

(TO BE SIGNED BY APPLICANT, IF OBTAINED, IMMEDIATELY BELOW THE LAST DOCUMENT SCHEDULED)

SCHEDULE REFERRED TO—(continued)*

(6) 15th August 1905, Mortgage - Carl Iverson and wife to the Trustees of the Savings Bank of New South Wales Registered No. 656 Book 786

(7) 13th November 1913 Reconveyance of last Mortgage (annexed) Registered No. 369 Book 1014.

(8) 13th November 1913 Conveyance - Anna Iverson to Frederick James Bowring Registered No. 958 Book 1013.

(9) 11th December 1913 Declaration by Anna Christine Iverson.

(10) 17th July 1920 Mortgage - Frederick James Bowring to The City Mutual Life Assurance Society Limited Registered No. 446 Book 1194.

(11) 14th August 1923 Discharge of last Mortgage (endorsed) Registered No. 979 Book 1318.

(12) 13th August 1923 Mortgage - F. J. Bowring to The Bank of Australasia Registered No. 980 Book 1318, and No. 993 Book 1319.

(13) 19th December 1923 Declaration by Rebecca Johnson.

(14) 28th March 1924 Declaration by Marie Kristine Jensen

(15) 2nd April 1924 Discharge of last Mortgage endorsed Registered No. 872 Book 1341

(16) 2nd April 1924 Conveyance - F. J. Bowring first part, Marie Kristine Jensen second part and Ferguson Pellin Limited third part Registered No. 873 Book 1341

(17) 2nd November 1926 Power of Attorney Ferguson Pellin Limited to me

Surveyors Plan by W. A. Walsh

Memorandum and Articles of Association of Ferguson Pellin Limited

J. H. Palmer

W. H. K. K. K.

No bond in 1925
7/11/27

W. H. K. K. K.
1925/11/19
1925/11/19
1925/11/19

20 4.5.1927 At death of J. H. Palmer to my sons
21 19-5-27 " " Sydney J. Palmer

22 28-7-27 At death of J. H. Palmer

23 11-4-27 At death of Robert Boardman

24 22-12-19 Copy of Extract from Register of Mortgages
25 9-10-23 Copy of Extract from Register of Mortgages

26 23-9-27 At death of Sydney J. Palmer

Also see 2025 may be referred to office of the Registrar

See instrument overleaf.

Handwritten:
 5/10/10
 J. P. M. J.

I certify that the within application is correct for the purposes of the Real Property Act, 1904.

Section 2 requires that the Certificate be signed by a person who is a member of the Council of the Real Estate Institute of New South Wales, and who is a person who is a member of the Council of the Real Estate Institute of New South Wales, and who is a person who is a member of the Council of the Real Estate Institute of New South Wales.

Handwritten Signature: J. P. M. J.
 (Signature)

NOTE UP ALL BLANKS BEFORE SIGNING, EXCEPT SPACE IN SCHEDULE BELOW APPLICANT'S SIGNATURE.

F E E S.

PAYMENT OF THESE MUST ACCOMPANY THE APPLICATION.

If the Applicant is the Original Grantee from the Crown, and no transactions have been registered.
 New Certificate £1 0 0
 Add Assurance, 1d. in the £ on declared value
 Office Copy of Plan 0 5 0

If the Applicant is not the Grantee from the Crown, or being the Grantee, the property has been dealt with by any Registered Instrument.
 Advertisement £1 10 0
 New Certificate 1 0 0
 Office Copy of Plan 0 5 0
 Total £2 15 0

State to whom all correspondence relating to this Application should be sent, with address, as under, viz.:

Name *Arthur Newman Esq*

Occupation *Notation*

Post Town *122 Pitt Street Sydney*



TITLE SEARCH

Computer Folio Certificate issued under
Section 96D of the Real Property Act 1900

No. 98

Search certified to:

29/4/2014 10:31 AM

COMPUTER FOLIO REFERENCE	
10/701368	
EDITION No. & DATE OF CURRENT CERTIFICATE OF TITLE	
18	25/6/2012

Page 1

LAND

LOT 10 IN DEPOSITED PLAN 701368

AT MARRICKVILLE

LOCAL GOVERNMENT AREA MARRICKVILLE

PARISH OF PETERSHAM COUNTY OF CUMBERLAND

TITLE DIAGRAM DP701368

FIRST SCHEDULE

DINA DANIAS

(ND AC124962)

SECOND SCHEDULE (3 NOTIFICATIONS)

- 1 RESERVATIONS AND CONDITIONS IN THE CROWN GRANT(S)
- * 2 EASEMENT FOR STORMWATER DRAINAGE AFFECTING THE LAND SHOWN SO
BURDENED IN THE TITLE DIAGRAM VIDE NOTIFICATION IN GOV. GAZ.
DATED 26.7.1940 FOLIOS 3140 & 3141
- 3 AH70249 MORTGAGE TO NATIONAL AUSTRALIA BANK LIMITED

NOTATIONS

UNREGISTERED DEALINGS: NIL

*** END OF SEARCH ***

doccopl

PRINTED ON 29/4/2014

98

The Registrar General certifies that at the date and time specified above the person(s) described in the First Schedule was the registered proprietor of an estate in fee simple (or other such estate or interest set out in the Schedule) in the land described, subject to any exceptions, encumbrances, interests, and entries which appear in the Second Schedule.

* ANY ENTRIES PRECEDED BY AN ASTERISK DO NOT APPEAR ON THE CURRENT EDITION OF THE CERTIFICATE OF TITLE
WARNING: THE INFORMATION APPEARING UNDER NOTATIONS HAS NOT BEEN FORMALLY RECORDED IN THE REGISTER.



HISTORICAL TITLE SEARCH

Certificate issued under Section 98G
of the Real Property Act 1900

No. 99

Search certified to: 29/4/2014 10:35AM

Computer Folio Reference: 10/701368

Page 1

First Title(s): OLD SYSTEM

Prior Title(s): PA57890

Recorded -----	Number -----	Type of Instrument -----	C.T. Issue -----
15/5/1984	PA57890	PRIMARY APPLICATION	FOLIO CREATED EDITION 1
* 12/6/1986	W366247	TRANSFER	
12/6/1986	W366248	MORTGAGE	EDITION 2
3/11/1986	W578611	DISCHARGE OF MORTGAGE	
3/11/1986	W578612	MORTGAGE	EDITION 3
* 13/4/1987	W795573	LEASE	EDITION 4
30/9/1987	X107996	MORTGAGE	EDITION 5
13/3/1990	Y881059	DISCHARGE OF MORTGAGE	
13/3/1990	Y881060	DISCHARGE OF MORTGAGE	
13/3/1990	Y881061	MORTGAGE	EDITION 6
* 28/5/1990	Y998701	LEASE —	EDITION 7
26/6/1992	E562599	MORTGAGE	EDITION 8
* 8/10/1992	E759838	LEASE —	
* 8/10/1992	E759839	LEASE —	EDITION 9
9/2/1996	O903530	CAVEAT	
5/2/1997	2813709	CAVEAT	
13/8/1997	3306498	WITHDRAWAL OF CAVEAT	

END OF PAGE 1 - CONTINUED OVER

doccop1

PRINTED ON 29/4/2014 99

The Registrar General certifies that at the date and time specified above the information set out in this search constitutes the historical record of all dealings recorded in or action taken in respect of the mentioned title which is required to be kept by the Registrar General under section 32(7) of the Real Property Act 1900.



