



ACT
Government

Justice and Community Safety

LAND TITLES
OFFICE OF REGULATORY SERVICES
ACT Justice and Community Safety Directorate

SUBLEASE

Form 072 - SL

Land Titles Act 1925

IMPORTANT INFORMATION

This form is to be used to lodge a sublease under the *Land Titles Act 1925* (the Act). You can access the Act at www.legislation.act.gov.au. You may also obtain further information and forms at www.ors.act.gov.au.

PRIVACY INFORMATION

The Act authorises the Registrar-General to collect the information required by this form. The Registrar-General provides identifiable information to various agencies including, but not limited to, the ACT Environment and Sustainable Development Directorate, ACT Treasury Directorate, Canberra Connect and ACTEWAGL for conveyancing, municipal account administrative, statistical and valuation purposes. These agencies may also use this information to prepare and sell property sales reports to commercial organisations concerned with the development, sale or marketing of land.

CONTACT INFORMATION

Lodge in person at the Office of Regulatory Services:

255 Canberra Avenue, Fyshwick ACT 2609

Office Hours:

9:00am to 4:30pm Monday to Friday

General enquiries telephone number:

(02) 6207 0491

Website address:

www.ors.act.gov.au

INSTRUCTIONS FOR COMPLETION

- A Sublease is required to be marked by ACT Revenue if it has a term greater than 30 years (for Commercial Purposes).
- The certificate of title or production of title consenting to the registration of this document is required for lodgement.
- All information should be typed or clearly printed. If completing this form by hand please use a solid black pen only.
- This office will not accept lodgement of this form if it is not completed in full.
- Any alteration to information provided on this form must be struck through with a black pen. Substitute information must be clear and all parties must sign in the margin. Do not use correction fluid or tape.
- Ensure all required documents are attached. If there is insufficient space in any panel, please use an Annexure Sheet.
- Execution by:
 - a) **A Natural Person** – Should be witnessed by an adult person who is not a party to the document.
 - b) **Attorney** – if this document is executed by an Attorney pursuant to a registered power of attorney, it must set out the full name of the attorney and the form of execution must indicate the source of his/her authority e.g. "AB by his/her attorney XY pursuant to Power of Attorney ACT Registration No..... of which he/she has no notice of revocation". (This execution requires a witness).
 - c) **Corporation** – Section 127 of the *Corporations Act* provides that a company may now validly execute a document with or without using a Common Seal if the document is signed by:
 - i. Two directors of the company;
 - ii. A director and a secretary of the company; or
 - iii. Where the company is a proprietary company and has a sole director who is also the sole company secretary, that director. (This execution does not require a witness).
- The following forms of execution are suggested –
 - a) **With A Common Seal**
The common seal of ABC Pty Ltd/Ltd ACN.....
was affixed in the presence of-
.....(signature)
.....(director/secretary)*
(*repeat if necessary i.e. if two directors signing. If signing as sole director and sole secretary, state 'director/secretary') - (This execution does not require a witness).
 - b) **Without A Common Seal**
Signed by ABC Pty Ltd/Ltd ACN.....
.....(signature)
.....(director/secretary)*
(*repeat if necessary i.e. if two directors signing. If signing as sole director and sole secretary, state 'director/secretary') - (This execution does not require a witness)

LAND TITLES

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LODGING PARTY DETAILS

Name	Postal Address	Contact Telephone Number
King & Wood Mallesons	Level 5, 7 London Circuit, Canberra City	02 6217 6132

TITLE AND LAND DETAILS

Volume & Folio	District/Division	Section	Block	Unit
1049 & 68	Evatt	31	14	

FULL NAME OF LESSOR/OWNER (Surname Last)
(ACN required for all companies)

FGC Developments Pty Ltd ACN 008 510 512

FULL POSTAL ADDRESS OF LESSOR

PO Box 426, Mawson ACT 2607

FULL NAME OF LESSEE/TENANT (Surname Last)
(ACN required for all companies)

Jane's Hair Pty Limited ACN 164 323 166

FULL POSTAL ADDRESS OF LESSEE

24 Nambucca Street Kaleen ACT 2617

TENANCY OF LESSEE (Only complete if more than one Lessee)

Joint Tenants / Tenants in Common (in the following shares) -

AREA BEING LEASED



Whole of the Land

OR

Area/Shop/Tenancy Unit 1 on Sublease Plan/s No.s SLP1029

SUBLEASE COMMENCEMENT DATE

2013

SUBLEASE TERMINATION DATE

2018

CONDITIONS (Tick whichever is applicable - At least one box will apply)

The covenants implied at sections 119 and 120 of the *Land Titles Act 1925* are hereby negated.

The provisions set forth in the registered Memorandum of Provisions (MOP) to be incorporated herein / as modified by annexure as attached. Please provide registered MOP number below.



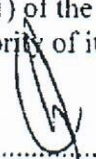

The covenants and conditions set out in the annexure attached are deemed to be incorporated



Provide registered MOP number



CONSENTING PARTY – SUPPORTING DOCUMENTATION (One form required for each party required to consent)	DATE
<input checked="" type="checkbox"/> Please complete and attach – Form 042 – C – Consent	

LESSOR'S EXECUTION	
Print full name of Lessor EXECUTED by FGC Developments Pty Ltd ACN 008 510 512 in accordance with section 127(1) of the Corporations Act 2001 (Cwlth) by authority of its directors:  Signature of director <u>Cosima Aloe</u> Name of director (block letters)	Print full name and address of witness  Signature of director/company secretary* <small>*delete whichever is not applicable</small> <u>Cosima Aloe</u> Name of director/company secretary* (block letters) <small>* delete whichever is not applicable</small>

LESSEE'S EXECUTION	
Print full name of Lessee EXECUTED by Jane's Hair Pty Limited ACN 164 323 166 in accordance with section 127(1) of the Corporations Act 2001 (Cwlth) by authority of its directors:  Signature of director <u>JANE MBENNETT</u> Name of director (block letters)	Print full name and address of witness  Signature of director/company secretary* <small>*delete whichever is not applicable</small> <u>STEVEN R JONES</u> Name of director/company secretary* (block letters) <small>* delete whichever is not applicable</small>

OFFICE USE ONLY			
Lodged by		Certificate of title lodged	
Data entered by		Certificates attached to title	
Registered by		Attachments / Annexures	
Registrar on date		Production number	

SIGNED by JANE BENNETT in the presence of

Steven R. Jordan
Name of witness (block letters)

Signature of JANE BENNETT

Signature of witness

JANE M. BROWN
Name of witness (block letters)

Signature of STEVEN JONES

THIS IS THE ANNEXURE MARKED "A" REFERRED TO IN LEASE BETWEEN
FGC DEVELOPMENT PTY LIMITED ACN 008 510 512 AS LESSOR AND JANE'Z
HAIR PTY LIMITED ACN 164 323 166 AS LESSEE CONSISTING OF 26
PAGES AND DATED

UNIT 1

REFERENCE SCHEDULE

(COMMENCEMENT DATE 29th JULY 2013)

Item 1 (clause 4)	Rent \$30,000.00 per annum (plus GST)
Item 2 (clause 4)	Rent Day
Item 3 (clause 5)	Fixed Review Dates and new rent amounts or percentages of rent increases 2014 - \$30,900.00 (plus GST) 2015 - \$31,827.00 (plus GST) 2016 - \$32,781.81 (plus GST) 2017 - \$33,765.26 (plus GST) If option is exercised: 2018 - \$34,778.22 (plus GST) 2019 - \$35,821.57 (plus GST) 2020 - \$36,896.22 (plus GST) CPI Adjustment Dates Not Applicable Market Review Dates Not Applicable
Item 4 (definition of Lessee's Contribution in clause 1)	Lessee's Percentage 32.22%
Item 5 (definition of Lessee's Contribution in clause 1)	Base Outgoings Year Year end 30 June 2012 3
Item 6 (clause 7 10)	Outgoings Accounting Method Cash
Item 7 (clause 11)	Permitted Use Hairdresser
Item 8 (clause 14)	Amount of Public Risk Insurance \$10,000,000

ABM

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Item 9
(clause 22)

Further Term

1 further term of 3 years commencing
2018. The commencement date of
the Further Term is a Fixed Review Date (see
item 3)

Item 10
(clause 23)

Guarantor

Steven Jones and Jane Bennett both of 24
Nambucca Street, Kaleen ACT 2617.

Item 11
(clause 28)

Interest Rate

10%

Item 12
(clause 29)

Bank Guarantee

An amount equal to 3 months Rent plus GST

**ACKNOWLEDGEMENTS UNDER THE
LEASES (COMMERCIAL AND RETAIL) ACT 2001**

The Lessee acknowledges

- 1 the Lessee received a disclosure statement which complied with section 30 and 31 of the Act,
- 2 a certificate under section 30(5) of the Act was given to the Lessor; and
- 3 before this lease was entered into
 - (a) the Lessee received a notice stating the Lessor's estimate of outgoings (itemised under the item descriptions used in the list of outgoings in the disclosure statement) for the outgoings year in which the commencement date occurs;
 - (b) the Lessor told the Lessee about the approved handbook (as contemplated under section 35(2) of the Act).

THIS IS THE ANNEXURE MARKED "B" REFERRED TO IN LEASE BETWEEN FGC DEVELOPMENT PTY LIMITED ACN 008 510 512 AS LESSOR AND JANE'Z HAIR PTY LIMITED ACN 164 323 166 AS LESSEE CONSISTING OF PAGES AND DATED

The Lessor and the Lessee agree as follows

1 INTERPRETATION

1.1 Definitions

The following words have these meanings unless the contrary intention appears. Other words have the meanings indicated on the cover sheet and the Reference Schedule

Item numbers refer to those numbers in the Reference Schedule

"Act" means the Leases (Commercial and Retail) Act 2001

"Amount of Consideration" means

- (a) the amount of any payment in connection with a supply; and
- (b) in relation to a non-monetary consideration for a supply, the GST exclusive market value of that consideration as reasonably determined by the supplier

"Auditor" means an auditor who is a member of either the Institute of Chartered Accountants or the Australian Society of Certified Practising Accountants

"Bank Guarantee" means an unconditional undertaking (or any replacement or addition to it under clause 29) by a bank to pay on demand the amount in item 12 and on terms acceptable to the Lessor acting reasonably

"Building" means the building in which the Premises are located.

"Consumer Price Index" means the Consumer Price Index - All Groups (Canberra) or the index officially substituted for it

"Current CPI" means the Consumer Price Index number last published

before the relevant CPI Adjustment Date

"Crown Lease" means the crown lease of which the Premises form part or whole

"Disclosure Statement" means a disclosure statement given by the Lessor to the Lessee in accordance with the Act.

"Equipment Sales Agreement" means the Equipment Sales Agreement entered into between the Lessor as Vendor and Lessee as Purchaser on or around the date of this lease

"Essential Terms" mean clauses 4, 5, 6, 7.2, 8 1, 9 1, 10.1, 11.1, 11 2, 20 1, 25, 27 29 3, 29.4 and 31

"GST" has the meaning it has in the GST Act and associated imposition Acts

"GST Act" means the A New Tax System (Goods and Services Tax) Act 1999 (Cwlth).

"Insolvency Event" means the happening of any of these events:

- (a) an order is made that a body corporate be wound up;
- (b) an order appointing a liquidator or provisional liquidator in respect of a body corporate is made,
- (c) except to reconstruct or amalgamate while solvent on terms consented to by the Landlord acting reasonably, a body corporate enters into, or resolves to enter into, a scheme of arrangement or composition with, or assignment for the benefit of all or any class of its creditors, or it proposes a reorganisation, moratorium or other administration involving any of them;

- (d) a body corporate resolves to wind itself up, or otherwise dissolve itself, or gives notice of intention to do so, except to reconstruct or amalgamate while solvent on terms approved by the Landlord acting reasonably or is otherwise wound up or dissolved,
- (e) a body corporate is or states that it is insolvent,
- (f) as a result of the operation of section 459F(1) of the *Corporations Act 2001* (C'with), a body corporate is taken to have failed to comply with a statutory demand,
- (g) a body corporate is, or makes a statement from which it may be reasonably deduced by the Landlord that the body corporate is, the subject of an event described in section 459C(2)(b) or section 585 of the *Corporations Act 2001* (C'with),
- (h) a body corporate takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation or an administrator is appointed to a body corporate;
- (i) a person becomes an insolvent under administration as defined in section 9 of the *Corporations Act 2001* (C'with) or action is taken which could result in that event, or
- (j) anything analogous or having a substantially similar effect to any of the events specified above happens under the law of any applicable jurisdiction.

"Lessee" includes the executors, administrators, successors and assigns of the lessee

"Lessee's Property" means the fixtures and fittings and other property of the Lessee in, on or used in the Premises

"Lessee's Contribution" means for an Outgoings Year:

- (a) if a Base Outgoings Year is specified in item 5, the Lessee's Percentage of the increase in Outgoings since the Base Outgoings Year, and
- (b) if a Base Outgoings Year is not specified in item 5, the Lessee's Percentage of Outgoings,

and, if the Term commences or expires during that Outgoings Year, the Lessee's Contribution for that Outgoings Year is the amount in paragraph (a) or (b) as applicable, multiplied by the number of days of the Term in that Outgoings Year and divided by the number of days in that Outgoings Year.

"Lessor" includes the executors, administrators, successors and assigns of the lessor.

"Lessor's Property" means all property the Lessor provides in the Premises

"Magistrates Court" means the Magistrates Court referred to in the Act.

"Minister" means the authority or person responsible for administering the Land (Planning and Environment) Act 1991.

"Outgoings" means in respect of each Outgoings Year the aggregate of all general rates and charges including (but not limited to) charges for garbage and trade waste removal as well as insurance levied, charged, assessed, imposed or payable by the Lessor in respect of the Premises, the Building or the Land

"Outgoings Year" means the 12 month period ending on 30 June in each year.

"Owners Corporation" means the owners corporation constituted following registration of the Units Plan.

