for the second renewed Lease.

18. WORKS

18.1 Landlord's Works

The Landlord will complete the works referred to in Item 16 of the Reference Schedule in a professional and workmanlike manner within one month of execution of this Lease.

18.2 Incentive

Provided The Tenant is not in default under this Lease and pays $\frac{3}{4}$ of the Rent reserved during each of the first 12 months of the Lease, then for the first 12 months of this Lease the Landlord will defer the requirement for payment of $\frac{1}{4}$ of the monthly rental for each of the first 12 months of the Lease (the Incentive Amount (ie \$23,124.00 in total) until:

- (i) If the Lease expires without forfeiture or termination of same by the Landlord then the debt due for the Incentive Amount will be forever waived;
- (ii) If this Lease is forfeited or terminated by the Landlord for default of the Tenant under this Lease then the Incentive Amount will become immediately become due and payable by the Tenant to the Landlord.
- (iii) If the Tenant exercises the option to purchase in clause 21.1 then the Landlord will allow to the Tenant at completion, credit for the amount of the Incentive Amount unused at the date of settlement.

The Tenant will however be required to pay its contribution to outgoings and GST on the value of any supply made to it by the Landlord.

This clause will not be included in any renewal provision of this Lease.

18.2 Tenant's Works

- (1) The Landlord agrees in principle to the Tenant performing the Tenants Works as outlined in Item 17 of the Reference Schedule subject to compliance with the following provisions:
 - (a) The Tenants Works must be performed by licenced tradesmen approved by the Landlord
 - (b) The Tenants Works must be done in a professional and workmanlike manner
 - (c) Before any works are commenced the Tenant must provide a plan and detailed specifications to the Landlord of the Tenants Works and/or finishes and no works are to commence until the Landlord has given written approval to those works.
 - (d) The Tenant must obtain any approvals of any Statutory Authority for the Tenant's Works before works are commenced.
 - (e) The Tenant must pay all of the Landlord's costs reasonably incurred in considering approving or supervising the Tenants Works including cost of all consultants.
- (2) The Tenant must reinstate the Premises at the end of the Lease to the state and condition before commencement of this Lease unless the Landlord otherwise directs the Tenant in writing.

19. GUARANTEES

19.1 Personal Guarantees

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This Clause 19 applies if Item 13 of the Reference Schedule has been completed, and the person named therein is the Guarantor.

19.2 Guarantee and Indemnity

In consideration of the Landlord granting this Lease to the Tenant at the Guarantor's request, the Guarantor guarantees to the Landlord:-

- (1) payment by the Tenant of the Rent, Outgoings and any other money agreed to be paid under this Lease and any damages awarded for any breach of this Lease, and
- (2) prompt and punctual observance and performance of the Tenant's obligations expressed or implied in this Lease.

19.3 Indemnity

The Guarantor indemnifies the Landlord against all claims made against the Landlord or all losses, expenses or damages which may be suffered by the Landlord arising from or in any way connected with any breach or default by the Tenant under this Lease.

19.4 Limited Guarantee and Indemnity

The Guarantors liability under this indemnity and guarantee is limited to the amount of \$50,000.00

19.5 Renewal of Lease

If this Lease is extended by the Tenant exercising its Option to Renew, the Guarantor's liabilities under Clauses 19.2 and 19.3 will extend until the end of the further Term or Terms.

19.6 Guarantor's Liability not Reduced

The Guarantor's liability will not be discharged or reduced by:-

- (1) the Landlord granting any time concession or indulgence to the Tenant,
- (2) the Landlord entering into any composition or scheme of arrangement with the Tenant,
- (3) the Landlord waiving any breach or default by the Tenant,
- (4) the Landlord's failure to enforce the Terms of the Lease against the Tenant,
- (5) the disclaimer of the Lease on the insolvency of the Tenant,
- (6) any payment by the Tenant that is avoided or set aside under any Law relating to insolvency or under any other Law,
- (7) any assignment of this Lease or sub-lease,
- (8) any amendment or renewal of this Lease or holding over at the end of the Lease, or
- (9) the Terms of the Lease not being enforceable against the Tenant for any reason,
- (10) the death of the Guarantor,
- (11) failure to give the Guarantor notice of any breach of this Lease or any action, claim or demand made by the Landlord against the Tenant arising from any breach of this Lease.

19.7 Irrevocable

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This Guarantee and Indemnity is irrevocable and will remain in force until the Tenant has performed and observed all of its obligations under the Lease, or the limit of liability referred to in clause 19.4 has been reached.

19.8 Guarantor not to prove in Liquidation

- (1) The Guarantor must not prove or claim in any liquidation or arrangement for the benefit of creditors until the Landlord has received all moneys owing to it by the Tenant.
- (2) The Guarantor must hold any proof, claim or dividend received by it in trust for the Landlord.

19.9 Joint and Several Liability

If the Guarantor comprises more than one person:-

- (1) each is liable even if the others do not sign the Guarantee,
- (2) their liability is joint and several.

19.9 In the event of the Landlord transferring the Land or otherwise assigning the Landlord's rights and obligations under this Lease, the Landlord's rights under this guarantee will pass to the assignee with the intent that the Landlord's rights and obligations under this guarantee will enure for the benefit of the assignee.