HISTORICAL TITLE SEARCH

Certificate issued under Section 96G
of the Real Property Act 1900

No. 99

Search certified to: 29/4/2014 10:35AM

Computer Folio Reference: 10/701368

Page 2

Recorded -----	Number -----	Type of Instrument -----	C.T. Issue -----
13/8/1997	2924450	WITHDRAWAL OF CAVEAT	
13/8/1997	2924451	DISCHARGE OF MORTGAGE	
13/8/1997	2924452	DISCHARGE OF MORTGAGE	
13/8/1997	2924453	MORTGAGE	EDITION 10
19/9/2000	7098328	DISCHARGE OF MORTGAGE	
19/9/2000	7098332	MORTGAGE	EDITION 11
* 25/1/2001	7369060	LEASE	EDITION 12
3/5/2002	8558793	CAVEAT	
6/9/2002	8933328	WITHDRAWAL OF CAVEAT	
5/11/2002	9099909	DISCHARGE OF MORTGAGE	
5/11/2002	9099911	MORTGAGE	EDITION 13
* 10/9/2003	9958265	LEASE	EDITION 14
20/2/2004	AA388075	DISCHARGE OF MORTGAGE	
20/2/2004	AA388080	MORTGAGE	EDITION 15
27/1/2005	AB245482	CAVEAT	
7/8/2006	AC124962	NOTICE OF DEATH	EDITION 16
7/8/2006	AC288906	CAVEAT	
18/8/2006	AC537927	WITHDRAWAL OF CAVEAT	
18/8/2006	AC537936	WITHDRAWAL OF CAVEAT	
22/9/2006	AC618617	VARIATION OF MORTGAGE	EDITION 17

END OF PAGE 2 - CONTINUED OVER

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PRINTED ON 29/4/2014

99

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HISTORICAL TITLE SEARCH

Certificate issued under Section 96G
of the Real Property Act 1900

No. 99

Search certified to: 29/4/2014 10:35AM

Computer Folio Reference: 10/701368

Page 3

Recorded	Number	Type of Instrument	C.T. Issue
-----	-----	-----	-----
25/6/2012	AH70248	DISCHARGE OF MORTGAGE	
25/6/2012	AH70249	MORTGAGE	EDITION 18
12/3/2014	AI437542	DEPARTMENTAL DEALING	

*** END OF SEARCH ***

doccop1

PRINTED ON 29/4/2014

99

The Registrar General certifies that at the date and time specified above the information set out in this search constitutes the historical record of all dealings recorded in or action taken in respect of the mentioned title which is required to be kept by the Registrar General under section 32(7) of the Real Property Act 1900.



Registrar General

7369060T

Form: 97-07L
Licence: 10V/0252/95
Printed: 1196LTO

LEASE
New South Wales
Real Property Act 1900



Instructions for filling out
this form are available
from the Land Titles Office

Office of State Revenue use only

NEW SOUTH WALES DUTY
02-08-2000 0000377543-001
LEASE - GENERAL
DUTIABLE AMOUNT \$ *****530,707.00
DUTY \$ *****1,857.80

(A) **PROPERTY LEASED**
If appropriate, specify
the part or premises.

Folio Identifier 10/701368

Warehouse known as 190- - 198 Victoria Road, Marrickville 2204

(B) **LODGED BY**

LTO Box

Name, Address or DX and Telephone

1-W

R. F. Bergagnino & Co

PO Box 19

MARRICKVILLE 1475

REFERENCE (15 character maximum):

(C) **LESSOR** ^{DANIAS} Evangelos and Dina DANIAS

(D) The lessor leases to the lessee the property described above.

Encumbrances (if applicable) 1. 2924453 2. 3. 4.

(E) **LESSEE**

L

ELEGANT GLASS COMPANY PTY LIMITED

(ACN 002 261 029)

(F)

TENANCY:



(G) **TERM:** Three (3) years

COMMENCING DATE: ~~1 May, 2000~~ 15 June, 2000

TERMINATING DATE: ~~30 April, 2000~~ 14 June, 2003

With an **OPTION TO RENEW** for a period of Three (3) years

set out in Clause 6

With an **OPTION TO PURCHASE** set out in

~~6. Together with and reserving the RIGHTS set out in~~

7. Incorporates the provisions set out in **ANNEXURE " A "** hereto.

~~8. Incorporates the provisions set out in MEMORANDUM No.~~

~~filed in the Land Titles Office.~~

OFF L 4998701

Page 4 of

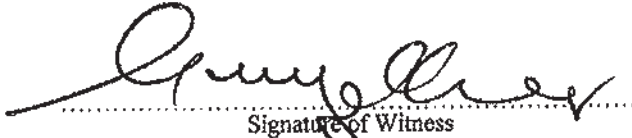
CHECKED BY (LTO use) 12/42

CT brod by 302G for Loan 30.10.00

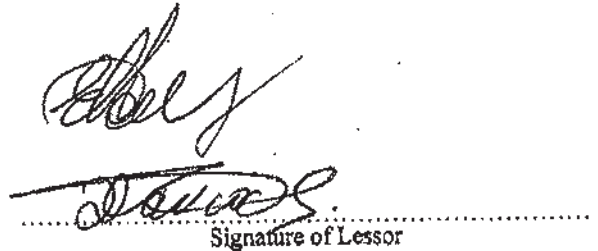
(H) DATE 15 June 2000

We certify this dealing correct for the purposes of the Real Property Act 1900.

Signed in my presence by the lessor who is personally known to me.


Signature of Witness

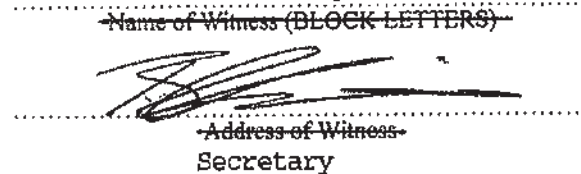
GEORGE KAPLERIS
Name of Witness (BLOCK LETTERS)
205 BALMAIN ROAD
LEICHHARDT NSW
Address of Witness

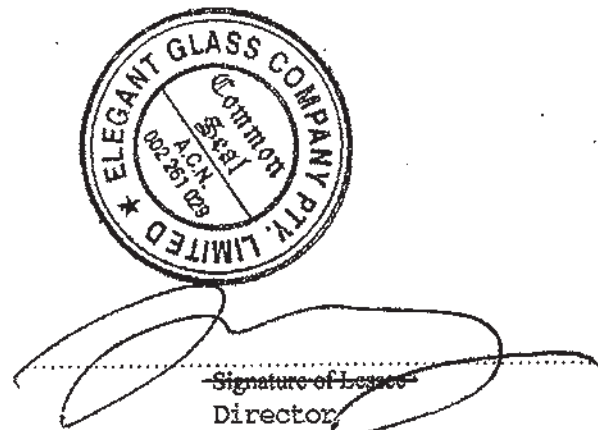

Signature of Lessor

Signed in my presence by the lessee who is personally known to me

THE COMMON SEAL of ELEGANT GLASS COMPANY PTY
LIMITED was hereunto affixed by authority of
~~Signature of Witness~~

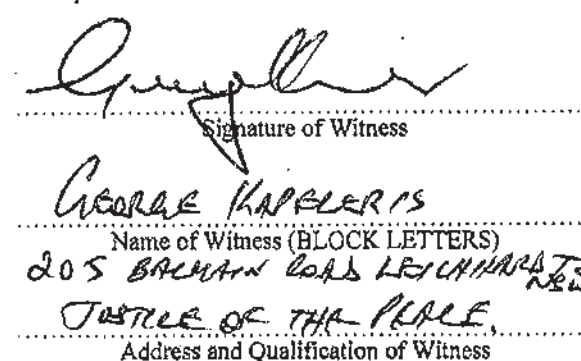
the Directors in the presence of:

~~Name of Witness (BLOCK LETTERS)~~

~~Address of Witness~~
Secretary


Signature of Lessee
Director

(I) STATUTORY DECLARATION

I solemnly and sincerely declare that: the time for the exercise of Option to Renew/Purchase in expired lease No. Y998701
has ended; the lessee under that lease has not exercised the option; and a variation of lease extending the term has not been entered
into. I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths Act 1900.
Made and subscribed at Marrickville in the State of NSW on 19 June 2000
in the presence of


Signature of Witness
GEORGE KAPLERIS
Name of Witness (BLOCK LETTERS)
205 BALMAIN ROAD LEICHHARDT NSW
JUSTICE OF THE PEACE
Address and Qualification of Witness

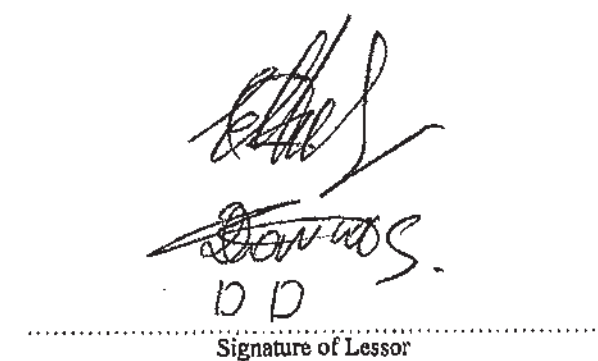

Signature of Lessor

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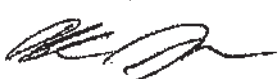
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THIS LEASE is made the day of March One thousand nine hundred ninety nine.

BETWEEN

the Lessor described in Item 1 in the Reference Schedule (called "Lessor") of the first part

the Lessee described in Item 2 in the Reference Schedule (called "Lessee") of the second part

AND

the Guarantor described in Item 3 in the Reference Schedule (called "Guarantor") of the third part.

PART 1 — DEFINITIONS AND INTERPRETATION

1 Definitions

I In this Lease the following expressions have the following meanings:

- (a) "Building" means the building in which the Leased Premises are situated, including
 - (i) the land on which the Building is erected;
 - (ii) land, buildings and structures owned or controlled by the Lessor in conjunction with the Building, which is or may in the future be erected or altered;
 - (iii) Lessor's Fixtures, and the Lessor's chattels, plant, equipment, property and amenities.
- (b) "Business day" means any day which is not Saturday, Sunday or a public holiday.
- (c) "Common Areas of the Building" means those portions of the Building which are designed or are permitted by the Lessor for common use by lessees, their employees, customers and the public, including
 - (i) access and egress roads within the Building, car parking areas, elevators, escalators, ramps, stairways, walkways, pathways, corridors;
 - (ii) entrances, exits, forecourts, foyers, pedestrian malls;
 - (iii) toilets, washrooms, recreational areas, storage areas, loading docks.
- (d) "Latent defects", with reference to the Leased Premises or the Building, means any defects which
 - (i) are attributable to defective
 - (A) preparation or remediation of the site on which the Building is erected;
 - (B) supervision of the construction or any installation;
 - (C) design;



- (D) workmanship;
- (E) materials;
- (ii) occurred when the Building was erected or is substantially extended or altered;
- (iii) are not reasonably apparent to a competent professional consultant on a visual inspection of the property; and
- (iv) are not expressly disclosed by the Lessor to the Lessee before entry into this Lease.
- (e) "Lease" means this document and includes the schedules and annexures to this Lease.
- (f) "Leased Premises" means
 - (i) the premises described in Item 4 in the Reference Schedule and includes, with reference to those premises
 - (A) the internal surfaces of external walls and of internal structural walls of the Building;
 - (B) the internal surfaces of the ceiling and of concrete or other floors;
 - (C) the central line of partitions separating the Leased Premises from other adjoining premises;
 - (D) the external surfaces of partitions and doors separating the Leased Premises from Common Areas of the Building or from other premises not intended to be leased;
 - (E) the internal surfaces of glass contained in external windows;
 - (F) all internal partitions, divisions, windows and window frames, doors and door frames, which are fully within the Leased Premises;
 - (G) the external surfaces and finishes on walls, floors, ceilings, partitions, doors and windows included in the Leased Premises, including paint, wallpaper and other materials or substances;
 - (ii) the Lessor's Fixtures and any chattels provided by the Lessor for the Lessee within the Leased Premises at any time during the lease term, including those listed in Item 5 in the Reference Schedule;
 - (iii) pipes and connections to water, sewerage, electricity, gas, telecommunications, air conditioning and other services and supplies, situated within above or under the Leased Premises which connect those services to the Leased Premises.



(g) "Lessee" includes

- (i) when an individual, the Lessee's legal personal representatives;
- (ii) when several individuals, the Lessees jointly and their respective legal personal representatives;
- (iii) the Lessee's assigns;
- (iv) when a company or corporation, its successors and assigns.

(h) "Lessor" includes

- (i) when an individual, the Lessor's legal personal representatives;
 - (ii) when several individuals, the Lessors jointly and their respective legal personal representatives;
 - (iii) the Lessor's assigns;
 - (iv) when a company or corporation, its successors and assigns.
- (i) "Lessor's Fixtures" means all the plant, equipment and chattels which have been or become permanently or securely affixed to the Leased Premises and are the Lessor's property, including the items listed as fixtures in Item 5 in the Reference Schedule.
- (j) "Reference Schedule" means the Reference Schedule in this Lease.
- (k) "Services" means electricity, gas, water, sewerage, telephone, telecommunication, and any other services provided or available to leased premises in the Building or to Common Areas of the Building by public or local or statutory authorities and the pipes, wires, ducting and other means of providing those services to the Building and to leased premises.
- (l) "Structural repairs" means repairs to the structure of the Building, such as the foundations, floors, walls and load bearing columns.

2. Interpretation

Terms

- 2 (1) (a) Words expressed in the singular include the plural and vice versa.
- (b) Words expressed in one gender include the other genders, as is appropriate in the context.
- (c) The reference to "person" includes a corporation.



Statutes

- (2) References to statutes, regulations, ordinances and by-laws when contained in this Lease include amendments, re-enactments or consolidations of any of them.

Covenants implied by statute

- (3) Covenants and powers implied by statute are excluded from this Lease, unless any such covenant or power cannot be excluded by force of statute or is expressly incorporated in this Lease.

Joint and several liability

- (4) (a) In the event of there being two or more lessors or two or more lessees under this Lease (including whilst the Lease or the reversion is held by legal personal representatives, successors or assigns) each of them is jointly and severally liable to perform covenants and obligations under this Lease.
- (b) When there are two or more lessors or lessees, any conduct under or in respect of this Lease, including the exercise of any entitlement or taking any action under this Lease or a provision of this Lease, shall be undertaken by all of the lessors or all of the lessees jointly, unless this Lease expressly provides otherwise.

Severance

- (5) If any provision contained in this Lease is or becomes legally ineffective, under the general law or by force of legislation, the ineffective provision shall be severed from this Lease which otherwise continues to be valid and operative.

Governing law

- (6) This Lease is governed and construed in accordance with the law of the State in Item 6 in the Reference Schedule.

Lease comprises entire agreement

- (7) It is agreed that this Lease contains the whole of the agreement between the Lessor and the Lessee relating to the Leased Premises.