"Previous CPI" means the Consumer Price Index number last published

before the Review Date immediately preceding the relevant CPI Adjustment Date (or, if there has not been one, the Commencement Date)

"Reference Schedule" means the reference schedule appearing in the annexure to the cover sheet of this lease

"Registrar-General" has the meaning given to it in the Land Titles Act 1925.

"Reinstate" means to reinstate the Building and make the Premises fit for occupation and use of the Tenant or accessible as the case may be following damage of the kind referred to in clause 19.

"Rent Day" means the Commencement Date and, for each month, the day in item 2.

"Review Date" means a Fixed Review Date, a CPI Adjustment Date or a Market Review Date.

"Tax Invoice" has the meaning it has in the *GST Act*.

"Term" means the period from and including the Commencement Date to and including the Expiry Date

"Units Plan" means a units plan, within the meaning of the Unit Titles Act 2001, in respect of the Land

"Valuer" means a valuer with the qualifications and expertise required under the *Act* in determining market value rentals or some other suitably qualified person

1.2 Certain terms

Unless the contrary intention appears

- (a) a reference to a statute, ordinance or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements;
- (b) the word "person" includes a corporation, a partnership, an incorporated or

unincorporated association or an authority;

- (c) where a party consists of more than one person this lease binds those persons jointly and individually,
- (d) a reference to a month means a calendar month,
- (e) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (f) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later
- (g) the singular includes the plural and vice versa; and
- (h) if this document is not registered as a lease at the Land Titles Office a reference to "this lease" is a reference to:
 - (i) any lease implied by the common law because of occupation and payment of rent substantially in accordance with this document and
 - (ii) any lease arising in equity due to the agreement between the parties as evidenced by this document

1.3 Headings

Headings are inserted for convenience and do not affect the interpretation of this lease.

2 APPLICATION OF LAND TITLES ACT

The covenants, powers and provisions implied in every lease by the Land Titles Act 1925 are declared not to apply or to be modified only so far as

they are inconsistent with these conditions

3 DISCLOSURE STATEMENT

The Lessee acknowledges having received a Disclosure Statement from the Lessor within the time required by the Act

4 RENT

4.1 Rent commencement

The Rent commences on the Commencement Date

4.2 Instalments of Rent

The Lessee must pay the Rent by equal monthly instalments in advance on each Rent Day to the Lessor (or as the Lessor directs) without deduction.

4.3 Broken periods

If an instalment is for a period of less than one month, then that instalment is that proportion of one-twelfth of the Rent which the number of days in the period bears to the number of days in the month in which that period begins

5 RENT REVIEW

5.1 Fixed Rent Review

Clause 5.2 does not apply if there are no Fixed Review Dates in item 3.

5.2 Fixed Review

The Rent increases from and including each Fixed Review Date to the amount or by the percentage set out against the date in item 3

5.3 CPI Adjustment Dates

Clauses 5.4 and 5.5 do not apply if there are no CPI Adjustment Dates in item 3

5.4 CPI Review

The Rent from and including each CPI Adjustment Date is the Rent

immediately before that CPI Adjustment Date multiplied by the Current CPI and divided by the Previous CPI

5.5 Adjustment

On the first Rent Day after the information is available to make the calculation in clause 5.4 the Lessee must pay (or the Lessor must credit the Lessee with) the difference between what the Lessee has paid on account of Rent and Rent for the period from and including the relevant CPI Adjustment Date to but excluding that Rent Day.

5.6 Market Rent Review

Clauses 5.7 to 5.16 inclusive do not apply if there are no Market Review Dates in item 3.

5.7 Rent review notice

Before each Market Review Date the Lessor must give the Lessee a notice stating the Lessor's assessment of the current annual market rent for the Premises on the next Market Review Date

5.8 Relevant data

The Rent from and including the relevant Market Review Date is the amount stated in the notice under clause 5.7 unless the Lessee gives the Lessor a notice within one month after receipt of the notice under clause 5.7, disagreeing with that amount.

5.9 Disputes over rent review

If the parties do not agree on the current annual market rent of the Premises within 14 days after the Lessee's notice under clause 5.8 is given, then either party may notify the Magistrates Court that the party wishes to have the matter referred to mediation.

5.10 Agreement

If following mediation the parties are able to agree, the amount agreed is

the Rent from and including the relevant Market Review Date.

5.11 Appointment of Valuer

If:

- (a) the Magistrates Court considers that mediation would not be productive; or
- (b) the parties agree, after consultation with the Magistrates Court; or
- (c) the mediator appointed by the Magistrates Court reports to the Magistrates Court that the parties are unable to agree,

then the current annual market rent is to be decided by a Valuer appointed by the Magistrates Court, who:

- (d) must report to the Magistrates Court on the determination of the current market rent within 28 days of the Valuer's appointment; and
- (e) must be instructed to decide the current annual market rent by valuation in accordance with the principles set out in Schedule 1 to the Act regarding what would reasonably be expected to be paid for the Premises as the current annual market rent on the relevant Market Review Date if offered for renting for the Permitted Use, and
- (f) acts as an expert and not as an arbitrator and whose decision (subject to clause 5.12) is final and binding

5.12 Rent determined by Valuer

The market rent determined by the Valuer appointed under this clause 5 is to be the Rent from the relevant Market Review Date unless the parties agree on a different rent to be charged within 14 days after the Magistrates Court gives to the parties a copy of the Valuer's report

5.13 Costs

The Lessor and the Lessee must pay the costs of the valuation carried out under this clause 5 in equal shares unless otherwise determined by the Magistrates Court

5.14 When adjustment takes effect

Any variation in the Rent when agreed or decided, takes effect from the relevant Market Review Date

5.15 Until Rent is determined

Until the Rent is agreed or decided under clauses 5.7 to 5.16 inclusive, the Lessee must pay the Rent applicable immediately before the relevant Market Review Date by equal monthly instalments, on account of the Rent from the relevant Market Review Date.

5.16 Adjustment following determination

Within 30 days after the Rent is agreed or decided under this clause 5, the Lessee must pay the Lessor (or the Lessor must credit the Lessee with) the difference between what the Lessee has paid on account of Rent and the Rent for the period from and including the relevant Market Review Date to but excluding that Rent Day

6 CHARGES

6.1 Lessee to pay charges

The Lessee agrees to pay on time all amounts payable by the Lessee which are separately charged or imposed in connection with the Premises or the Lessee's use or occupation of the Premises.

6.2 If Lessee does not pay charges

If any charge is not paid within 1 month of the due date then the Lessor may pay that amount. Any amount paid by the Lessor must be repaid by the Lessee on demand.

6.3 Lessee to provide receipts

The Lessee agrees to produce to the Lessor when required the receipts for payment for all charges.

6.4 Water consumption

The Lessee agrees to pay to the Lessor on demand the Lessee's Percentage of all charges imposed for water consumption, including water abstraction charges, in respect of the Land and the Building

7 OUTGOINGS

7.1 Application

This clause 7 does not apply if the words "not applicable" appear in item 4

7.2 Payments of Lessee's Contribution

The Lessee must pay the Lessee's Contribution for each Outgoings Year.

7.3 Payments on account of Lessee's Contribution

At least one month before the beginning of each Outgoings Year the Lessor must give the Lessee a notice stating the Lessor's estimate of the Outgoings (itemised under the item descriptions used in the list of outgoings in the Disclosure Statement) and the Lessee's Contribution for that Outgoings Year.

7.4 Payments on Rent Day

The Lessee must pay instalments in advance on each Rent Day on account of the Lessee's Contribution. Each instalment is the Lessor's estimate of the Lessee's Contribution for the Outgoings Year divided by the number of Rent Days in that Outgoings Year

7.5 Lessor's statement

Within one month after the end of each Outgoings Year, the Lessor must make an expenditure statement available for examination by the

Lessee for that Outgoings Year. The statement must detail all the Lessor's expenditure on account of Outgoings to which the Lessee contributes (itemised under the item descriptions used in the list of outgoings in the Disclosure Statement)

7.6 Expenditure report

The Lessor must give the Lessee a report within three months after the end of each Outgoings Year which

- (a) details the Lessor's expenditure for that Outgoings Year on account of Outgoings and
- (b) is prepared by an Auditor using the accounting method specified under this lease; and
- (c) is in accordance with customary accounting standards; and
- (d) contains a statement by the Auditor as to whether or not
 - (i) amounts paid by the Lessee for Outgoings were properly payable, and
 - (ii) the total amount of the Lessor's estimate of Outgoings exceeded the total amount actually expended by the Lessor.

7.7 Expenditure report relating to multiple tenants

The report to be provided under clause 7.6 may relate to more than one lessee provided that each lessee it relates to can work out from the report whether or not amounts paid by the lessee for Outgoings were properly payable.

7.8 No Auditor's report

The report under clause 7.6 need not comply with clause 7.6(b) and (d) if.

- (a) Outgoings are limited to any or all of
- (i) (i) water, sewerage and drainage rates and charges;
 - (ii) (ii) other rates and statutory charges;
 - (iii) (iii) insurance and
 - (iv) (iv) a contribution payable under section 39 of the Unit Titles Act 2001 to the extent that its is used for the Outgoings referred to in subclauses (i) to (iii) ("Contribution"); and
- (b) is accompanied with:
- (i) (i) copies of receipts for all expenditure by the Lessor referred to in subclauses (a)(i) to (iii), and
 - (ii) (ii) if an Outgoing includes a Contribution - a copy of the minutes of the Owners Corporation stating the extent to which the contributions to the general fund are to be, or have been, used for an Outgoing referred to in subclauses (a)(i) to (iii), or equivalent evidence.

7.9 Adjustments

On the next Rent Day after the Lessor gives the Lessee a report under clause 7.6 and within three months after the end of each Outgoings Year, the Lessee must pay the Lessor (or the Lessor must credit the Lessee with) the difference between what the Lessee has paid on account of the Lessee's Contribution for the relevant

Outgoings Year and what the Lessee should have paid (taking into account only expenditure properly and reasonably incurred by the Lessor in payment of Outgoings).

7.10 Method Provision

The Lessor's accounts for Outgoings will be produced using the method of accounting specified in item 6 unless otherwise notified by the Lessor.

8 ALTERATIONS

8.1 Lessee not to alter Premises

The Lessee must not make or allow to be made any alteration or addition to the Premises (whether structural or otherwise) without the written consent of the Lessor.

8.2 Lessor to give notice

If the Lessee is likely to be affected by proposed alterations to or refurbishment of the Building, the Lessor must give the Lessee at least 2 months written notice of the alterations or refurbishment including details of the proposed alterations or refurbishment and the measures, if any, that will be taken by the Lessor to minimise the effect of the alterations or refurbishment. In cases of emergency the Lessor need only give the Lessee reasonable notice of the proposed alteration or refurbishment

9 MAINTENANCE AND REPAIRS

9.1 Lessee to keep Premises in good repair

The Lessee must :

- (a) keep the Premises clean and in a tidy condition, and
- (b) keep the Premises and the Lessor's Property in good repair; and
- (c) hand over the Premises in good repair at the end of this lease,

in each case to the reasonable satisfaction of the Lessor, fair wear and tear and damage by fire, storm, tempest, lightning, flood or earthquake excepted.

9.2 Notice to repair or clean

The Lessee must comply with any written notice of the Lessor to repair or clean the Premises in accordance with the Lessee's obligations contained in this clause.

9.3 Non-compliance with notice

If the Lessee does not comply

- (a) within 14 days with a notice to repair, or
- (b) within 48 hours with a notice to clean,

and does not complete the repair or cleaning within a reasonable time then the Lessor may complete the repair or cleaning. Any cost of the repair or cleaning is repayable by the Lessee on demand.

9.4 Lessor may enter Premises

The Lessor or any properly authorised person is allowed to enter the Premises at any reasonable time to carry out cleaning or repairs to be carried out by the Lessor.

9.5 Lessee to replace plate glass

If the plate glass windows or other glass windows on the Premises are destroyed or damaged the Lessee must promptly replace them with glass of at least the same standard.

10 ASSIGNMENTS, SUBLEASES AND MORTGAGES

10.1 Restriction on dealings

The Lessee may only assign this lease, sublet the Premises, or grant a mortgage over this lease if it complies, and obtains consent of the Lessor, in accordance with this clause 10 and

may not license or otherwise part with possession of the Premises.

10.2 Lessee to seek consent

Subject to clause 10.3, if the Lessee proposes to

- (a) assign this lease,
- (b) sublet the Premises, or
- (c) grant a mortgage of this lease,

the Lessee must give the Lessor a notice asking for consent and provide the information required under clauses 10.4 and 10.5 (as applicable).

10.3 Lessee to give Disclosure Statement

Before the Lessee may give the Lessor a notice pursuant to clause 10.2, the Lessee must give the proposed assignee or sublessee a copy of any Disclosure Statement the Lessee has been given for this lease and details of any material changes to it since it was given to the Lessee of which the Lessee is, or could reasonably be expected to be, aware.

For the purpose of complying with this clause 10.3, the Lessee may give a notice to the Lessor asking for a copy of any Disclosure Statement the Lessor has given to the Lessee, and unless the Lessor has a reasonable excuse, the Lessor must comply with the Lessee's written request within 14 days of receiving the Lessee's notice.

10.4 Information from Lessee necessary for assignment or sublease

If the Lessee requests the Lessor's consent to an assignment of this lease or a sublease of the Premises, the Lessee must provide the Lessor with

- (a) a written application for consent;
- (b) for each proposed assignee or sublessee and any proposed guarantor

- (i) their full names and addresses (including for individuals their current residential addresses); and
- (ii) any information required by the Lessor to establish:
 - (A) the proposed assignee's or sublessee's and guarantor's financial position (including details of any finance they may have, or propose to have, approved) and
 - (B) the proposed use of the Premises by the proposed assignee or sublessee, and
 - (C) the business skills of the proposed assignee or sublessee, and
 - (D) the ability of the proposed assignee or sublessee to operate the business conducted or to be conducted from the Premises; and

- (c) a copy of the certificate of occupancy for the Lessee's fitout of the Premises.