20. CAR PARK LICENCE

- 20.1 In consideration of the Tenant paying the Licence Fee shown at Item 14 of the Reference Schedule the Landlord grants to the Tenant a non-exclusive Licence ('the Licence') to park the number of vehicles shown at Item 14 of the Reference Schedule in the car park on the Land in the spaces designated by the Landlord from time to time ('the Parking Spaces') for the duration of this Lease. The Tenant agrees to accept the Licence on the terms set out below.
- 20.2 The Licence is granted for the sole purpose of storing motor vehicles of the Tenant, its servants and invitees.
- 20.3 The Tenant must not grease oil and repair any motor vehicles in the car park without the Landlord's consent.
- 20.4 The Tenant must comply with all reasonable directions of the Landlord or its property manager and comply with reasonable regulations with respect to traffic in the car park. The Tenant must not cause or suffer to be caused any danger, nuisance or inconvenience to other users of the car park.
- 20.5 The Tenant will occupy the car park and the parking spaces at its own risk and the Landlord will not be liable to the Tenant for any damage or loss or injury to any vehicles or persons in the car park or while entering or leaving the car park unless caused by the deliberate or malicious acts of the Landlord. The Landlord will not be liable for any theft or damage of any motor vehicle or any parts or contents of same or any injury to any person within the car park.
- 20.6 The Tenant hereby indemnifies and holds harmless the Landlord from and 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 in respect of the Tenant's occupancy and use of the Parking Spaces or use of the car park generally by the Tenant or by the Tenant's employees, servants, agents and invitees and customers. This indemnity will survive termination of this Licence or the Lease.
- 20.7 This Licence will determine at the expiry or earlier termination of the Lease. The Tenant must properly remove all motor vehicles and other property from the car park and the Parking Spaces at the expiry of this Licence and if it doesn't do so the Landlord will be entitled to remove and store same at the expense and risk of the Tenant. Anything done by the Landlord in this clause in good faith will be done with the Tenant's authority. The Tenant indemnifies the Landlord from any claim, loss or damage arising with respect to the removal of such vehicles or storage of same.

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- 20.8 The Tenant must maintain public liability insurance of not less than \$10 million with respect to the Licenced area in the names of the Tenant and the Landlord.
- 20.9 The Licence Fee will be payable to the Landlord with the Rent as provided in Clause 4 of the Lease. The Licence Fee will increase at the same time and in the same manner as the Rental increases in accordance with Clause 4 of the Lease. In the event of any Market Review of the Rental then the Valuer will be asked to determine the Market Value of the Parking Spaces and otherwise the provisions of Clause 4.4 of the Lease will apply to determining the rental of the Parking Spaces with effect from the Market Review date and provided further that the Licence Fee after any Market Review shall not be less than the Licence Fee before any such Market Review.

21. SECURITY

21.1 Bond

1. the Tenant must prior to entering possession of the Premises pay to the Landlord the sum set out in Item 15 of the Reference Data as a cash bond for performance by the Tenant of this Lease.
2. In the event of any rent review the amount of the cash bond will be increased by the same proportion as the Rent has increased at the time of that review and the tenant will pay to the Landlord forthwith the difference between the new bond amount as calculated in accordance with this clause and the amount then held by the Landlord.
3. The Tenant may instead of paying the amounts under sub-clauses 1 and 2 above provide to the landlord an Australia Trading Bank guarantee expiring 2 months after expiry of the Lease, on terms acceptable to the landlord, for the observance and performance by the Tenant of all the obligations and provisions contained in this Lease. The maximum liability of the bank must at least equal the total of the cash bonds required by sub-clauses 1 and 2.
4. If at any time the Tenant fails to observe and perform any of the Tenant's obligations in this Lease, the Landlord may take all or any part of the cash bond or call up any guarantee as compensation for any loss or damage suffered or which may be suffered by the Landlord because of that failure. Any such action by the Landlord will not be treated as a waiver of the Tenant's failure and will not limit any other right or remedy of the Landlord in respect of it.
5. If any part of the cash bond is taken or any guarantee called up by the Landlord and this Lease remains on foot, the Tenant must immediately upon demand by the Landlord pay to the Landlord the amount taken or called up. This amount is to be held as a cash bond under this clause.
6. If the Landlord's interest in the Premises is transferred, the Landlord may pay or transfer the bonds and guarantees to the Transferee, and the Tenant will take such steps and execute such documents as might be necessary to have a new bank guarantee issued in favour of the new owner and deliver same to the new Landlord in exchange for surrender of the old bank guarantee. Upon payment or transfer the Landlord will be released from all legal responsibility to the Tenant or to any other person for the bonds or guarantees.

22. BODY CORPORATE

The Tenant will comply with:

- (1) the by-laws of the Body Corporate; and
- (2) all lawful directions of the Body Corporate; and
- (3) all obligations imposed on occupiers by or in accordance with the *Body Corporate and Community Management Act 1997*; and
- (4) all obligations imposed on occupiers by the community management statement for the Scheme.

23. COMMON PROPERTY

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

24. 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:

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

25. 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.

IN CONSIDERATION of the Landlord granting the Lease at the request of the Guarantor, each Guarantor covenants with the Landlord in accordance with the provisions of Clause 19 of this Lease.

SIGNED AS A DEED

Dated this 14 day of


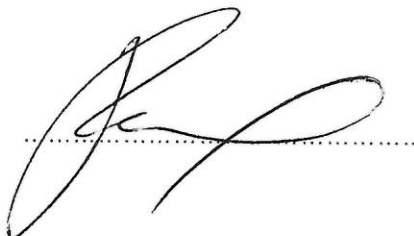
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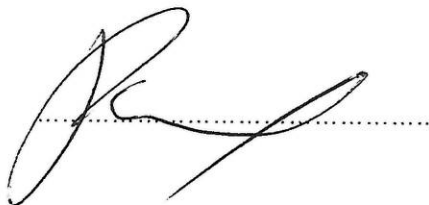
SIGNED by the Guarantor in the presence of:

)


Benjamin Joseph Adams

SIGNED by the Guarantor in the presence of:

)


James Laurence Adamson