PART 2 — THE SUBJECT MATTER AND TERM OF THIS LEASE

3 Rights and entitlements granted to Lessee

- 3 The Lessor grants to the Lessee for the duration of this Lease exclusive possession of the Leased Premises

4 The term of this Lease

- 4 The Lessor leases the Leased Premises to the Lessee for the term specified in Item 9 in the Reference Schedule.



5 Holding over after expiry of Lease

- 5 After the expiry of the term of this Lease, when the Lessee remains in occupation of the Leased Premises with the consent of the Lessor this Lease continues as a monthly tenancy
- (a) commencing on the day immediately following the last day of the term of this Lease;
 - (b) the rent being payable monthly in advance, comprising the rent payable immediately before the end of this Lease and the Lessee's contributions to operating expenses, calculated and payable from time to time in accordance with this Lease;
 - (c) on the terms contained in this Lease, except those terms which are inapplicable to a monthly tenancy;
 - (d) the tenancy being terminable by either party on one month's written notice expiring at any time.

6 Option for renewal

Offer of renewal

- (1) The Lessor offers a renewal of this Lease to the Lessee on the terms specified in this clause which the Lessee should accept strictly in accordance with the provisions contained in this clause, otherwise this offer shall lapse.

Binding Lessor's successors and assigns

- (2) This offer and the option bind the Lessor and the Lessor's successors and assigns being the owners for the time being of the Leased Premises.

Parties who may renew

- (3) This offer may be accepted by
- (a) the Lessee or by the Lessee's successors and assigns being the lessee for the time being of the Leased Premises;
 - (b) in the event of there being two or more persons holding as lessees as joint tenants, upon the death of any of them by their survivors.

Conditions for exercise of option

- (4) The Lessee may only accept this offer and exercise the option if
- (a) there is no subsisting breach of any lease covenants by the Lessee at the date of serving notice of exercise of this option and also at the date of expiry of this Lease; and
 - (b) the Lessee shall have served on the Lessor notice of exercise of this option during a period before the date of expiry of the term of this Lease, as is specified in Item 10 in the Reference Schedule.



Guarantee for Lease for option term

- (5) (a) If this Lease is guaranteed by the Guarantor, then the renewal of this Lease is conditional on the Guarantor under this Lease entering into a guarantee in the form contained in Part 4 of this Lease in respect of the option term.
- (b) If the Guarantor, or any of the Guarantors, under this Lease is unable or unwilling to enter into a guarantee in respect of the option term, the Lessee may provide a guarantee in accordance with para (a) instead of that Guarantor by another person who is an acceptable new Guarantor.
- (c) (i) An acceptable new Guarantor is a person who is respectable and is either:
- (A) not less sufficiently financial than the Guarantor;
- or
- (B) is an adequately financial Guarantor.
- (ii) A person is an adequately financial Guarantor if that person's net assets, after deducting secured and unsecured liabilities, exceed the amount indicated in Item 10 in the Reference Schedule.
- (d) The Lessor will consider the Lessee's request to provide an acceptable new Guarantor for the renewal of this Lease promptly.
- (e) If the Lessee is unable to provide a guarantee in respect of the Lease for the option term either by the Guarantor or by an acceptable new Guarantor, the Lessee has failed to effectively exercise the option for renewal of this Lease and the Lessee is not entitled to a renewal of this Lease for the option term.

Conditions of renewal

- (6) The renewal which the Lessee may accept under this clause is for the renewal of this Lease for the further term of years specified in Item 10 in the Reference Schedule from the day after the date of expiry of the term of this Lease, containing identical covenants to the covenants of this Lease (except this clause) at a rent which shall be calculated in accordance with Clause 9(2).

Payment of rent and operating expenses whilst rent is determined

- (7) (a) After exercise of this option, until the rent for the option term is determined, the Lessee will continue to pay the rent and operating expenses as and when payable under this Lease at the rate at which they are payable during the last year of the lease term.
- (b) Within the number of days indicated in Item 10 in the Reference Schedule after the rent for the option term is determined, the parties will adjust and pay any shortfall or



excess in the rent paid from the commencement of the option term up to the last day for rent payment before the rent determination.

Preparation of lease for option term

- (8) (a) After the Lessee has effectively exercised this option and the rent for the option term has been determined, the Lessor's solicitor shall submit for execution a lease or a variation or extension of this Lease incorporating the lease conditions for the option term, which shall be executed promptly by the Lessor and by the Lessee.
- (b) The Lessee shall pay the legal costs and disbursements in accordance with clause 12(2).

PART 3 — LESSEE'S FINANCIAL OBLIGATIONS

7 Rent payments

- 7 The Lessee covenants to pay rent as specified in Item 11 in the Reference Schedule
 - (a) by an initial payment in advance on the date for commencement of rent to the end of that calendar month and then by calendar monthly payments in advance on the first day of each month, each payment being one-twelfth of the annual rent then due as fixed or varied under this Lease;
 - (b) without demand by the Lessor;
 - (c) by cash or cheque, or if required by the Lessor by banker's order on the Lessee's bank, or by depositing or transferring the payments into an account as directed by the Lessor;
 - (d) to, or as directed by, the Lessor, which may be altered by the Lessor by written notice served on the Lessee.

8 Abatement of rent and financial obligations

Abatement of Lessee's financial obligations

- 8 (1) If during the continuance of this Lease the Building or the Leased Premises is wholly or partly damaged or destroyed or is rendered wholly or substantially inaccessible through an event described in clause 8(2), rendering the Leased Premises or any part of it wholly or substantially unfit for the Lessee's use and occupation or inaccessible for a period exceeding seven (7) days, then the Lessee's financial obligations abate in accordance with this clause.

Abating events

- (2) This clause applies in case of fire, lightning, storm, flood, earthquake, explosion, malicious damage, war damage, and any other event beyond the Lessee's control.



Lessee's financial obligations

- (3) Abatement extends to all the Lessee's financial obligations to the Lessor under this Lease, including rent and operating expenses.

Period of abatement

- (4) The period of abatement is from the date of the destruction, damage or inaccessibility until the date when the premises are restored and rendered suitable for the Lessee's use and occupation or accessible.

Effect of abatement

- (5) During and for the period of abatement the Lessee's liability to pay the whole or proportion of the financial obligations under this Lease, as agreed or determined under clause 8(7), calculated on a daily basis, ceases and abates.

Exception to abatement

- (6) The Lessee is not entitled to an abatement of the Lessee's financial obligations under this clause if
- (a) the event resulting in the damage, destruction or inaccessibility is caused or contributed to by the act or negligent omission of the Lessee or the Lessee's employees; or
 - (b) the Lessor fails to recover the benefit of any insurance for loss or damage to the Building or the Leased Premises because of any act or omission of the Lessee or the Lessee's employees.

Determination of abatement

- (7) (a) The parties shall endeavour to agree on the commencement and period of abatement of the Lessee's financial obligations, and if the Lessee is able to have partial use and enjoyment of the Leased Premises, the proportion of the abatement having regard to the nature and extent of the damage to and use of the premises.
- (b) If the parties have any dispute regarding the Lessee's entitlement to an abatement, its period or amount, the dispute shall be determined by a loss assessor
- (i) who is then a member of the Insurance Council of Australia Ltd and is experienced in assessing premises of the nature of the Leased Premises and is nominated by the President for the time being or senior officer of that Council on the application of either party;
 - (ii) acting as an expert;
 - (iii) who is entitled to accept written submissions and expert reports from either party;



- (iv) whose costs shall be borne equally by the parties;
- (v) whose decision is final and binding on the parties.
- (c) If the loss assessor nominated under paragraph (b) fails to proceed or to determine the dispute, either party may seek the nomination of another loss assessor in accordance with paragraph (b).