10.5 Information from Lessee necessary for mortgage

If the Lessee requests the Lessor's consent to a mortgage of this lease, the Lessee must provide the Lessor with:

- (a) information concerning the identity and financial standing of the proposed mortgagee; and
- (b) details of the obligation to be secured by the mortgage including if the mortgage is to secure the repayment of a loan, the amount of the loan, the purpose to which it is proposed the loan moneys be applied, the term of the loan, the repayment schedule for the loan and the powers which may be exercised by the mortgagee under the mortgage.

10.6 Deemed Consent

The Lessor is taken to have given the Lessor's consent to the proposed assignment, sublease or mortgage if the Lessor has not given the Lessee written notice of the Lessor's consent or refusal to consent:

- (a) (unless subclause (b) applies) within 28 days after receiving the Lessee's request for consent in accordance with this clause 10; and
- (b) if the Lessor has requested information or further information, within 21 days after the Lessor receives all the information requested, and
- (c) if the mortgagee of the Land or the head lessor of the Land (if any) have not given a notice refusing to consent to the request in accordance with the Act.

10.7 Grounds for withholding consent for assignment or sublease

The Lessor will not unreasonably withhold consent to a proposed assignment of this lease or a proposed sublease of the Premises if:

- (a) the Lessee complies with clauses 10.2, 10.3 and 10.4; and

(b) the Lessee proves to the Lessor's reasonable satisfaction that the proposed assignee or sublessee.

(i) is a suitable, respectable, responsible and financially sound person (with sufficient financial resources) with experience in, and a good reputation for, conducting the business permitted, and to the standard required, under this lease; and

(ii) is capable of performing the Lessee's obligations under this lease; and

(iii) is adequately capable and skilled to carry on the Lessee's Business; and

(iv) will be, or the business to be conducted by the proposed assignee or sublessee is, compatible with other occupants of the Building; and

(v) intends to use the Premises for a purpose allowed under this lease, and

(c) any breach of this lease has been rectified.

10.8 Grounds for withholding consent for mortgage

The Lessor will not unreasonably withhold consent to a proposed mortgage of this lease if

(a) the Lessee complies with clauses 10.2, 10.5 and 10.6, and

(b) the Lessee proves to the Lessor's reasonable satisfaction that the Lessee

(i) is financially sound, and

(ii) does have the capacity to service the proposed loan; and

(iii) can otherwise meet the Lessee's obligations under the mortgage.

10.9 Effecting an assignment or sublease

Before an assignment of this lease or subletting of the Premises takes effect:

(a) the consent of the Lessor in accordance with this clause 10 must have been obtained; and

(b) the Lessor, the Lessee and the proposed assignee or sublessee and any guarantor (if required) must have entered into a consent document relating to the assignment or sublease in the form reasonably required and prepared by the Lessor, and

(c) any guarantee, bond or guarantee and indemnity reasonably required by the Lessor must be given; and

(d) the Lessee must comply, and ensure that the proposed assignee or sublessee complies, with all the Lessor's reasonable requirements in relation to the assignment or sublease (including compliance by the assignee or sublessee with the insurance requirements of this lease), and

(e) the Lessee must obtain the Lessor's confirmation that the Lessee has obtained any consents it has agreed to obtain; and

(f) any default under this lease must be remedied; and

- (g) the reasonable legal and other expenses incurred by the Lessor in connection with the assignment or sublease must be paid

the board of directors or more than 50% of the shares giving a right to vote at general meetings,

then the Lessee may not make that change unless it obtains the Lessor's approval and complies with clause 10.11 as if the person or group of persons acquiring control were the proposed assignee.

10.10 Effecting a mortgage

Before a mortgage of this lease takes effect

- (a) the consent of the Lessor in accordance with this clause 10 must have been obtained; and
- (b) the Lessor, the Lessee and the proposed mortgagee (if required) must have entered into a consent document relating to the mortgage in the form reasonably required and prepared by the Lessor, and
- (c) any default under this lease must be remedied; and
- (d) the reasonable legal and other expenses incurred by the Lessor in connection with the mortgage must be paid

10.11 Release on assignment

The Lessee and the Lessee's Guarantor are released from further obligations under this lease on assignment of this lease in accordance with this clause 10, without prejudice to any right or claim the Lessor has against the Lessee or the Lessee's Guarantor arising prior to the assignment

10.12 Change in control of Lessee

If:

- (a) the Lessee is a company which is neither listed nor wholly owned by a company which is listed on the Australian Stock Exchange, and
- (b) there is a proposed change in the shareholding of the company so that a different person or group of persons will control the composition of

10.13 Securities

The Lessee may only create or allow to come into existence a lease or security affecting the Lessee's Property with the Lessor's approval (which may not be unreasonably withheld).

11 USE OF THE PREMISES

11.1 Permitted Use

The Lessee must only use the Premises for the Permitted Use.

11.2 Prohibited conduct

The Lessee must not:

- (a) carry on or permit to be carried on any noxious, noisy, dangerous or offensive business in the Premises; or
- (b) allow anything to be done on the Premises which may annoy or cause damage to other persons in the neighbourhood

11.3 Fire

The Lessee must

- (a) take all reasonable precautions against the outbreak of fire in the Premises, and
- (b) immediately notify the Lessor of the occurrence of any fire or other event which damages the Premises; and
- (c) instal and maintain in the Premises all fire extinguishes

required by any law or authority

11.4 Compliance

The Lessee must:

- (a) comply on time with all laws and requirements of authorities in connection with the Premises, the Lessee's business, the Lessee's Property and the use or occupation of the Premises by the Lessee; and
- (b) observe and perform the terms of the Crown Lease or any head lease of the Land insofar as those terms affect the Premises.

12 INSPECTION OF THE PREMISES

The Lessee must permit

- (a) the Minister or any person authorised by the Minister to enter the Premises for the purposes of the Crown Lease; and
- (b) the Lessor or any person authorised by the Lessor to enter and inspect the Premises at all reasonable times after giving reasonable notice

13 ADVERTISEMENT AND SIGNS

13.1 Lessee must not display signs

The Lessee must not display, or allow to be displayed, any sign on the Premises without the written consent of the Lessor which must not be unreasonably withheld.

13.2 Removal of signs

The Lessee will remove business signs or other signs when the Term has expired or this lease has been terminated whichever is the earlier and will pay to the Lessor on demand the costs of the repair of any damage caused by the removal

14 INSURANCE AND INDEMNITY

14.1 Lessee to obtain insurance

During the Term the Lessee will maintain in the joint names of the Lessee and the Lessor:

- (a) an insurance policy for all plate glass windows or other glass windows on the Premises; and
- (b) a public risk policy for an amount not less than the amount referred to in item 8.

14.2 Increases in public risk coverage

By written notice to the Lessee, the Lessor may from time to time increase the amount referred to in item 8 to an amount reasonably required by the Lessor.

14.3 Lessor's approval

The insurance policies and the insurers must at all times be acceptable to the Lessor.

14.4 Evidence

If requested by the Lessor the Lessee must promptly produce proof of the insurances and the payment of premiums.

14.5 If no evidence is provided

If the Lessee does not promptly produce evidence of the insurances when requested the Lessor may effect the insurances and the Lessee must reimburse the Lessor on demand for its costs.

14.6 Indemnity

The Lessee indemnifies the Lessor against all liabilities or losses arising out of any

- (a) injury to or
- (b) damage to the property of the Lessee or its employees, agents, invitees, contractors or licensees while

upon or entering any part of the Building except if caused by the Lessor or the Lessor's employees agents or contractors

14.7 Prohibited conduct

The Lessee must not do anything or allow anything to be done, or fail to do anything which would allow an insurer to refuse or reduce a claim.

15 WATER DAMAGE

The Lessor is not liable for damage to property of the Lessee arising from water supply or rain water which leaks or flows into the Premises except if caused by the Lessor or the Lessor's employees agents or contractors

16 TO-LET NOTICE

If requested by the Lessor the Lessee will permit during the last month of the Term:

- (a) a "to-let" notice to be placed in a prominent position in the front of the Premises, and
- (b) the agent of the Lessor to take prospective lessees through the Premises.

17 REMOVAL OF LESSEE'S PROPERTY

17.1 Removal on termination or Expiry Date

On the Expiry Date or termination of this lease, whichever is earlier, the Lessee must promptly remove all the Lessee's Property from the Premises.

17.2 Lessee to make good damage

If the Lessee does any damage to the Premises in removing any Lessee's Property the Lessee must:

- (a) repair any damage promptly; and
- (b) continue to pay rent and all other charges under this

lease until the damage is repaired

17.3 Items not removed

If the Lessee does not comply with clause 17.1 the Lessee is deemed to have (at the option of the Lessor)

- (a) abandoned the Lessee's Property remaining on the Premises, and
- (b) appointed the Lessor the Lessee's agent for the purpose of removing the Lessee's Property from the Premises and either storing it at the risk and cost of the Lessee or selling it in any manner the Lessor decides, without in each case having any liability to the Lessee.

17.4 Lessor may deal with Lessee's Property

If pursuant to clause 17.3 the Lessor sells the Lessee's Property (as agent for the Lessee):

- (a) the Lessor may apply the net proceeds firstly in satisfaction of any amount owing to the Lessor by the Lessee pursuant to this lease and secondly in payment of the cost of removing and selling the Lessee's Property,
- (b) the Lessor is to account to the Lessee for any balance of the net proceeds; and
- (c) the provisions of clause 17.3 and this clause 17.4 do not limit any other rights or remedies of the Lessor under this lease.

18 COSTS AND EXPENSES

Subject to the Act the Lessee must pay to the Lessor on demand any expenses which the Lessor incurs in relation to this lease other than stamp duty and costs associated with the preparation of this lease.

19 DAMAGE TO PREMISES OR BUILDING

19.1 Notification of Intention to Repair and Termination

If the Building or the Premises are damaged in a material way or destroyed:

(a) then within 2 months of the date (or the last date) of the damage or destruction occurring the Lessor must notify the Lessee that either:

(i) the Lessor reasonably considers that repair of the Building or the Premises is impracticable and the Lessor does not intend to repair the Premises or the Building, or

(ii) the Lessor intends to repair or reinstate the Premises or the Building between the approximate starting and finishing dates stated in the notice; and

(b) the Lessor may by giving not less than 30 days notice to the Lessee terminate this lease, if

(i) the Lessor has given a notice to the Lessee under clause 19.1(a)(i); and

(ii) either:

(A) the Premises or the Building has to be, or has been, demolished because of the damage; or

(B) the damage extends to more than 50% of the Premises or the Building; or

(C) it is impracticable for the

Lessor to repair or reinstate the Premises or the Building, acting reasonably and promptly, within 1 year after the day (or last day) the damage happened, or

(D) the Premises cannot be used because of the damage, this lease is due to expire within 2 years after the day (or last day) the damage happened and this lease contains no option for extension; and

(c) the Lessee may by giving not less than 30 days notice to the Lessor terminate this lease if either:

(i) the Lessor notifies the Lessee under clause 19.1(a)(i) that the Lessor does not intend to repair the damage, or

(ii) the Lessor notifies the Lessee that the Lessor intends to repair or reinstate the Premises or the Building (Plan) but unreasonably departs from, or takes no reasonable action in relation to, the Plan; or

(iii) the Premises will not be able to be used for their normal purpose within a reasonable period, or for more than 1 year, after the date (or last day) the damage happened

19.2 Compensation for Termination

Compensation for termination:

(a) is not payable by either party if this lease is terminated in

accordance with clause 19.1;
or

- (b) may be payable by the Lessor to the Lessee under the Act for loss or damage (other than nominal loss or damage) if
- (i) the Lessor does not give the Lessee a notice pursuant to clause 19.1(a), or
 - (ii) the Lessee relies on a notice given under clause 19.1(a) that the Lessor intends to repair the Premises or the Building and the Lessor fails to repair the Premises within the period stated for repair in the notice or within a reasonable time after the end of that period and the Lessee does not terminate this lease.

19.3 Abatement of Payments

If the Building is damaged so that the Premises are unfit for the Lessee's occupation and use or (having regard to the nature and location of the Premises and the normal means of access) inaccessible, then and so often as that happens (unless otherwise determined by the Magistrates Court), a proportionate part of the Rent and other amounts payable under this lease, according to the nature and extent of the damage or inaccessibility, abates until the Premises have been Reinstated

19.4 Liabilities on termination

No liability will attach to the Lessor or to the Lessee as a result of termination of this lease under this clause but that termination will not affect the rights of either party in respect of any preceding breach of this lease.

19.5 Damage by Lessee

Clauses 19.2(b) and 19.3 will not apply and this clause 19 does not affect any rights the Lessor may have against the Lessee where

- (a) the damage or destruction has been caused by or contributed to (other than in a nominal way), or arises from or
- (b) rights under an insurance policy in connection with the Building are prejudiced or a policy is cancelled or payment of a premium or a claim is refused by the insurer because of,

any act or omission of the Lessee or the Lessee's Employees and Agents.

19.6 Resumption

This clause 19 does not oblige the Lessor to restore or reinstate the Building or the Premises

20 DEFAULT AND TERMINATION

20.1 Lessor's right to terminate

The Lessor may terminate this lease by giving the Lessee notice or by re-entry if:

- (a) the Lessee.
 - (i) (i) does not comply with an Essential Term,
 - (ii) (ii) does not comply with a term which is not an Essential Term and, if the failure to comply with the non-Essential Term can be remedied, it is not remedied within seven days after the Lessor asks the Lessee to remedy it
 - (iii) (iii) repudiates this lease; or

- (iv) (iv) being a corporation, an Insolvency Event occurs in respect of the Lessee, and

- (b) for an event in subclause (a), the Lessee does not remedy that event within 14 days (or such longer period set out in the notice) after written notice (Termination Notice) of the event and proposed termination of this lease has been given to the Lessee.

20.2 Termination acknowledgement

The Lessee acknowledges:

- (a) the 14 days referred to in the Termination Notice is a reasonable opportunity to remedy a breach of this lease; and
- (b) an event in clause 20.2(a) justifies termination of this lease

21 ESSENTIAL TERMS

21.1 Compliance with Essential Terms

Although the Lessor may waive or defer compliance with the Essential Terms from time to time the Lessee is not excused from future compliance with them

21.2 Lessor's right to compensation

In addition to any rights the Lessor has to terminate this lease or to re-enter the Premises, the Lessee must compensate the Lessor for any loss the Lessor suffers, including rent for the balance of the Term if

- (a) the Lessee breaches an Essential Term, or
- (b) the Lessor exercises its right to terminate this lease, or
- (c) the Lessor re-enters the Premises.