8A Goods and services tax (GST)

Interpretation

8A(1) In this clause:

"GST" refers to goods and services tax under A New Tax System (Goods and Services) Act 1999 ("GST Act") and the terms used have the meanings as defined in the GST Act.

Rent and other amounts exclusive of GST

- (2) It is agreed that rent and all other amounts agreed to be paid by the Lessee to the Lessor, being the consideration for the supply expressed in this Lease, are exclusive of GST.

Lessee's obligation to reimburse lessor

- (3) In respect of any liability of the lessor for GST under this Lease, and the renewal or extension of this Lease including for rent, rates, outgoings, or any consideration for any other taxable supply the Lessee covenants to pay to the Lessor, at the same time as any payment is made involving the Lessor in GST liability, the additional amount of GST, together with the payment to which it relates.

Lessor's input tax credits

- (4) The Lessee's liability under (3) is to reimburse the full amount of GST, disregarding and excluding the Lessor's entitlement to input tax credits or other credits or reimbursements for GST.

Tax invoice

- (5) In respect of each payment by the Lessee under (3), the Lessor agrees to deliver to the Lessee, upon request or as required under the GST Act, tax invoices in a form which complies with the GST Act and the regulations, to enable the Lessee to claim input tax credits in respect of the taxable supply.

9 Rent review

Review date

- 9 (1) The annual rent shall be reviewed at the dates in Item 12 in the Reference Schedule (each called "Review Date").



Rent Review

- (2) On each Review Date the rent until the next Review Date shall be the rent payable under this Lease in the immediately preceding year multiplied by the greater of:
- (a) three percent (3%);
 - (b) the fraction $N1/B1$ where N1 refers to the Consumer Price Index for Sydney (All Groups) ("Index") published by the Australian Bureau of Statistics ("Bureau") in respect of the quarter immediately preceding the particular Review Date and B1 is the Index in respect of the quarter immediately preceding the commencement date of the Lease. In the event that at any time during the term of this Lease the Bureau shall update the reference base of the Index appropriate arithmetical adjustment shall be made to make the updated index number correspond in reference base to the index number at the review dates.

Rent payments

- (3) The rent may be determined from a Review Date even if the review is instituted after that Review Date.
- (4) If the rent from a Review Date shall not be determined until after that Review Date:
- (a) The Lessee shall continue to pay the current instalments of rent due until the new rent is determined.
 - (b) When the rent is determined, the Lessee shall pay the additional amount (if any) due for rent from the Review Date to the date when the next monthly instalment of rent is payable on the rent day next succeeding the expiration of thirty (30) days after the date when the Lessee is informed of the rent determination.
 - (c) In addition the Lessee shall pay to the Lessor interest in accordance with clause 14 at a daily rate from the Review Date calculated monthly on the additional amount due each month to the date of payment of rent and interest.

10 Operating expenses

Lessee's liability for operating expenses

- 10 (1) (a) The Lessee shall pay to the Lessor the Lessee's percentage of operating expenses specified in Item 13 in the Reference Schedule for the term of this Lease.
- (b) If at any time during the term of this Lease the total lettable area of the building is altered because of additions or extensions, or any other reason, the Lessee's share of operating expenses shall be recalculated as at the date when such alteration occurs, having regard to the altered lettable area of the building.
- (c) The amount of operating expenses shall be assessed by the Lessor for each annual period ending on the day in Item 13 in the Reference Schedule (called "annual period").
- (d) For the purpose of assessment of operating expenses, those expenses shall be calculated on an accrual and prepayment basis by the Lessor so that:



- (i) the Lessor's obligation arises on the date when it is under a legal liability to pay for an operating expense;
 - (ii) when an operating expense relates to a particular annual or other period, the proportion attributed to the annual period shall be included, apportioned on a daily basis, whether payment is required before, during or after the annual period.
- (e) The proportion attributable to parts of an annual period shall be calculated on the basis of the Lessor's assessment of operating expenses for the annual period and is payable by monthly instalments.

Operating expenses

- (2) (a) ~~Operating expenses means all rates, taxes, outgoings, costs and expenses incurred by the Lessor in the control, management, maintenance and ownership of the property and the building, and more particularly the following:~~

~~Rates and taxes~~

- ~~(i) All rates, taxes, charges and impositions, currently and in the future payable to any Federal, State, local government, statutory or public authority or corporation, in respect of the property, the building or the Leased Premises including:~~

~~— (A) municipal, local and other rates and charges payable to a local authority;~~

~~— (B) rates and charges for the supply, reticulation or discharge of water (including excess water), sewerage, drainage and removal of waste;~~

~~— (C) land tax or any similar tax, at the rate payable if the land on which the Leased Premises is situated was the only land owned by the Lessor;~~

~~Insurance~~

- ~~(ii) Insurance costs and charges paid by the Lessor in respect of risks to or in connection with the property and the Building and its use, control and management, which the Lessor reasonably considers necessary to cover by insurance.~~

~~Management and administration~~

- ~~(iii) The Lessor's costs of management and administration of the building, including:~~

~~(A) the expenditure reasonably incurred by the Lessor in the management, control and administration of the building;~~

~~(B) accountancy and audit costs with regard to the Lessor's operating expenses during an annual period;~~

~~(C) the costs and expenses of operating and cleaning parking areas and common areas of the building;~~

~~(D) providing for the security of the building, cleaning and caretaking for the building;~~



- ~~(E) the supply of services, facilities and amenities for the building, including electricity, gas, power, fuel, oil, garbage compacting and removal, waste disposal, telephone, intercommunication system, public address system, background music, fire protection, supply of washroom and toilet requisites;~~
- ~~(F) safety and environmental audits of the building;~~
- ~~(G) the costs of independent contractors and the costs of employing staff to perform any of those functions;~~
- ~~(H) the costs of leasing or hiring equipment for any of those functions.~~

Maintenance and repair

(iv) Costs and expenses relating to:

- ~~(A) painting, repair, renewal and maintenance of the building and common areas of the building;~~
- ~~(B) cleaning, maintenance, repair and replacement of carpets and floor coverings;~~
- ~~(C) maintaining, repairing and replacing notice boards and signs;~~
- ~~(D) maintenance and provision of landscaping, gardens, indoor and outdoor plants;~~
- ~~(E) detection, control and eradication of insects and pests;~~
- ~~(F) operating, maintaining, servicing and repairing plant and equipment, services and facilities provided by the Lessor, including plumbing, electrical and other services, air conditioning, ventilating, heating or cooling the building (or any part of the building), elevators, fire detection prevention and protection equipment, the costs of electricity and power to operate the services and facilities, and fees paid for service contracts and to specialist contractors;~~
- ~~(G) licence, registration, inspection and other fees paid by the Lessor in respect of plant, equipment, services and facilities in the building.~~

Strata title

- (v) When the property is under strata title, contributions and payments made by the Lessor to the owners corporation.
- (vi) The Lessor may constitute a sinking fund to cover the likely costs of major repairs, renovations and replacement of plant, equipment, carpets, elevators, external painting and similar recurring but infrequently required work for or in connection with the building, but not for the purpose of rebuilding or replacing the building.

Fire protection

- (vii) Sixty percent (60%) of the maintenance cost of fire sprinklers and other fire safety and prevention equipment and monitoring.

Payment of Lessee's contribution

- (3) (a) At least thirty (30) days before the commencement of an annual period the Lessor shall if required by the Lessee, provide to the Lessee an itemised estimate of the operating expenses payable during or attributable to the next annual period, and calculations of the Lessee's percentage and the monthly instalments payable by the Lessee.



- (b) When during an annual period some additional rate or tax is charged, the Lessor may reassess the Lessee's contribution and require the Lessee to pay it by monthly instalments during the appropriate annual periods.
- (c) The Lessee's contributions to outgoings are payable monthly together with the rent.
- (d) Within the number of days in Item 13 in the Reference Schedule after the end of an annual period the Lessor shall, if requested, provide to the Lessee an itemised statement of the total operating expenses paid by the Lessor during or attributed to that annual period.
- (e) The Lessor's itemised statement is prima facie evidence of the operating expenses during an annual period.
- (f) Within thirty (30) days after the receipt by the Lessee of an itemised statement, the parties shall adjust the contributions for the previous annual period and pay any balance due from the Lessee or refund for overpayment due from the Lessor.

11 Services

Lessee's liability for services and utilities

- 11 (1) The Lessee will pay throughout this Lease for any electricity, power, fuel, gas, oil, water, telephone, garbage removal, waste disposal, 60% of the annual fire sprinkler charge together with any services or utilities provided by public local or other authorities or suppliers to the Leased Premises, to the supplier of the service or utility.

Installation of meters

- (2) The Lessee will, if required by the Lessor or by an authority supplying a service or utility permit the installation of meters, at the Lessee's expense, required to measure the quantity of the service supplied to the Leased Premises.

12 Costs

Costs of preparation of Lease

- 12 (1) (a) The Lessee shall pay on execution of this Lease the stamp duties and registration fees, and subsequently the costs and stamp duty when upstamping this Lease.
- (b) The Lessee shall pay the Lessor's legal and professional costs and disbursements of and incidental to the negotiation, preparation, execution and registration of this Lease together with the cost of and incidental to obtaining consent of any Mortgagee or Headlessor.

Renewal or extension of lease

- (2) The costs and disbursements of and incidental to any renewal or extension of this Lease shall be paid by the Lessee as is indicated in clause 12(1).



Consents, transactions and default

- (3) The Lessee agrees to pay the Lessor's costs, charges, and expenses which are incurred in connection with or incidental to:
- (a) the obtaining of any consent from the Lessor, and from any headlessor, mortgagee or other person, which is required by the Lessee under this Lease;
 - (b) the negotiation and preparation of all documents relating to any consent required by the Lessee, and all costs incurred by the Lessor, and by any other party whose consent is required, whether a consent is given, refused, or the application for consent is withdrawn;
 - (c) any breach or default by the Lessee under this Lease;
 - (d) the exercise or attempted exercise by the Lessor of any right, power, privilege, authority or remedy, against the Lessee or against any Guarantor, to enforce the Lessee's obligations under this Lease, or to terminate this Lease for the Lessee's breach or default.

Costs on common fund basis

- (4) The Lessor's legal and professional costs and disbursements under clause 12(3) shall be charged and allowed on a common fund basis, to provide full indemnity to the Lessor for costs charges and expenses.

Lessor's internal costs

- (5) The Lessor's costs under clause 12(3) include
- (a) the Lessor's reasonable administrative costs and expenses of considering any application for consent, of considering and managing any breach or default under this Lease and attendances by the Lessor's officers, employees or agents, including attendances on the Lessor's legal advisers and in court;
 - (b) the fees of professional consultants incurred by the Lessor.

13 Precluding deduction for set-off or counterclaim

- 13 The Lessee expressly agrees to make all payments due under this Lease, including for rent and operating expenses, punctually on the date when each payment is due and shall not withhold or be entitled to withhold the whole or part of any such payment by way of deduction, set-off or counterclaim, in respect of any claim for damages or for compensation which the Lessee shall make or has made against the Lessor, until after the Lessor's liability for damages or compensation is determined and the amount due to the Lessee is determined or agreed.

14 Lessee's liability for interest on overdue payments

Interest on overdue payments



- 14 (1) In the event of the Lessee being in default for a period of more than fourteen (14) days with the payment of rent, operating expenses, costs or any other liability to or on behalf of the Lessor under this Lease, the Lessee is liable to pay additional interest to the Lessor in accordance with this clause.

Computation of interest

- (2) Interest is computed

- (a) from the day immediately following the day on which each liability is due for payment, at a daily rate, until the liability is discharged by payment;
- (b) at the rate of interest indicated in Item 14 in the Reference Schedule;
- (c) in respect of amounts remaining unpaid, the Lessor at its option may capitalise interest calculated up to the end of each calendar month whilst there are outstanding liabilities in accordance with clause 14(1) from the Lessee.

Recovery of interest

- (3) The Lessor may demand the payment of interest and take legal action to recover the amount due at any time after not less than fourteen (14) days notice is given to the Lessee indicating the amount due and its calculation.

15 Measurement of lettable area

Use of BOMA method

- 15 (1) The lettable area of the whole or part of the Leased Premises and of the Building shall be determined in accordance with the "BOMA Method of Measurement", published or used by the Building Owners and Managers Association of Australia Ltd referred to in Item 15 in the Reference Schedule in respect of buildings such as the Building.

Alteration in method

- (2) If the BOMA Method of Measurement is altered during the continuance of this Lease, then subsequent calculations of the lettable area shall be undertaken on the basis of the altered method of measurement, including for rent review and the calculation of contributions to operating expenses.

Prima facie evidence

- (3) A certificate by a surveyor or architect produced by the Lessor indicating that person's or firm's calculations in accordance with clause 15(1) or (2) is prima facie evidence of the lettable area of premises covered by those calculations.

PART 4 — SECURING THE LESSEE'S OBLIGATIONS

16 Guarantee

Entering into Guarantee



- 16 (1) In consideration of the Lessor agreeing to grant this Lease to the Lessee at the request of the Guarantor the Guarantor enters into this guarantee (called "Guarantee") in favour of the Lessor on the terms specified in this clause.

Scope of guarantee

- (2) (a) The Guarantor agrees to guarantee the payment of rent and the observance and performance of all the Lessee's obligations as specified in this Lease throughout the lease term, including during holding over as periodical tenant after the expiry of the lease term, by the Lessee, its successors and assignees of this Lease.
- (b) This Guarantee covers the whole period whilst the Lessee occupies or is entitled to occupy the Leased Premises under this Lease as the lessee, any renewal, or whilst holding an equitable interest over the Leased Premises under an agreement for lease or as a periodical tenant.
- (c) This Guarantee extends to claims by the Lessor
- (i) for damages for breaches of lease covenants;
 - (ii) for breaches of any essential terms of this Lease;
 - (iii) for repudiation of this Lease;
 - (iv) for the Lessor's loss or damage in the event of the Lessee abandoning or vacating the Leased Premises;
 - (v) in the event of the Lessor electing to re-enter or to terminate this Lease;
 - (vi) for the Lessor's reasonable legal and other expenses of seeking to enforce those obligations against the Lessee and the Guarantor, recovering possession and terminating this Lease, on the basis specified in clause 12;
 - (vii) for loss or damage consequent on disclaimer of this Lease on the Lessee's insolvency, as if this Lease had not been disclaimed.
- (d) This Guarantee is in favour of the Lessor and its successors and assigns being the owner of the Leased Premises from time to time during the continuance of this Guarantee.