21.3 Lessor to mitigate loss

The Lessor must take all reasonable steps to mitigate any loss suffered by the Lessor arising from any breach by the Lessee of this lease. Any steps taken by the Lessor to mitigate damage will not constitute acceptance by the Lessor of the Lessee's default.

22 OPTION FOR FURTHER TERM

22.1 Application

This clause 22 does not apply if the words "not applicable" appear in item 9.

22.2 Grant of new lease

The Lessor must grant to the Lessee a lease for the Further Term commencing on the day after the Expiry Date if:

- (a) the Lessee gives the Lessor a notice stating that it wants a new lease of the Premises for the term first specified in item 9 and asking the Lessor to give the Lessee an updated Disclosure Statement at least fourteen days before the new lease is entered into, and
- (b) the Lessor receives that notice within the period from and including the day that is nine months before the Expiry Date to but excluding the day that is six months before the Expiry Date, and
- (c) when the Lessee gives that notice, and on the Expiry Date, the Lessee is not in breach of this lease; and
- (d) the Lessee delivers to the Lessor before the Expiry Date any guarantee and indemnity and security in connection with the Lessee's compliance with its obligations under the new lease, on the same terms as any given in connection with the Lessee's compliance with its obligations under this lease.

22.3 Form of new lease

The new lease must contain the same conditions as this lease except that

- (a) if the particulars of only one further term are specified in item 9 this clause 22 and item 9 are to be deleted,
- (b) if the particulars of more than one further term are specified in item 9 the particulars of the first further term are to be deleted from item 9,
- (c) the Rent at the commencement of the further term is to be determined in accordance with the rent review procedure set out in clause 5 as indicated in item 9;
- (d) the new lease may be altered in its form or layout to comply with any present or future requirements of the Registrar-General, and
- (e) the new lease may be altered because of any change in legislation applicable to the new lease and having effect after the date of this lease.

compliance by the Lessee with all the terms and conditions of this lease; and

- (b) indemnifies the Lessor against all losses incurred by the Lessor as a consequence of any breach by the Lessee of this lease.

23.4 Indemnity

The Guarantor must pay all sums to be paid by the Lessee and indemnify the Lessor even if the Lessor has not made a demand on the Lessee when

- (a) the Lessee fails to pay rent or is otherwise in breach of this lease; and
- (b) the Lessor demands from the Guarantor payment of rent or any other sum owing under this lease.

23.5 Guarantee not affected

The Guarantor will remain liable to the Lessor even if any of the following events occur:

- (a) the Lessor exercises any right under this lease including the Lessor's rights of re-entry; or
- (b) the Lessee (being a Body Corporate) is wound up or dissolved, or
- (c) the Lessee (being a natural person) is declared bankrupt or
- (d) either or both this lease or this guarantee and indemnity is or are wholly or partly unenforceable; or
- (e) the Lessor grants time or other indulgence to, compounds or compromises with or releases the Lessee, or any other Guarantor, or
- (f) on the part of the Lessor there is acquiescence, delay, an act, omission or mistake; or,

23 GUARANTEE AND INDEMNITY

23.1 Application

This clause 23 does not apply if the words "not applicable" appear in item 10.

23.2 Consideration

The Guarantor has requested the Lessor to enter into this lease with the Lessee

23.3 Guarantee

In consideration for the Lessor granting this request, the Guarantor for the term of this lease, any renewal of it and any holding over period

- (a) guarantees the due payment of all sums to be paid by the Lessee and the due

- (g) any novation of a right of the Lessor, or
- (h) any variation of this lease, or
- (i) any extension or renewal or holding over of the Term or other continued occupation of the Premises by the Lessee, or
- (j) the Term is determined (by whatever means); or
- (k) the obligation or liability of a person other than the Guarantor is invalid or unenforceable.

23.6 Release

Subject to clause 10.11, anything which has the effect of releasing the Guarantor wholly or partly from the Guarantor's obligations under this guarantee and indemnity will not have that effect unless the Lessor has agreed in writing to release the Guarantor

23.7 Principal debtor

The Lessor may treat the Guarantor as a primary debtor and contractor jointly and severally with the Lessee.

23.8 Multiple Guarantors

If there is more than one Guarantor the provisions of this clause will apply to them jointly and severally

23.9 Continuing security

This guarantee and indemnity is a continuing security and is not discharged by any one payment

23.10 Reinstatement of guarantee

If a claim that a payment or transfer to the Lessor in connection with this lease or this guarantee and indemnity is void or voidable (including a claim under laws relating to liquidation, administration, insolvency or protection of creditors) is upheld, conceded or compromised then the Lessor is entitled immediately as against the Guarantor to the rights to

which it would have been entitled under this guarantee and indemnity if the payment or transfer had not occurred

23.11 Assignment

The Lessor may assign the Lessor's rights under this guarantee and indemnity.

24 NOTICES

24.1 Form of notices

Any notice or other communication to be given by either party to the other must be signed by or on behalf of the party giving the notice and be:

- (a) sent in a prepaid letter addressed to the other party at the address of that party shown in this lease or the last address of that party advised in writing to the party giving the notice; or
- (b) (in the case of the Lessee only) left at the Premises

24.2 Deemed receipt

A notice or other communication sent in a prepaid letter will be deemed to have been received on the third day after posting.

25 HOLDING OVER

25.1 Monthly tenancy

If the Lessee continues to occupy the Premises after the Expiry Date then the Lessee does so as a monthly tenant at the Rent then applying and on the conditions of this lease

25.2 Termination of monthly tenancy

The monthly tenancy may be terminated by either party by one month's notice in writing to the other.

**26 APPLICATION FOR SUBDIVISION
UNDER THE UNIT TITLES ACT 2001**

26.1 Application for subdivision

If the Lessor wishes to apply to the Minister for subdivision of the whole of the Land comprised in the Crown Lease the Lessee must

- (a) sign a consent to the registration of the Units Plan in accordance with the prescribed form; and
- (b) give the consent to the Lessor, and
- (c) produce to the Registrar-General the duplicate of this lease so that the Units Plan can be registered

26.2 Lessor appointed as Lessee's attorney

If the Lessee does not sign and hand to the Lessor the consent and the surrender within 14 days of being requested to do so, the Lessee irrevocably appoints the Lessor its attorney for the purpose of signing the consent and the surrender

26.3 If Lessee does not provide duplicate of lease

If the Lessee fails or is unable to produce the duplicate of this lease, the Lessee irrevocably appoints the Lessor its attorney for the purpose of making application to the Registrar-General to dispense with production of the duplicate or to issue a certificate in place of the duplicate.

26.4 Lessor to grant lease of unit

Upon registration of the Units Plan the Lessor will, if requested by the Lessee at the time of complying with clause 26.1, grant to the Lessee and the Lessee must accept a lease of the unit comprising the Premises for the unexpired portion of the Term on substantially the same terms as this lease except for variations necessary as a consequence of the registration of the Units Plan and the shorter term

27 UNIT TITLE

27.1 Application

This clause 27 applies if there is a Units Plan and the Premises comprise a unit within the meaning of the *Unit Titles Act 2001*.

27.2 Lessee not to breach Lessor's obligations

The Lessee will not cause or contribute to a breach by the Lessor of its obligations under the Unit Titles Act 2001 or the Units Plan including (without limitation) the articles from time to time in force of the Owners Corporation.

27.3 Occupier's obligations

The Lessee will comply with all obligations imposed on it as an occupier of the Premises under the Unit Titles Act 2001

27.4 Indemnity

The Lessee indemnifies the Lessor and the Owners Corporation from and against all losses expenses and liabilities for which the Lessor or the Owners Corporation or both will or may be or become liable in respect of a breach of clauses 27.2 or 27.3 or both by the Lessee.

27.5 Owners Corporation enforcement of indemnity

It is the intention of the parties that the Owners Corporation be able to enforce the indemnity given by the Lessee pursuant to clause 27.4 directly and to that end the Lessor holds the benefit of the indemnity given to the Owners Corporation on trust for the Owners Corporation.

27.6 Owners Corporation Notices

Within a reasonable time of receipt, the Lessee must forward to the Lessor every notice directed to the Lessor from the Owners Corporation.

28 INTEREST ON OVERDUE MONEY

If any sum of money is not paid on the due date, then interest must be paid on such sum calculated at the interest rate specified in item 11. Interest will be calculated on daily balances and be payable on the first day of each month. Interest not paid will itself bear interest.

29 BANK GUARANTEE**29.1 Application**

This clause 29 does not apply if the words "not applicable" appear in item 12.

29.2 Delivery to Lessor

On or before the Commencement Date, the Lessee must deliver the Bank Guarantee to the Lessor.

29.3 Lessor may call on Bank Guarantee

If the Lessee does not comply with any of its obligations under this lease (including any extension or holding over), whether this lease is registered or not, then the Lessor may call on the Bank Guarantee without notice to the Lessee.

29.4 Replacement Bank Guarantee

If the Lessor calls on the Bank Guarantee or the Rent is increased, then no later than seven days after the Lessor gives the Lessee a notice asking for it, the Lessee must deliver to the Lessor a replacement or additional Bank Guarantee so that the amount guaranteed is the amount in item 12.

29.5 Return of Bank Guarantee

The Lessor must return the Bank Guarantee to the Lessee within 30 days after the later of:

- (a) the end of the Term; and
- (b) the Lessee vacating the Premises in accordance with this lease.

if at that time the Lessee has paid all moneys owing, and performed all the Lessee's other obligations under this lease, and this lease is not being extended under an option.

30 THE ACT**30.1 Interaction**

The Act is part of this lease.

30.2 Inconsistencies

If the provisions of this lease are inconsistent with the Act the provisions of the Act prevail.

30.3 Section 20(3) of the Act does not apply

Any provisions prescribed pursuant to section 20(3) of the Act do not apply to this lease.

31 GST**31.1 Payments are GST exclusive**

The Rent and other payments under this lease do not include GST.

31.2 GST gross up

If a supply under this lease is subject to GST the recipient agrees to pay the supplier an additional amount equal to the Amount of the Consideration multiplied by the prevailing GST rate.

31.3 Time and manner of payment

The additional amount is payable at the same time and in the same manner as the consideration for the supply to which the additional amount relates.

31.4 Supplier's obligations

The supplier agrees to:

- (a) give the recipient a Tax Invoice for the additional amount when it is paid, and
- (b) promptly refund any overpayment made by the

recipient under this clause 31
after the supplier receives the
benefit of a credit or refund in
connection with the
overpayment

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MALLESONS STEPHEN JAQUES



The Secretary
FGC Development Pty Ltd
PO Box 426
Mawson ACT 2607

19 August 2011

Dear Sir

Lease to Dobliger - Evatt Butcher
Premises: Area 2 on SLP 1029 Block 14 Section 31 Evatt

We refer to previous correspondence.

We confirm the lease in the above matter has registered. We enclose an original signed lease, registration number 1756985, for your records.

We have forwarded an original signed lease to the Lessee for their records.

Yours faithfully

Geoff Hay
Special Counsel
Direct line +61 2 6217 6060
Direct fax +61 2 6217 6999
Email geoff.hay@malleasons.com

Encl 1

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DISCLOSURE STATEMENT

LEASES (COMMERCIAL & RETAIL) ACT 2001

ADVICE TO TENANTS (& SUBTENANTS)

Before signing agreements to lease or leases you should ensure you fully understand the documents. If you have any doubt you should seek independent legal advice. This document must be given to you at least 14 days before you enter into a lease unless you have waived or varied the time period. The owner is required to tell you of the existence of the approved handbook and provide you with a copy of the form of the proposed lease as early as practicable in the negotiations. Make sure you have these documents before you sign anything.

This document is:

- not a binding agreement or an offer.
- important and should be kept with the lease.

NOTE: Where there is insufficient space on this form, please attach additional sheets

SECTION 1 - GENERAL DETAILS

Owner	FGC Development Pty Limited ABN 35 008 510 512
Premises Address/Shop No.	Unit 2 SLP1029 block 14 section 31 Evatt
Lettable area (approx. m ²)	97.6 square metres
Permitted use of premises	Butchers shop
Lease Period	1 /01/2012 to 31/12/2016 Subject to condition in Section 6
Option Periods (if any)	5 years. Subject to condition in Section 6
Hours of access to premises	24 hours
Date on which premises will be available for occupation by the tenant	Tenant in occupation under existing lease
All amounts are exclusive/inclusive of GST	Exclusive
Tenant's insurance - public liability amount	\$10,000,000
Security (ie personal guarantees, bank guarantees or security bond)	Bank guarantee for 3 months rent plus GST
State Lessor's Accounting Period if not a financial year	Not applicable

SECTION 2 - RENT

Rent - State method for calculating rent:	\$38,843.30 (plus GST)
Formula	By agreement
Rent Review Dates and method for each review - during the Term and any further term (CPI or market or fixed increase by % or other)	1 January 2013 - \$40,008.60 (plus GST) 1 January 2014 - \$41,208.86 (plus GST) 1 January 2015 - \$42,445.12 (plus GST) 1 January 2016 - \$43,718.47 (plus GST) If the option is exercised 1 January 2017 - \$45,030.03 (plus GST) 1 January 2018 - \$46,831.23 (plus GST) 1 January 2019 - \$48,704.48 (plus GST) 1 January 2020 - \$50,652.66 (plus GST) 1 January 2021 - \$52,678.76 (plus GST)

SECTION 3 - FINISHES AND MAKE GOOD DETAILS

Owner's requirements as to quality and standard of fittings in premises	To a quality and standard approved by the owner or the owner's architect and contractors.
Finishes, fixtures, fittings, equipment and services provided by the owner AND who is responsible to maintain, insure, repair or replace them	Premises shell, concrete floor, drainage and water point, basin, electrical distribution board, power points, telephone connection, lights and plasterboard ceiling (" Owner Items ")
Finishes, fixtures, fittings, equipment and services provided by the tenant AND who is responsible to maintain, insure, repair or replace them	Signage, internal fitout and furnishings (" Tenant's Items ") The Tenant will be required to maintain, repair, insure and replace the Tenant's Items and also the Rear door of the Premises and the Rear toilet door.
Make good requirements at end of lease	Tenant must remove all of its fixtures and fittings from the premises and repair any damage and leave the premises in a clean and tidy condition and paint the internal walls white.

SECTION 4 - OUTGOINGS (DELETE IF NOT APPLICABLE)

ESTIMATED OUTGOINGS TO BE PAID BY TENANT

DETAILS OF OUTGOINGS	ESTIMATE Sp.a	DETAILS OF OUTGOINGS	ESTIMATE Sp.a
Air Conditioning/Ventilation	Not Applicable	Audit fees	Not Applicable
Building Intelligence & Emergency Systems	Not Applicable	Cleaning	Not Applicable
Car Parking	Not Applicable	Child Minding	Not Applicable
Electricity	Not Applicable	Energy Management Systems	Not Applicable
Fire Protection	Not Applicable	Gardening	Not Applicable
Gas & Oil	Not Applicable	Insurance	\$2,441.33
Land Tax	\$1,059.10	Lifts and escalators	Not Applicable
Management Costs	Not Applicable	General Rates	\$2,206.37
Pest Control	Not Applicable	Provision for Maintenance	Not Applicable
Public Address/Music	Not Applicable	Repairs and Maintenance	Not Applicable
Security	Not Applicable	Sewerage Disposal & Sullage	Not Applicable
Signs	Not Applicable	Telephones (Public)	Not Applicable
Uniforms	Not Applicable	Water & Sewerage Rates and Charges	\$599.60

Additional outgoing to be borne by tenant (specified as to item and amount)	Not applicable
Proportion of outgoings payable by tenant if tenant is not liable for the total amount. (Formula used in calculating amount).	67.78% of the increase in Outgoings above year end 30 June 2011
Outgoings that may not be recovered from tenant	Depreciation

SECTION 5 - SHOPPING CENTRE DETAILS (DELETE IF PREMISES ARE NOT IN A SHOPPING CENTRE) NOT APPLICABLE

Name of Shopping Centre	
Address of Shopping Centre Suburb/Town/Postcode	
Number of Premises in Shopping Centre	
Total Lettable Area of Shopping Centre (approx. m ²)	
Core trading hours (ie the times when the premises in the Shopping Centre are required to be open for business).	
Estimate of tenant's contribution to Shopping Centre advertising and promotion (if any)	Yes <input type="checkbox"/> No <input type="checkbox"/> \$ _____ per annum
Number of carparking bays for customers	
Number of carparking bays for tenant	
Is there a tenant's association? If yes, attach details of constitution, voting rights and conditions, including contributions	Yes <input type="checkbox"/> No <input type="checkbox"/>
Facilities and services provided by the owner	
Changes or developments planned by the owner and timing of any changes or developments for: 1 Shopping Centre 2 Surrounding roads	1 2
Tenancy Mix	Floor plans are attached showing, in the case of a new Shopping Centre, the proposed tenancy mix for the Centre, including the location of common areas and kiosks within the Centre, and in the case of an existing Shopping Centre the existing and any proposed tenancy mix, and the location of common areas and kiosks within the precinct.
Tenant acknowledgement	Subject to the lease or agreement for lease, the tenant acknowledges: • the owner may grant leases and licences to other persons which may operate a business in competition with the tenant.

SECTION 6 - DETAILS OF AGREEMENTS OR REPRESENTATIONS

Give details of any other agreements between owner and tenant, or representations made by the owner or tenant (including undertaking given in relation to exclusivity or limitations on competing uses agreed between the parties)

Tenant to pay 67.78% of the cost of water consumption, including water abstraction charges, for the Land and Building.

The lease commencing on 1 January 2012 ("Commencement Date") is conditional on the Tenant having completed the following upgrade of the shop fitout prior to the Commencement Date to a minimum of \$50,000 plus GST.

- 1 Install new meat refrigeration display cabinets in the Premises;
- 2 Install new split system air-conditioning system throughout the Premises;
- 3 Remove the existing timber wall panels and replace them with alupanel or equivalent;
- 4 install a new double sink to the rear of the Premises and install new benches and stainless steel pipe shelving; and
- 5 paint the Premises.

The exercise of the Option is also conditional on the Tenant having completed prior to the end of the period for exercise of the option

- 1 install new ceramic floor tiles to that area of the Premises that is currently tiled; and
- 2 Paint the Premises throughout.

SECTION 7 - DECLARATION BY OWNER

I acknowledge that all details and statements in this Disclosure Statement are true and correct.

Name of owner: FGC Development Pty Limited ABN 35 008 510 512

Address of owner: PO Box 426 Mawson ACT 2607

Signature of owner or owner's representative:

G. H. Hay (for owner)

Date: 18 May 2011

SECTION 8 - DECLARATION BY TENANT

I acknowledge receipt of this Disclosure Statement and will return it to the owner. This document is not binding or an offer.

Name of tenant: DARREN DOBLINGER and PENNY DOBLINGER

Address of tenant: 14 Heydon Place Evatt ACT 2617

Signature of tenant or tenant's representative:

Date:

SECTION 8 - DECLARATION BY TENANT

I acknowledge receipt of this Disclosure Statement and will return it to the owner. This document is not binding or an offer.

Name of tenant:

DARREN DOBLINGER and PENNY DOBLINGER

Address of tenant:

14 Heydon Place Evatt ACT 2617

Signature of tenant or tenant's representative:

Date:

5.10.09

Penny Dobliger



LAND TITLES
OFFICE OF REGULATORY SERVICES
Department of Justice and Community Safety

SUBLEASE



Form 072 - SL

Land Titles Act 1925

LODGING PARTY DETAILS

Name	Postal Address	Contact Telephone Number
MALLESONS STEPHEN JAUQUES	GPO BOX 388, CANBERRA ACT 2601	02 6217 6000

TITLE AND LAND DETAILS

Volume & Folio	District/Division	Section	Block	Unit
1049 & 68	EVATT	31	14	

FULL NAME OF LESSOR/OWNER (Surname Last)
(ACN required for all companies)

FULL POSTAL ADDRESS OF LESSOR

F.G.C. DEVELOPMENT PTY LTD ACN 008 510 512

PO BOX 426, MAWSON ACT 2607

FULL NAME OF LESSEE/TENANT (Surname Last)
(ACN required for all companies)

FULL POSTAL ADDRESS OF LESSEE

DARREN DOBLINGER AND PENELOPE DOBLINGER

14 HEYDON PLACE, EVATT ACT 2617

TENANCY OF LESSEE (Only complete if more than one Lessee)

Joint Tenants

AREA BEING LEASED

☐ Whole of the Land OR Area 2 on Sublease Plan/s No.s 1029

SUBLEASE COMMENCEMENT DATE

SUBLEASE TERMINATION DATE

1 JANUARY 2012

31 DECEMBER 2016

CONDITIONS (Tick whichever is applicable – At least one box will apply)

The covenants implied at sections 119 and 120 of the *Land Titles Act 1925* are hereby negated. ☒

The provisions set forth in the registered Memorandum of Provisions (MOP) to be incorporated herein / as modified by annexure as attached. Please provide registered MOP number below. ☐

The covenants and conditions set out in the annexure attached are deemed to be incorporated ☒

Approved form AF 2010 –31 approved by Brett Phillips, Registrar-General on 25/02/2010 under section 140 of the *Land Titles Act 1925* (approved forms)
This form revokes AF2009-269

Unauthorised version prepared by ACT Parliamentary Counsel's Office

Provide registered MOP number



CONSENTING PARTY – SUPPORTING DOCUMENTATION

(One form required for each party required to consent)

DATE

☐ Please complete and attach – Form 042 – C – Consent

9 August 2011

LESSOR'S EXECUTION

EXECUTED by F.G.C. DEVELOPMENTS PTY
LTD ACN 008 510 512 in accordance with
section 127(1) of the Corporations Act
2001 (Cwlth) by authority of its directors:

Signature of director

Name of director (block letters)

Cosimo Aloe

Signature of director/company secretary*

*delete whichever is not applicable

Name of director/company secretary* (block letters)

*delete whichever is not applicable

Giuseppe Aloe

LESSEE'S EXECUTION

SIGNED, SEALED AND DELIVERED by
DARREN DOBLINGER in the presence of:

Signature of witness

Name of witness (block letters)
36 Pulliense Crescent
Macgregor ACT 2615

M. Melville

Michael MELVILLE

Signature of DARREN DOBLINGER

SIGNED, SEALED AND DELIVERED by
PENELOPE DOBLINGER in the presence of:

Signature of witness

Name of witness (block letters)
36 Pulliense Crescent
Macgregor ACT 2615

M. Melville

Michael MELVILLE

Signature of PENELOPE DOBLINGER

OFFICE USE ONLY

Lodged by		Certificate of title lodged	
Data entered by		Certificates attached to title	
Registered by		Attachments / Annexures	
Registration date		Production number	

Approved form AF 2010 -31 approved by Brett Phillips, Registrar-General on 25/02/2010 under section 140 of the Land Titles Act 1925 (approved forms)
This form revokes AF2009-269

Unauthorised version prepared by ACT Parliamentary Counsel's Office

THIS IS THE ANNEXURE MARKED "A" REFERRED TO IN LEASE BETWEEN
F.G.C. DEVELOPMENT PTY LIMITED ACN 008 510 512 AS LESSOR AND
DARREN DOBLINGER AND PENELOPE DOBLINGER AS LESSEE CONSISTING
OF 3 PAGES AND DATED 9 August 2011

Unit 2.

REFERENCE SCHEDULE

Item 1
(clause 4)

Rent

\$38,843.30 per annum plus GST

Item 2
(clause 4)

Rent Day

First

Item 3
(clause 5)

**Fixed Review Dates and new rent amounts
or percentages of rent increases**

1 January 2013 - \$40,008.60 plus GST
1 January 2014 - \$41,208.86 plus GST
1 January 2015 - \$42,445.12 plus GST
1 January 2016 - \$45,718.47 plus GST

If the Option is exercised

1 January 2017 - \$45,030.03 plus GST
1 January 2018 - \$46,831.23 plus GST
1 January 2019 - \$48,704.48 plus GST
1 January 2020 - \$50,652.66 plus GST
1 January 2021 - \$52,678.76 plus GST

CPI Adjustment Dates

Not applicable

Market Review Dates

Not applicable

Item 4
(definition of Lessee's Contribution in
clause 1)

Lessee's Percentage

67.78%

Item 5
(definition of Lessee's Contribution in
clause 1)

Base Outgoings Year

30 June 2011

Item 6
(clause 7.10)

Item 7
(clause 11)

Item 8
(clause 14)

Item 9
(clause 22)

Item 10
(clause 23)

Item 11
(clause 28)

Item 12
(clause 29)

Outgoings Accounting Method

Cash

Permitted Use

Butcher shop

Amount of Public Risk Insurance

\$10,000,000

Further Term

5 Years

The first day of the Further Term is to be a
Fixed Review Date
Refer to Item 3

Guarantor

Not applicable

Interest Rate

10%

Bank Guarantee

~~An amount equal to 3 months Rent plus GST~~

NA

**ACKNOWLEDGEMENTS UNDER THE
LEASES (COMMERCIAL AND RETAIL) ACT 2001**

The Lessee acknowledges:

- 1 the Lessee received a disclosure statement which complied with the *Act* at least 14 days before the earliest of:
 - (a) execution of the lease by the Lessee;
 - (b) execution of a written agreement to lease in relation to this lease by the Lessee; or
 - (c) the Lessee entering into possession of the Premises.
- 2 before this lease was entered into:
 - (a) the Lessee received a notice stating the Lessor's estimate of outgoings (itemised under the item descriptions used in the list of outgoings in the disclosure statement) for the outgoings year in which the commencement date occurs;
 - (b) the Lessor told the Lessee about the approved handbook (as contemplated under section 35(2) of the *Act*).

The Lessor and the Lessee agree as follows:

1 INTERPRETATION

1.1 Definitions

The following words have these meanings unless the contrary intention appears. Other words have the meanings indicated on the cover sheet and the Reference Schedule.

Item numbers refer to those numbers in the Reference Schedule.

"Act" means the Leases (*Commercial and Retail*) Act 2001.

"Amount of Consideration" means:

- (a) the amount of any payment in connection with a supply; and
- (b) in relation to a non-monetary consideration for a supply, the GST exclusive market value of that consideration as reasonably determined by the supplier.

"Auditor" means an auditor who is a member of either the Institute of Chartered Accountants or the Australian Society of Certified Practising Accountants.

"Bank Guarantee" means an unconditional undertaking (or any replacement or addition to it under clause 29) by a bank to pay on demand the amount in item 12 and on terms acceptable to the Lessor acting reasonably.

"Building" means the building in which the Premises are located.

"Consumer Price Index" means the Consumer Price Index - All Groups (Canberra) or the index officially substituted for it.

"Current CPI" means the Consumer Price Index number last published before the relevant CPI Adjustment Date.

"Crown Lease" means the crown lease of which the Premises form part or whole.

"Disclosure Statement" means a disclosure statement given by the Lessor to the Lessee in accordance with the Act.

"Essential Terms" mean clauses 4, 5, 6, 7.2, 8.1, 9.1, 10.1, 11.1, 11.2, 20.1, 25, 27, 29.3, 29.4 and 31.

"GST" has the meaning it has in the GST Act and associated imposition Acts.

"GST Act" means the *A New Tax System (Goods and Services Tax) Act 1999 (Cwlth)*.