Liability of several Guarantors

- (3) When there is more than one Guarantor under this Lease
- (a) the term Guarantor in this clause refers to each of the Guarantors and to all of them;
 - (b) their obligations as Guarantor are joint and several;
 - (c) the Lessor may enforce this Guarantee against all or any of them;



- (d) any notice or demand may be served on all of them by serving any one of them;
- (e) this Guarantee remains binding on the other Guarantors, even if
 - (i) any Guarantor fails to execute this Lease or to enter into this Guarantee;
 - (ii) this Guarantee is not binding on any Guarantor;
 - (iii) the Lessor shall release any Guarantor from liability under this Guarantee.

Guarantee not discharged

- (4) This Guarantee is not discharged and the Lessor's rights against the Guarantor are not affected by any of the following
 - (a) the granting of any indulgence or extension of time by the Lessor to the Lessee or to the Guarantor;
 - (b) the Lessor's neglect or failure to enforce lease covenants against the Lessee or waiver of any breaches or defaults under this Lease;
 - (c) the total or partial release of liability of the Lessee or of a Guarantor by the Lessor;
 - (d) the entry into any arrangement, composition or compromise relating to this Lease between the Lessor and the Lessee or any other person;
 - (e) the variation of any provision of this Lease between the Lessor and the Lessee without the Guarantor's consent but only if they are minor and are not prejudicial to the Guarantor;
 - (f) the death or bankruptcy or winding up of the Lessee or the Guarantor;
 - (g) the Lessee's liability under this Lease, or this Lease, being or becoming invalid, illegal, or unenforceable, including through any act, omission or legislation;
 - (h) the disclaimer of this Lease following the Lessee's insolvency.

17 Security bond

Payment of Bond

- 17 (1) At the commencement of this Lease the Lessee shall pay to the Lessor the sum in Item 16 in the Reference Schedule as a security bond in earnest of performance of the Lessee's obligations under this Lease (called "Bond").

Deposit of Bond

- (2) (a) The Lessor shall deposit the Bond for the duration of this Lease as specified in Item 16 in the Reference Schedule in the Lessor's name to be held by the Lessor as trustee for the Lessee and in accordance with the provisions of this clause.



- (b) The Lessor shall incur no liability to the Lessee for loss of the Bond through failure of the financial institution in which it is deposited.
- (c) Interest earned on the Bond shall be added to the amount held as the Bond and credited to the Lessee.

Consequences of default

- (3) In the event of the Lessee defaulting in the payment of rent or any financial obligation to the Lessor or in performing some other obligation under this Lease, the Lessor is entitled to
 - (a) appropriate the whole or part of the Bond and interest accrued on it in satisfying the outstanding obligation and for compensation for breach of covenant; or
 - (b) to forfeit the Bond and the accrued interest.

Appropriation of Bond

- (4) If the Bond is forfeited or appropriated under clause 17(3), the Lessor shall notify the Lessee that the Bond and interest are applied in full or in partial satisfaction of the Lessor's claim and shall itemise the Lessor's claim, giving credit for the Bond and for interest.

Lessor not limited to Bond

- (5) The Lessor is entitled to recover rent and damages from the Lessee without being limited to the Bond, but if any further claim is made against the Lessee, the Lessor shall credit the Lessee with the Bond and interest.

Lessor's conduct not waiver of breach

- (6) The Lessor's conduct in forfeiting the Bond or in appropriating the whole or part of the Bond, or in failing to do so, does not constitute waiver of the Lessee's breach or default or preclude the Lessor from exercising any of its rights or remedies.

Reinstatement or increase of Bond

- (7) The Lessee shall reinstate or increase the amount of the Bond within 14 days after service of notice by the Lessor on the Lessee requiring the Lessee to do so and indicating the amount required to be paid and its calculation:
 - (a) when the whole or part of the Bond has been appropriated under para (3);
 - (b) when the rent is increased on rent review or the exercise of an option to renew, to ensure that the Bond shall equal the sum in Item 16 in the Reference Schedule and the accrued interest.

Assignment of Lease



- (8) In the event of an assignment of this Lease the Bond shall be held on behalf of the assignee and the Bond and interest shall be deemed to have been assigned to the assignee and held in accordance with this clause.

Sale of Leased Property

- (9) (a) In the event of a sale of the Leased Property subject to this Lease, control over the Bond and accrued interest shall be vested in the purchaser as trustee for the Lessee.
- (b) The rights and obligations of the Lessor under this clause enure in favour of and against the purchaser as assignee of the reversion.
- (c) After the Bond has vested in the purchaser, the Lessor's liability to the Lessee for repayment of the Bond is extinguished.

Responsibility for Bond

- (10) The owner of the reversion at the expiry or termination of the Lease, whether being the purchaser of the reversion or a mortgagee from the Lessor who has entered into possession, assumes personal liability to the Lessee and to any assignee of the Lease for repayment of the Bond, whether or not that owner has acquired control over the Bond.

Repayment of Bond

- (11) Lessor shall repay to the Lessee the Bond and accrued interest on expiry or termination of this Lease, unless the Bond and accrued interest have been forfeited or appropriated in accordance with this clause.

Bank guarantee

- (12) The Lessee may, with the consent of the Lessor, provide a bank guarantee in satisfaction of the requirement in paragraph (1) to provide a Bond.

PART 5 — USE OF LEASED PREMISES AND BUILDING

18 Use of Leased Premises

- 18 (1) The Lessee will not use or permit the Leased Premises to be used for any other purpose than that stated in Item 17 in the Reference Schedule.

19 Warranties and representations

No warranty of suitability or adequacy

- 19 (1) Regarding the present or future suitability or adequacy, for the Lessee's intended use or the business intended to be conducted by the Lessee, of the Leased Premises, the Building or the fixtures, fittings, furnishings, plant, machinery, equipment, services and facilities provided by the Lessor



- (a) the Lessee acknowledges that no promise, representation or warranty was given by or on behalf of the Lessor to or on behalf of the Lessee;
- (b) the Lessor makes no warranty;
- (c) any warranties implied under the general law or by statute are excluded under this Lease and negated to the extent permitted by law.

Lessee's responsibility for approvals

- (2) (a) The Lessee has satisfied itself, before entering into this Lease, regarding the need for the availability and existence of all approvals, consents and licences required for use of the Leased Premises by the Lessee for its business and for the intended and permitted use of the Leased Premises.
- (b) The Lessee has full responsibility, at its expense, to ensure that all approvals, consents and licences required by the Lessee for the conduct of the business and use of the Leased Premises are obtained and maintained throughout the term of this Lease and that all their conditions are observed.

20 Lessee's obligation to trade

Requiring lessee to continue trading

- 20 (1) The Lessee covenants to keep the Leased Premises open for business and to conduct the Lessee's business throughout the term of this Lease during the hours in Item 18 in the Reference Schedule, except
 - (a) when the Lessee is prevented from trading in the Leased Premises in circumstances beyond the Lessee's control;
 - (b) when the business is closed for annual holidays.

Extended hours

- (2) The Lessee may trade in the Leased Premises outside the hours specified in clause 20(1), but only in accordance with any restrictions on trading hours applying generally or specifically to the Leased Premises or to the particular use of the premises.

Closure of building

- (3) The Building shall remain closed during the hours specified in Item 18 in the Reference Schedule and the Lessee shall not trade at the Leased Premises during any of those hours.

21 Signs

Sign on exterior of Leased Premises

- 21 (1) The Lessee shall:



- (a) not without the Lessor's prior written consent affix, display or exhibit (whether of a permanent or semi permanent nature) any sign, notice, advertisement, decoration, light, name, awning, canopy or material advertising its merchandise or services provided by the Lessee on the inside or outside of the Leased Premises or the Building.
- (b) maintain any such sign, notice, advertisement, decoration, light, name, awning, canopy or material advertising its merchandise or services as may be approved, in good condition and repair.