"Insolvency Event" means the happening of any of these events:

- (a) an order is made that a body corporate be wound up;
- (b) an order appointing a liquidator or provisional liquidator in respect of a body corporate is made;
- (c) except to reconstruct or amalgamate while solvent on terms consented to by the Landlord acting reasonably, a body corporate enters into, or resolves to enter into, a scheme of arrangement or composition with, or assignment for the benefit of, all or any class of its creditors, or it proposes a reorganisation, moratorium or other administration involving any of them;
- (d) a body corporate resolves to wind itself up, or otherwise dissolve itself, or gives notice of intention to do so, except to reconstruct or amalgamate while solvent on terms approved by the Landlord acting reasonably or is otherwise wound up or dissolved;
- (e) a body corporate is or states that it is insolvent;
- (f) as a result of the operation of section 459F(1) of the

Corporations Act 2001 (C'wlth), a body corporate is taken to have failed to comply with a statutory demand;

- (g) a body corporate is, or makes a statement from which it may be reasonably deduced by the Landlord that the body corporate is, the subject of an event described in section 459C(2)(b) or section 585 of the *Corporations Act 2001* (C'wlth);
- (h) a body corporate takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation or an administrator is appointed to a body corporate;
- (i) a person becomes an insolvent under administration as defined in section 9 of the *Corporations Act 2001* (C'wlth) or action is taken which could result in that event; or
- (j) anything analogous or having a substantially similar effect to any of the events specified above happens under the law of any applicable jurisdiction.

"Lessee" includes the executors, administrators, successors and assigns of the lessee.

"Lessee's Property" means the fixtures and fittings and other property of the Lessee in, on or used in the Premises.

"Lessee's Contribution" means for an Outgoings Year:

- (a) if a Base Outgoings Year is specified in item 5, the Lessee's Percentage of the increase in Outgoings since the Base Outgoings Year; and
- (b) if a Base Outgoings Year is not specified in item 5, the Lessee's Percentage of Outgoings,

and, if the Term commences or expires during that Outgoings Year, the Lessee's Contribution for that Outgoings Year is the amount in paragraph (a) or (b) as applicable, multiplied by the number of days of the Term in that Outgoings Year

and divided by the number of days in that Outgoings Year.

"Lessor" includes the executors, administrators, successors and assigns of the lessor.

"Lessor's Property" means all property the Lessor provides in the Premises.

"Magistrates Court" means the Magistrates Court referred to in the *Act*.

"Minister" means the authority or person responsible for administering the Land (Planning and Environment) Act 1991.

"Outgoings" means in respect of each Outgoings Year the aggregate of all:

- (a) general rates and charges including (but not limited to) charges for garbage and trade waste removal;
- (b) water, sewerage and drainage rates and charges;
- (c) land tax;
- (d) other rates and statutory charges;
- (e) insurance premiums payable in respect of the insurance the Lessor must take out pursuant to clause 19.1; and
- (f) if there is a Units Plan, Owners Corporation levies;

levied, charged, assessed, imposed or payable by the Lessor in respect of the Premises, the Building or the Land.

"Outgoings Year" means the 12 month period ending on 30 June in each year.

"Owners Corporation" means the owners corporation constituted following registration of the Units Plan.

"Previous CPI" means the Consumer Price Index number last published before the Review Date immediately preceding the relevant CPI Adjustment Date (or, if there has not been one, the Commencement Date).

"Reference Schedule" means the reference schedule appearing in the annexure to the cover sheet of this lease.

"Registrar-General" has the meaning given to it in the Land Titles Act 1925.

"Reinstate" means to reinstate the Building and make the Premises fit for occupation and use of the Tenant or accessible as the case may be following damage of the kind referred to in clause 19.

"Rent Day" means the Commencement Date and, for each month, the day in item 2.

"Review Date" means a Fixed Review Date, a CPI Adjustment Date or a Market Review Date.

"Tax Invoice" has the meaning it has in the *GST Act*.

"Term" means the period from and including the Commencement Date to and including the Expiry Date.

"Units Plan" means a units plan, within the meaning of the Unit Titles Act 2001, in respect of the Land.

"Valuer" means a valuer with the qualifications and expertise required under the *Act* in determining market value rentals or some other suitably qualified person.

1.2 Certain terms

Unless the contrary intention appears:

- (a) a reference to a statute, ordinance or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements;
- (b) the word "person" includes a corporation, a partnership, an incorporated or unincorporated association or an authority;
- (c) where a party consists of more than one person this lease binds those persons jointly and individually;
- (d) a reference to a month means a calendar month;
- (e) if a period of time is specified and dates from a given day or the

day of an act or event, it is to be calculated exclusive of that day;

- (f) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (g) the singular includes the plural and vice versa; and
- (h) if this document is not registered as a lease at the Land Titles Office, a reference to "this lease" is a reference to:
 - (i) any lease implied by the common law because of occupation and payment of rent substantially in accordance with this document; and
 - (ii) any lease arising in equity due to the agreement between the parties as evidenced by this document.

1.3 Headings

Headings are inserted for convenience and do not affect the interpretation of this lease.

2 APPLICATION OF LAND TITLES ACT

The covenants, powers and provisions implied in every lease by the Land Titles Act 1925 are declared not to apply or to be modified only so far as they are inconsistent with these conditions.

3 DISCLOSURE STATEMENT

The Lessee acknowledges having received a Disclosure Statement from the Lessor within the time required by the Act.

4 RENT

4.1 Rent commencement

The Rent commences on the Commencement Date.

4.2 Instalments of Rent

The Lessee must pay the Rent by equal monthly instalments in advance on each Rent Day to the Lessor (or as the Lessor directs) without deduction.

4.3 Broken periods

If an instalment is for a period of less than one month, then that instalment is that proportion of one-twelfth of the Rent which the number of days in the period bears to the number of days in the month in which that period begins.

5 RENT REVIEW

5.1 Fixed Rent Review

Clause 5.2 does not apply if there are no Fixed Review Dates in item 3.

5.2 Fixed Review

The Rent increases from and including each Fixed Review Date to the amount or by the percentage set out against the date in item 3.

5.3 CPI Adjustment Dates

Clauses 5.4 and 5.5 do not apply if there are no CPI Adjustment Dates in item 3.

5.4 CPI Review

The Rent from and including each CPI Adjustment Date is the Rent immediately before that CPI Adjustment Date multiplied by the Current CPI and divided by the Previous CPI.

5.5 Adjustment

On the first Rent Day after the information is available to make the calculation in clause 5.4 the Lessee must pay (or the Lessor must credit the Lessee with) the difference between what the Lessee has paid on account of Rent and Rent for the period from and including the relevant CPI Adjustment Date to but excluding that Rent Day.

5.6 Market Rent Review

Clauses 5.7 to 5.16 inclusive do not apply if there are no Market Review Dates in item 3.

5.7 Rent review notice

Before each Market Review Date the Lessor must give the Lessee a notice stating the Lessor's assessment of the current annual market rent for the Premises on the next Market Review Date.

5.8 Relevant data

The Rent from and including the relevant Market Review Date is the amount stated in the notice under clause 5.7 unless the Lessee gives the Lessor a notice within one month after receipt of the notice under clause 5.7, disagreeing with that amount.

5.9 Disputes over rent review

If the parties do not agree on the current annual market rent of the Premises within 14 days after the Lessee's notice under clause 5.8 is given, then either party may notify the Magistrates Court that the party wishes to have the matter referred to mediation.

5.10 Agreement

If following mediation the parties are able to agree, the amount agreed is the Rent from and including the relevant Market Review Date.

5.11 Appointment of Valuer

If:

- (a) the Magistrates Court considers that mediation would not be productive; or
- (b) the parties agree, after consultation with the Magistrates Court; or
- (c) the mediator appointed by the Magistrates Court reports to the Magistrates Court that the parties are unable to agree,

then the current annual market rent is to be decided by a Valuer appointed by the Magistrates Court, who:

- (d) must report to the Magistrates Court on the determination of the current market rent within 28 days of the Valuer's appointment; and

- (e) must be instructed to decide the current annual market rent by valuation in accordance with the principles set out in Schedule 1 to the *Act* regarding what would reasonably be expected to be paid for the Premises as the current annual market rent on the relevant Market Review Date if offered for renting for the Permitted Use; and
- (f) acts as an expert and not as an arbitrator and whose decision (subject to clause 5.12) is final and binding.
- 5.12 Rent determined by Valuer**
The market rent determined by the Valuer appointed under this clause 5 is to be the Rent from the relevant Market Review Date unless the parties agree on a different rent to be charged within 14 days after the Magistrates Court gives to the parties a copy of the Valuer's report.
- 5.13 Costs**
The Lessor and the Lessee must pay the costs of the valuation carried out under this clause 5 in equal shares unless otherwise determined by the Magistrates Court.
- 5.14 When adjustment takes effect**
Any variation in the Rent when agreed or decided, takes effect from the relevant Market Review Date.
- 5.15 Until Rent is determined**
Until the Rent is agreed or decided under clauses 5.7 to 5.16 inclusive, the Lessee must pay the Rent applicable immediately before the relevant Market Review Date by equal monthly instalments, on account of the Rent from the relevant Market Review Date.
- 5.16 Adjustment following determination**
Within 30 days after the Rent is agreed or decided under this clause 5, the Lessee must pay the Lessor (or the Lessor must credit the Lessee with) the difference between what the Lessee has paid on account of Rent and the Rent for the period from and including the relevant Market Review Date to but excluding that Rent Day.

6 CHARGES

6.1 Lessee to pay charges

The Lessee agrees to pay on time all amounts payable by the Lessee which are separately charged or imposed in connection with the Premises or the Lessee's use or occupation of the Premises.

6.2 If Lessee does not pay charges

If any charge is not paid within 1 month of the due date then the Lessor may pay that amount. Any amount paid by the Lessor must be repaid by the Lessee on demand.

6.3 Lessee to provide receipts

The Lessee agrees to produce to the Lessor when required the receipts for payment for all charges.

6.4 Water consumption

The Lessee agrees to pay to the Lessor on demand the Lessee's Percentage of all water consumed on or in respect of the Land or Building and any water abstraction charge.

7 OUTGOINGS

7.1 Application

This clause 7 does not apply if the words "not applicable" appear in item 4.

7.2 Payments of Lessee's Contribution

The Lessee must pay the Lessee's Contribution for each Outgoings Year.

7.3 Payments on account of Lessee's Contribution

At least one month before the beginning of each Outgoings Year the Lessor must give the Lessee a notice stating the Lessor's estimate of the Outgoings (itemised under the item descriptions used in the list of outgoings in the Disclosure Statement) and the Lessee's Contribution for that Outgoings Year.

7.4 Payments on Rent Day

The Lessee must pay instalments in advance on each Rent Day on account of

the Lessee's Contribution. Each instalment is the Lessor's estimate of the Lessee's Contribution for the Outgoings Year divided by the number of Rent Days in that Outgoings Year.

7.5 Lessor's statement

Within one month after the end of each Outgoings Year, the Lessor must make an expenditure statement available for examination by the Lessee for that Outgoings Year. The statement must detail all the Lessor's expenditure on account of Outgoings to which the Lessee contributes (itemised under the item descriptions used in the list of outgoings in the Disclosure Statement).

7.6 Expenditure report

The Lessor must give the Lessee a report within three months after the end of each Outgoings Year which:

- (a) details the Lessor's expenditure for that Outgoings Year on account of Outgoings; and
- (b) is prepared by an Auditor using the accounting method specified under this lease; and
- (c) is in accordance with customary accounting standards; and
- (d) contains a statement by the Auditor as to whether or not:
 - (i) amounts paid by the Lessee for Outgoings were properly payable; and
 - (ii) the total amount of the Lessor's estimate of Outgoings exceeded the total amount actually expended by the Lessor.

7.7 Expenditure report relating to multiple tenants

The report to be provided under clause 7.6 may relate to more than one lessee provided that each lessee it relates to can work out from the report whether or not amounts paid by the lessee for Outgoings were properly payable.

7.8 No Auditor's report

The report under clause 7.6 need not comply with clause 7.6(b) and (d) if:

- (a) Outgoings are limited to any or all of:
 - (i) water, sewerage and drainage rates and charges;
 - (ii) other rates and statutory charges;
 - (iii) insurance; and
 - (iv) a contribution payable under section 39 of the Unit Titles Act 2001 to the extent that it is used for the Outgoings referred to in subclauses (i) to (iii) ("**Contribution**"); and
- (b) is accompanied with:
 - (i) copies of receipts for all expenditure by the Lessor referred to in subclauses (a)(i) to (iii); and
 - (ii) if an Outgoing includes a Contribution - a copy of the minutes of the Owners Corporation stating the extent to which the contributions to the general fund are to be, or have been, used for an Outgoing referred to in subclauses (a)(i) to (iii), or equivalent evidence.

7.9 Adjustments

On the next Rent Day after the Lessor gives the Lessee a report under clause 7.6 and within three months after the end of each Outgoings Year, the Lessee must pay the Lessor (or the Lessor must credit the Lessee with) the difference between what the Lessee has paid on account of the Lessee's Contribution for the relevant Outgoings Year and what the Lessee should have paid (taking into account only expenditure properly and reasonably incurred by the Lessor in payment of Outgoings).

7.10 Method Provision

The Lessor's accounts for Outgoings will be produced using the method of accounting specified in item 6 unless otherwise notified by the Lessor.

8 ALTERATIONS

8.1 Lessee not to alter Premises

The Lessee must not make or allow to be made any alteration or addition to the Premises (whether structural or otherwise) without the written consent of the Lessor.

8.2 Lessor to give notice

If the Lessee is likely to be affected by proposed alterations to or refurbishment of the Building, the Lessor must give the Lessee at least 2 months written notice of the alterations or refurbishment including details of the proposed alterations or refurbishment and the measures, if any, that will be taken by the Lessor to minimise the effect of the alterations or refurbishment. In cases of emergency the Lessor need only give the Lessee reasonable notice of the proposed alteration or refurbishment.

9 MAINTENANCE AND REPAIRS

9.1 Lessee to keep Premises in good repair

The Lessee must:

- (a) keep the Premises clean and in a tidy condition; and
- (b) keep the Premises and the Lessor's Property in good repair including the rear door of the Premises and the rear toilet door; and
- (c) hand over the Premises in good repair at the end of this lease,

in each case to the reasonable satisfaction of the Lessor, fair wear and tear and damage by fire, storm, tempest, lightning, flood or earthquake excepted.

9.2 Notice to repair or clean

The Lessee must comply with any written notice of the Lessor to repair or clean the

Premises in accordance with the Lessee's obligations contained in this clause.

9.3 Non-compliance with notice

If the Lessee does not comply:

- (a) within 14 days with a notice to repair; or
- (b) within 48 hours with a notice to clean,

and does not complete the repair or cleaning within a reasonable time then the Lessor may complete the repair or cleaning. Any cost of the repair or cleaning is repayable by the Lessee on demand.

9.4 Lessor may enter Premises

The Lessor or any properly authorised person is allowed to enter the Premises at any reasonable time to carry out cleaning or repairs to be carried out by the Lessor.

9.5 Lessee to replace plate glass

If the plate glass windows are destroyed or damaged the Lessee must promptly replace them with glass of at least the same standard.

10 ASSIGNMENTS, SUBLEASES AND MORTGAGES

10.1 Restriction on dealings

The Lessee may only assign this lease, sublet the Premises, or grant a mortgage over this lease if it complies, and obtains consent of the Lessor, in accordance with this clause 10 and may not license or otherwise part with possession of the Premises.

10.2 Lessee to seek consent

Subject to clause 10.3, if the Lessee proposes to:

- (a) assign this lease;
- (b) sublet the Premises; or
- (c) grant a mortgage of this lease,

the Lessee must give the Lessor a notice asking for consent and provide the

information required under clauses 10.4 and 10.5 (as applicable).

10.3 Lessee to give Disclosure Statement

Before the Lessee may give the Lessor a notice pursuant to clause 10.2, the Lessee must give the proposed assignee or sublessee a copy of any Disclosure Statement the Lessee has been given for this lease and details of any material changes to it since it was given to the Lessee of which the Lessee is, or could reasonably be expected to be, aware.

For the purpose of complying with this clause 10.3, the Lessee may give a notice to the Lessor asking for a copy of any Disclosure Statement the Lessor has given to the Lessee, and unless the Lessor has a reasonable excuse, the Lessor must comply with the Lessee's written request within 14 days of receiving the Lessee's notice.

10.4 Information from Lessee necessary for assignment or sublease

If the Lessee requests the Lessor's consent to an assignment of this lease or a sublease of the Premises, the Lessee must provide the Lessor with:

- (a) a written application for consent;
- (b) for each proposed assignee or sublessee and any proposed guarantor:
 - (i) their full names and addresses (including, for individuals their current residential addresses); and
 - (ii) any information required by the Lessor to establish:
 - (A) the proposed assignee's or sublessee's and guarantor's financial position (including details of any finance they may have, or propose to have, approved); and

- (B) the proposed use of the Premises by the proposed assignee or sublessee; and
- (C) the business skills of the proposed assignee or sublessee; and
- (D) the ability of the proposed assignee or sublessee to operate the business conducted or to be conducted from the Premises; and

- (c) a copy of the certificate of occupancy for the Lessee's fitout of the Premises.

10.5 Information from Lessee necessary for mortgage

If the Lessee requests the Lessor's consent to a mortgage of this lease, the Lessee must provide the Lessor with:

- (a) information concerning the identity and financial standing of the proposed mortgagee; and
- (b) details of the obligation to be secured by the mortgage including if the mortgage is to secure the repayment of a loan, the amount of the loan, the purpose to which it is proposed the loan moneys be applied, the term of the loan, the repayment schedule for the loan and the powers which may be exercised by the mortgagee under the mortgage.

10.6 Deemed Consent

The Lessor is taken to have given the Lessor's consent to the proposed assignment, sublease or mortgage if the Lessor has not given the Lessee written notice of the Lessor's consent or refusal to consent:

- (a) (unless subclause (b) applies) within 28 days after receiving the Lessee's request for consent in

accordance with this clause 10;
and

allowed under this
lease; and

- (b) if the Lessor has requested information or further information, within 21 days after the Lessor receives all the information requested; and
- (c) if the mortgagee of the Land or the head lessor of the Land (if any) have not given a notice refusing to consent to the request in accordance with the *Act*.

- (c) any breach of this lease has been rectified.

10.8 Grounds for withholding consent for mortgage

The Lessor will not unreasonably withhold consent to a proposed mortgage of this lease if:

- (a) the Lessee complies with clauses 10.2, 10.5 and 10.6; and
- (b) the Lessee proves to the Lessor's reasonable satisfaction that the Lessee:
 - (i) is financially sound; and
 - (ii) does have the capacity to service the proposed loan; and
 - (iii) can otherwise meet the Lessee's obligations under the mortgage.

10.7 Grounds for withholding consent for assignment or sublease

The Lessor will not unreasonably withhold consent to a proposed assignment of this lease or a proposed sublease of the Premises if:

- (a) the Lessee complies with clauses 10.2, 10.3 and 10.4; and
- (b) the Lessee proves to the Lessor's reasonable satisfaction that the proposed assignee or sublessee:
 - (i) is a suitable, respectable, responsible and financially sound person (with sufficient financial resources) with experience in, and a good reputation for, conducting the business permitted, and to the standard required, under this lease; and
 - (ii) is capable of performing the Lessee's obligations under this lease; and
 - (iii) is adequately capable and skilled to carry on the Lessee's Business; and
 - (iv) will be, or the business to be conducted by the proposed assignee or sublessee is, compatible with other occupants of the Building; and
 - (v) intends to use the Premises for a purpose

10.9 Effecting an assignment or sublease

Before an assignment of this lease or subletting of the Premises takes effect:

- (a) the consent of the Lessor in accordance with this clause 10 must have been obtained; and
- (b) the Lessor, the Lessee and the proposed assignee or sublessee and any guarantor (if required) must have entered into a consent document relating to the assignment or sublease in the form reasonably required and prepared by the Lessor; and
- (c) any guarantee, bond or guarantee and indemnity reasonably required by the Lessor must be given; and
- (d) the Lessee must comply, and ensure that the proposed assignee or sublessee complies, with all the Lessor's reasonable requirements in relation to the assignment or sublease (including compliance by the

assignee or sublessee with the insurance requirements of this lease); and

- (e) the Lessee must obtain the Lessor's confirmation that the Lessee has obtained any consents it has agreed to obtain; and
- (f) any default under this lease must be remedied; and
- (g) the reasonable legal and other expenses incurred by the Lessor in connection with the assignment or sublease must be paid.

10.10 Effecting a mortgage

Before a mortgage of this lease takes effect:

- (a) the consent of the Lessor in accordance with this clause 10 must have been obtained; and
- (b) the Lessor, the Lessee and the proposed mortgagee (if required) must have entered into a consent document relating to the mortgage in the form reasonably required and prepared by the Lessor; and
- (c) any default under this lease must be remedied; and
- (d) the reasonable legal and other expenses incurred by the Lessor in connection with the mortgage must be paid.

10.11 Release on assignment

The Lessee and the Lessee's Guarantor are released from further obligations under this lease on assignment of this lease in accordance with this clause 10, without prejudice to any right or claim the Lessor has against the Lessee or the Lessee's Guarantor arising prior to the assignment.

10.12 Change in control of Lessee

If:

- (a) the Lessee is a company which is neither listed nor wholly owned by a company which is listed on the Australian Stock Exchange; and

- (b) there is a proposed change in the shareholding of the company so that a different person or group of persons will control the composition of the board of directors or more than 50% of the shares giving a right to vote at general meetings,

then the Lessee may not make that change unless it obtains the Lessor's approval and complies with clause 10.11 as if the person or group of persons acquiring control were the proposed assignee.

10.13 Securities

The Lessee may only create or allow to come into existence a lease or security affecting the Lessee's Property with the Lessor's approval (which may not be unreasonably withheld).

11 USE OF THE PREMISES

11.1 Permitted Use

The Lessee must only use the Premises for the Permitted Use.

11.2 Prohibited conduct

The Lessee must not:

- (a) carry on or permit to be carried on any noxious, noisy, dangerous or offensive business in the Premises; or
- (b) allow anything to be done on the Premises which may annoy or cause damage to other persons in the neighbourhood.

11.3 Fire

The Lessee must:

- (a) take all reasonable precautions against the outbreak of fire in the Premises; and
- (b) immediately notify the Lessor of the occurrence of any fire or other event which damages the Premises; and
- (c) to install and maintain in the Premises all fire extinguishers required by any law or authority.

11.4 Compliance

The Lessee must:

- (a) comply on time with all laws and requirements of authorities in connection with the Premises, the Lessee's business, the Lessee's Property and the use or occupation of the Premises by the Lessee; and
- (b) observe and perform the terms of the Crown Lease or any head lease of the Land insofar as those terms affect the Premises.

12 INSPECTION OF THE PREMISES

The Lessee must permit:

- (a) the Minister or any person authorised by the Minister to enter the Premises for the purposes of the Crown Lease; and
- (b) the Lessor or any person authorised by the Lessor to enter and inspect the Premises at all reasonable times after giving reasonable notice.

13 ADVERTISEMENT AND SIGNS

13.1 Lessee must not display signs

The Lessee must not display, or allow to be displayed, any sign on the Premises without the written consent of the Lessor which must not be unreasonably withheld.

13.2 Removal of signs

The Lessee will remove business signs or other signs when the Term has expired or this lease has been terminated whichever is the earlier and will pay to the Lessor on demand the costs of the repair of any damage caused by the removal.

14 INSURANCE AND INDEMNITY

14.1 Lessee to obtain insurance

During the Term the Lessee will maintain in the joint names of the Lessee and the Lessor:

- (a) an insurance policy for all plate glass or other glass windows on the Premises; and
- (b) a public risk policy for an amount not less than the amount referred to in item 8.

14.2 Increases in public risk coverage

By written notice to the Lessee, the Lessor may from time to time increase the amount referred to in item 8 to an amount reasonably required by the Lessor.

14.3 Lessor's approval

The insurance policies and the insurers must at all times be acceptable to the Lessor.

14.4 Evidence

If requested by the Lessor the Lessee must promptly produce proof of the insurances and the payment of premiums.

14.5 If no evidence is provided

If the Lessee does not promptly produce evidence of the insurances when requested the Lessor may effect the insurances and the Lessee must reimburse the Lessor on demand for its costs.

14.6 Indemnity

The Lessee indemnifies the Lessor against all liabilities or losses arising out of any:

- (a) injury to; or
- (b) damage to the property of,

the Lessee or its employees, agents, invitees, contractors or licensees while upon or entering any part of the Building except if caused by the Lessor or the Lessor's employees agents or contractors.

14.7 Prohibited conduct

The Lessee must not do anything or allow anything to be done, or fail to do anything which would allow an insurer to refuse or reduce a claim.

15 WATER DAMAGE

The Lessor is not liable for damage to property of the Lessee arising from water

supply or rain water which leaks or flows into the Premises except if caused by the Lessor or the Lessor's employees agents or contractors.

16 TO-LET NOTICE

If requested by the Lessor the Lessee will permit during the last month of the Term:

- (a) a "to-let" notice to be placed in a prominent position in the front of the Premises; and
- (b) the agent of the Lessor to take prospective lessees through the Premises.

17 REMOVAL OF LESSEE'S PROPERTY

17.1 Removal on termination or Expiry Date

On the Expiry Date or termination of this lease, whichever is earlier, the Lessee must promptly remove all the Lessee's Property from the Premises and paint the Internal walls white.

17.2 Lessee to make good damage

If the Lessee does any damage to the Premises in removing any Lessee's Property the Lessee must:

- (a) repair any damage promptly; and
- (b) continue to pay rent and all other charges under this lease until the damage is repaired.

17.3 Items not removed

If the Lessee does not comply with clause 17.1 the Lessee is deemed to have (at the option of the Lessor):

- (a) abandoned the Lessee's Property remaining on the Premises; and
- (b) appointed the Lessor the Lessee's agent for the purpose of removing the Lessee's Property from the Premises and either storing it at the risk and cost of the Lessee or selling it in any manner the Lessor decides, without in each case having any liability to the Lessee.

17.4 Lessor may deal with Lessee's Property

If pursuant to clause 17.3 the Lessor sells the Lessee's Property (as agent for the Lessee):

- (a) the Lessor may apply the net proceeds firstly in satisfaction of any amount owing to the Lessor by the Lessee pursuant to this lease and secondly in payment of the cost of removing and selling the Lessee's Property;
- (b) the Lessor is to account to the Lessee for any balance of the net proceeds; and
- (c) the provisions of clause 17.3 and this clause 17.4 do not limit any other rights or remedies of the Lessor under this lease.

18 COSTS AND EXPENSES

Subject to the Act the Lessee must pay to the Lessor on demand any expenses which the Lessor incurs in relation to this lease other than stamp duty and costs associated with the preparation of this lease.

19 DAMAGE TO PREMISES OR BUILDING

19.1 Notification of Intention to Repair and Termination

If the Building or the Premises are damaged in a material way or destroyed:

- (a) then within 2 months of the date (or the last date) of the damage or destruction occurring the Lessor must notify the Lessee that either:
 - (i) the Lessor reasonably considers that repair of the Building or the Premises is impracticable and the Lessor does not intend to repair the Premises or the Building, or
 - (ii) the Lessor intends to repair or reinstate the Premises or the Building between the approximate starting

- and finishing dates stated in the notice; and
- (b) the Lessor may by giving not less than 30 days notice to the Lessee terminate this lease, if:
- (i) the Lessor has given a notice to the Lessee under clause 19.1(a)(i); and
 - (ii) either:
 - (A) the Premises or the Building has to be, or has been, demolished because of the damage; or
 - (B) the damage extends to more than 50% of the Premises or the Building; or
 - (C) it is impracticable for the Lessor to repair or reinstate the Premises or the Building, acting reasonably and promptly, within 1 year after the day (or last day) the damage happened; or
 - (D) the Premises cannot be used because of the damage, this lease is due to expire within 2 years after the day (or last day) the damage happened and this lease contains no option for extension; and

- (c) the Lessee may by giving not less than 30 days notice to the Lessor terminate this lease if either:
- (i) the Lessor notifies the Lessee under clause 19.1(a)(i) that the Lessor does not intend to repair the damage; or
 - (ii) the Lessor notifies the Lessee that the Lessor intends to repair or reinstate the Premises or the Building (**Plan**) but unreasonably departs from, or takes no reasonable action in relation to, the Plan; or
 - (iii) the Premises will not be able to be used for their normal purpose within a reasonable period, or for more than 1 year, after the date (or last day) the damage happened.

19.2 Compensation for Termination

Compensation for termination:

- (a) is not payable by either party if this lease is terminated in accordance with clause 19.1; or
- (b) may be payable by the Lessor to the Lessee under the *Act* for loss or damage (other than nominal loss or damage) if:
 - (i) the Lessor does not give the Lessee a notice pursuant to clause 19.1(a); or
 - (ii) the Lessee relies on a notice given under clause 19.1(a) that the Lessor intends to repair the Premises or the Building and the Lessor fails to repair the Premises within the period stated for repair in the notice or within a reasonable time after the end of that period and the Lessee does not terminate this lease.

19.3 Abatement of Payments

If the Building is damaged so that the Premises are unfit for the Lessee's occupation and use or (having regard to the nature and location of the Premises and the normal means of access) inaccessible, then and so often as that happens (unless otherwise determined by the Magistrates Court), a proportionate part of the Rent and other amounts payable under this lease, according to the nature and extent of the damage or inaccessibility, abates until the Premises have been Reinstated.

19.4 Liabilities on termination

No liability will attach to the Lessor or to the Lessee as a result of termination of this lease under this clause but that termination will not affect the rights of either party in respect of any preceding breach of this lease.

19.5 Damage by Lessee

Clauses 19.2(b) and 19.3 will not apply and this clause 19 does not affect any rights the Lessor may have against the Lessee where:

- (a) the damage or destruction has been caused by or contributed to (other than in a nominal way), or arises from; or
- (b) rights under an insurance policy in connection with the Building are prejudiced or a policy is cancelled or payment of a premium or a claim is refused by the insurer because of,

any act or omission of the Lessee or the Lessee's Employees and Agents.

19.6 Resumption

This clause 19 does not oblige the Lessor to restore or reinstate the Building or the Premises.

20 DEFAULT AND TERMINATION

20.1 Lessor's right to terminate

The Lessor may terminate this lease by giving the Lessee notice or by re-entry if:

- (a) the Lessee:

- (i) does not comply with an Essential Term;
- (ii) does not comply with a term which is not an Essential Term and, if the failure to comply with the non-Essential Term can be remedied, it is not remedied within seven days after the Lessor asks the Lessee to remedy it;
- (iii) repudiates this lease; or
- (iv) being a corporation, an Insolvency Event occurs in respect of the Lessee; and

- (b) for an event in subclause (a), the Lessee does not remedy that event within 14 days (or such longer period set out in the notice) after written notice (**Termination Notice**) of the event and proposed termination of this lease has been given to the Lessee.

20.2 Termination acknowledgement

The Lessee acknowledges:

- (a) the 14 days referred to in the Termination Notice is a reasonable opportunity to remedy a breach of this lease; and
- (b) an event in clause 20.2(a) justifies termination of this lease.

21 ESSENTIAL TERMS

21.1 Compliance with Essential Terms

Although the Lessor may waive or defer compliance with the Essential Terms from time to time the Lessee is not excused from future compliance with them.

21.2 Lessor's right to compensation

In addition to any rights the Lessor has to terminate this lease or to re-enter the Premises, the Lessee must compensate the Lessor for any loss the Lessor suffers, including rent for the balance of the Term if:

- (a) the Lessee breaches an Essential Term; or
- (b) the Lessor exercises its right to terminate this lease; or
- (c) the Lessor re-enters the Premises.

21.3 Lessor to mitigate loss

The Lessor must take all reasonable steps to mitigate any loss suffered by the Lessor arising from any breach by the Lessee of this lease. Any steps taken by the Lessor to mitigate damage will not constitute acceptance by the Lessor of the Lessee's default.

- (e) the Lessee has prior to the day that is 6 months before the Expiry Date;
 - (i) installed new ceramic floor tiles to that area of the Premises that is tiled at the Commencement Date; and
 - (ii) painted the Premises throughout.

22 OPTION FOR FURTHER TERM

22.1 Application

This clause 22 does not apply if the words "not applicable" appear in item 9.

22.2 Grant of new lease

The Lessor must grant to the Lessee a lease for the Further Term commencing on the day after the Expiry Date if:

- (a) the Lessee gives the Lessor a notice stating that it wants a new lease of the Premises for the term first specified in item 9 and asking the Lessor to give the Lessee an updated Disclosure Statement at least fourteen days before the new lease is entered into; and
- (b) the Lessor receives that notice within the period from and including the day that is nine months before the Expiry Date to but excluding the day that is six months before the Expiry Date; and
- (c) when the Lessee gives that notice, and on the Expiry Date, the Lessee is not in breach of this lease; and
- (d) the Lessee delivers to the Lessor before the Expiry Date any guarantee and indemnity and security in connection with the Lessee's compliance with its obligations under the new lease,

22.3 Form of new lease

The new lease must contain the same conditions as this lease except that:

- (a) if the particulars of only one further term are specified in item 9 this clause 22 and item 9 are to be deleted;
- (b) if the particulars of more than one further term are specified in item 9 the particulars of the first further term are to be deleted from item 9;
- (c) the Rent at the commencement of the further term is to be determined in accordance with the rent review procedure set out in clause 5 as indicated in item 9;
- (d) the new lease may be altered in its form or layout to comply with any present or future requirements of the Registrar-General; and
- (e) the new lease may be altered because of any change in legislation applicable to the new lease and having effect after the date of this lease.

23 GUARANTEE AND INDEMNITY

23.1 Application

This clause 23 does not apply if the words "not applicable" appear in item 10.

23.2 Consideration

The Guarantor has requested the Lessor to enter into this lease with the Lessee.

23.3 Guarantee

In consideration for the Lessor granting this request, the Guarantor for the term of this lease, any renewal of it and any holding over period:

- (a) guarantees the due payment of all sums to be paid by the Lessee and the due compliance by the Lessee with all the terms and conditions of this lease; and
- (b) indemnifies the Lessor against all losses incurred by the Lessor as a consequence of any breach by the Lessee of this lease.

23.4 Indemnity

The Guarantor must pay all sums to be paid by the Lessee and indemnify the Lessor even if the Lessor has not made a demand on the Lessee when:

- (a) the Lessee fails to pay rent or is otherwise in breach of this lease; and
- (b) the Lessor demands from the Guarantor payment of rent or any other sum owing under this lease.

23.5 Guarantee not affected

The Guarantor will remain liable to the Lessor even if any of the following events occur:

- (a) the Lessor exercises any right under this lease including the Lessor's rights of re-entry; or
- (b) the Lessee (being a Body Corporate) is wound up or dissolved; or
- (c) the Lessee (being a natural person) is declared bankrupt; or
- (d) either or both this lease or this guarantee and indemnity is or are wholly or partly unenforceable; or

- (e) the Lessor grants time or other indulgence to, compounds or compromises with or releases the Lessee, or any other Guarantor; or
- (f) on the part of the Lessor there is acquiescence, delay, an act, omission or mistake; or
- (g) any novation of a right of the Lessor; or
- (h) any variation of this lease; or
- (i) any extension or renewal or holding over of the Term or other continued occupation of the Premises by the Lessee; or
- (j) the Term is determined (by whatever means); or
- (k) the obligation or liability of a person other than the Guarantor is invalid or unenforceable.

23.6 Release

Subject to clause 10.11, anything which has the effect of releasing the Guarantor wholly or partly from the Guarantor's obligations under this guarantee and indemnity will not have that effect unless the Lessor has agreed in writing to release the Guarantor.

23.7 Principal debtor

The Lessor may treat the Guarantor as a primary debtor and contractor jointly and severally with the Lessee.

23.8 Multiple Guarantors

If there is more than one Guarantor the provisions of this clause will apply to them jointly and severally.

23.9 Continuing security

This guarantee and indemnity is a continuing security and is not discharged by any one payment.

23.10 Reinstatement of guarantee

If a claim that a payment or transfer to the Lessor in connection with this lease or this guarantee and indemnity is void or voidable (including a claim under laws relating to liquidation, administration,

insolvency or protection of creditors) is upheld, conceded or compromised then the Lessor is entitled immediately as against the Guarantor to the rights to which it would have been entitled under this guarantee and indemnity if the payment or transfer had not occurred.

23.11 Assignment

The Lessor may assign the Lessor's rights under this guarantee and indemnity.

24 NOTICES

24.1 Form of notices

Any notice or other communication to be given by either party to the other must be signed by or on behalf of the party giving the notice and be:

- (a) sent in a prepaid letter addressed to the other party at the address of that party shown in this lease or the last address of that party advised in writing to the party giving the notice; or
- (b) (in the case of the Lessee only) left at the Premises.

24.2 Deemed receipt

A notice or other communication sent in a prepaid letter will be deemed to have been received on the third day after posting.

25 HOLDING OVER

25.1 Monthly tenancy

If the Lessee continues to occupy the Premises after the Expiry Date then the Lessee does so as a monthly tenant at the Rent then applying and on the conditions of this lease.

25.2 Termination of monthly tenancy

The monthly tenancy may be terminated by either party by one month's notice in writing to the other.

26 APPLICATION FOR SUBDIVISION UNDER THE UNIT TITLES ACT 2001

26.1 Application for subdivision

If the Lessor wishes to apply to the Minister for subdivision of the whole of the Land comprised in the Crown Lease the Lessee must:

- (a) sign a consent to the registration of the Units Plan in accordance with the prescribed form; and
- (b) give the consent to the Lessor; and
- (c) produce to the Registrar-General the duplicate of this lease so that the Units Plan can be registered.

26.2 Lessor appointed as Lessee's attorney

If the Lessee does not sign and hand to the Lessor the consent and the surrender within 14 days of being requested to do so, the Lessee irrevocably appoints the Lessor its attorney for the purpose of signing the consent and the surrender.

26.3 If Lessee does not provide duplicate of lease

If the Lessee fails or is unable to produce the duplicate of this lease, the Lessee irrevocably appoints the Lessor its attorney for the purpose of making application to the Registrar-General to dispense with production of the duplicate or to issue a certificate in place of the duplicate.

26.4 Lessor to grant lease of unit

Upon registration of the Units Plan the Lessor will, if requested by the Lessee at the time of complying with clause 26.1, grant to the Lessee and the Lessee must accept a lease of the unit comprising the Premises for the unexpired portion of the Term on substantially the same terms as this lease except for variations necessary as a consequence of the registration of the Units Plan and the shorter term.

27 UNIT TITLE

27.1 Application

This clause 27 applies if there is a Units Plan and the Premises comprise a unit

within the meaning of the *Unit Titles Act 2001*.

27.2 Lessee not to breach Lessor's obligations

The Lessee will not cause or contribute to a breach by the Lessor of its obligations under the Unit Titles Act 2001 or the Units Plan including (without limitation) the articles from time to time in force of the Owners Corporation.

27.3 Occupier's obligations

The Lessee will comply with all obligations imposed on it as an occupier of the Premises under the Unit Titles Act 2001.

27.4 Indemnity

The Lessee indemnifies the Lessor and the Owners Corporation from and against all losses expenses and liabilities for which the Lessor or the Owners Corporation or both will or may be or become liable in respect of a breach of clauses 27.2 or 27.3 or both by the Lessee.

27.5 Owners Corporation enforcement of indemnity

It is the intention of the parties that the Owners Corporation be able to enforce the indemnity given by the Lessee pursuant to clause 27.4 directly and to that end the Lessor holds the benefit of the indemnity given to the Owners Corporation on trust for the Owners Corporation.

27.6 Owners Corporation Notices

Within a reasonable time of receipt, the Lessee must forward to the Lessor every notice directed to the Lessor from the Owners Corporation.

28 INTEREST ON OVERDUE MONEY

If any sum of money is not paid on the due date, then interest must be paid on such sum calculated at the interest rate specified in item 11. Interest will be calculated on daily balances and be payable on the first day of each month. Interest not paid will itself bear interest.

29 BANK GUARANTEE

29.1 Application

This clause 29 does not apply if the words "not applicable" appear in item 12.

29.2 Delivery to Lessor

On or before the Commencement Date, the Lessee must deliver the Bank Guarantee to the Lessor.

29.3 Lessor may call on Bank Guarantee

If the Lessee does not comply with any of its obligations under this lease (including any extension or holding over), whether this lease is registered or not, then the Lessor may call on the Bank Guarantee without notice to the Lessee.

29.4 Replacement Bank Guarantee

If the Lessor calls on the Bank Guarantee or the Rent is increased, then no later than seven days after the Lessor gives the Lessee a notice asking for it, the Lessee must deliver to the Lessor a replacement or additional Bank Guarantee so that the amount guaranteed is the amount in item 12.

29.5 Return of Bank Guarantee

The Lessor must return the Bank Guarantee to the Lessee within 30 days after the later of:

- (a) the end of the Term; and
- (b) the Lessee vacating the Premises in accordance with this lease,

if at that time the Lessee has paid all moneys owing, and performed all the Lessee's other obligations under this lease, and this lease is not being extended under an option.

30 THE ACT

30.1 Interaction

The Act is part of this lease.

30.2 Inconsistencies

If the provisions of this lease are inconsistent with the Act the provisions of the Act prevail.

30.3 Section 20(3) of the Act does not apply

Any provisions prescribed pursuant to section 20(3) of the Act do not apply to this lease.

31 GST

31.1 Payments are GST exclusive

The Rent and other payments under this lease do not include GST.

31.2 GST gross up

If a supply under this lease is subject to GST the recipient agrees to pay the supplier an additional amount equal to the Amount of the Consideration multiplied by the prevailing GST rate.

31.3 Time and manner of payment

The additional amount is payable at the same time and in the same manner as the consideration for the supply to which the additional amount relates.

31.4 Supplier's obligations

The supplier agrees to:

- (a) give the recipient a Tax Invoice for the additional amount when it is paid; and
- (b) promptly refund any overpayment made by the recipient under this clause 31 after the supplier receives the benefit of a credit or refund in connection with the overpayment.

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