Failure to maintain sign

- (2) If the Lessee fails to comply with clause 21(1)(b) the Lessor may cause the removal of those items and the Lessee must repair any damage caused by the removal or becoming apparent on their removal, in a workmanlike manner, so as to restore the Leased Premises or the Building to the condition before fixing etc.

Sign on directory board or at main entrance

- (3) In relation to any directory board:
 - (a) The Lessee shall not without the Lessor's prior written consent enter the Lessee's name and /or description and/or other distinctive mark on any directory board;
 - (b) The Lessor may provide consent in accordance with paragraph (a):
 - (i) on such conditions as the Lessor may impose, in its discretion, without being required to consent;
 - (ii) including on the condition that such name and/or description is of the style, colour, format, lettering and number of lines as provided by the Lessor.
 - (c) If the Lessor provides consent in accordance with paragraph (a), the entering of a name and/or description and/or other distinctive mark shall be carried out by the Lessor at the cost of the Lessee.

22 Alterations

No alterations to premises

22 (1) The Lessee shall not

- (a) make or permit to be made any alterations or additions in or to the Leased Premises;
- (b) install, or make any additions or alterations to, any electrical, gas, water, plumbing and other services, fixtures, or appliances, or any other equipment or appliances for heating, cooling, ventilating or air conditioning the Leased Premises;
- (c) mark, paint, damage, deface, drive nails or screws into, any walls, floors, ceilings, partitions, or any wood, stone or metal surface of the Leased Premises or the Building, except in accordance with clause 22(2).



Minor alterations

- (2) The Lessee is permitted to drive screws or nails into the walls or floors of the Leased Premises, without the Lessor's consent, but only in order to affix, using as few nails and screws as are reasonably necessary, decoration, paintings, carpets, and equipment used by the Lessee in its business.

Installing internal partitions

- (3) The Lessee shall not install internal partitions in the Leased Premises or alter or modify the existing partitions without the Lessor's prior written consent.

23 Compliance with regulations

Lessee's obligation

- 23 (1) The Lessee shall at its expense observe and comply with all laws and requirements relating to
- (a) the Lessee's use and occupation of the Leased Premises for the use permitted in this Lease;
 - (b) the Leased Premises and facilities by reason of the number and the sex of the Lessee's employees and other persons working in or entering the Leased Premises;
 - (c) the fixtures, fittings, machinery, plant and equipment in the Leased Premises;
 - (d) occupational health, safety and environmental matters.

Compliance with notices

- (2) The Lessee shall comply with the notices or requirements of the relevant authorities regarding the matters in clause 23(1), whether given to the Lessor or the Lessee, except to carry out structural alterations to the Leased Premises.

24 Lessee's obligations regarding use of Leased Premises

Prohibitions with reference to use of premises

- 24 (1) The Lessee shall not, during the term of this Lease:
- (a) Allow the Leased Premises to be used for any illegal, immoral, noxious, dangerous or offensive purpose, activity or occupation.
 - (b) Use or permit any part of the Leased Premises to be used as sleeping quarters or for residence.
 - (c) Keep any animals in the Leased Premises.



- (d) Hold or permit any auction or public meeting in the Leased Premises.
- (e) Use or permit the use of any sound producing equipment in the Leased Premises at a volume which may be heard outside the premises.
- (f) Use the Leased Premises in a noisy or in any other manner which would cause damage, nuisance or disturbance to the Lessor, to other lessees of the Building, or to the owners or occupiers of adjoining properties.
- (g) Trade or display merchandise outside the Leased Premises.
- (h) Use the Leased Premises in an excessively noisy or noxious or offensive manner.
- (i) Use plant or machinery in the Leased Premises so as to constitute a nuisance or disturbance to the Lessor or to other lessees of the Building, due to noise, vibration, odours or otherwise.
- (j) Use any fireplaces.
- (k) If this Lease includes a residence, not to permit more than one (1) person per bedroom to sleep in that residence.

Mode of conducting Lessee's business

- (2) The Lessee agrees, regarding the conduct of the business in the Leased Premises, throughout the term of this Lease, to conduct the business in an orderly, efficient and reputable manner, consistent with the standard and quality of the Building.

Inflammable substances

- (3) The Lessee shall not bring into, store or use in the Leased Premises any inflammable, dangerous or explosive substances
 - (a) such as acetylene, industrial alcohol, burning fluids and chemicals, including in heating or lighting the Leased Premises;
 - (b) unless the sale or use of such substances constitutes proper conduct of the Lessee's business for the permitted use of the Leased Premises and the particular substances are stored and used only whilst taking all necessary safety precautions and in compliance with all fire and safety regulations relating to such substances.

Cleaning and hygiene

- (4) The Lessee agrees to keep the Leased Premises clean and
 - (a) to have the floor and the interior of the Leased Premises cleaned as frequently as is specified in Item 20 in the Reference Schedule;
 - (b) to have the surfaces of windows and the shop front cleaned on each business day;



- (c) to have the fittings, equipment and furnishings cleaned as frequently as required to maintain them in a clean condition;
- (d) not allow the accumulation of useless property or rubbish in the Leased Premises.

Disposal of rubbish

- (5) (a) The Lessee shall cause all rubbish accumulated in the Leased Premises to be placed daily in suitable containers provided by the Lessor for the Leased Premises and situated in an area in the Building designated by the Lessor.
- (b) The Lessee will ensure that trade waste or wet refuse is removed from the Leased Premises at least once daily as directed by the Lessor to facilities provided by the Lessor.

Use of toilets and drainage

- (6) The Lessee shall
 - (a) not use the toilets, sinks, drainage and plumbing in the Leased Premises or in the Building for purposes other than those for which they were designed;
 - (b) not place in any of those facilities rubbish, chemicals, contaminated and other substances, which they are not designed to receive or which would infringe health or environmental regulations;
 - (c) repair any damage caused to any of those facilities by breach of paragraph (a) or (b).

Obstructions by Lessee

- (7) The Lessee shall not cover or obstruct
 - (a) any windows or skylights which admit air or light into the Building or the Leased Premises;
 - (b) any parts of Common Areas of the Building normally used as an entrance to or exit from the Leased Premises or the Building;
 - (c) air conditioning ducts or outlets or ventilation ducts.

Public address system, sound and image reproduction

- (8) (a) The Lessee shall not, without the Lessor's prior written consent
 - (i) affix to any part of the Building or the Leased Premises any radio or television antenna, mast or satellite dish;
 - (ii) use any radio, gramophone, television, amplifier, audio-visual, sound or image reproduction equipment in the Leased Premises or in the Building (except a radio in compliance with clause 24(1)(e)).



- (b) The Lessor may consent to any of the matters prohibited under paragraph (a)
 - (i) on such conditions as the Lessor may impose, in its discretion, without being required to consent;
 - (ii) including on the condition that such equipment be situated and used in the Leased Premises so as not to be visible or audible from outside the Leased Premises.
- (c) The Lessor may at any time withdraw its consent if the Lessee fails to comply with the conditions of consent imposed by the Lessor or after the Lessor has received justified complaints from any other lessee regarding the Lessee's use of the equipment.

Infectious illness

- (9) If an infectious illness or disease occurs in the Leased Premises or to some person using the Leased Premises, the Lessee shall promptly
 - (a) notify the relevant authorities which are required to be advised by law of that occurrence;
 - (b) provide a copy of the notification to and inform the Lessor;
 - (c) at its expense fumigate and disinfect the Leased Premises, as required by the relevant authorities, and comply with their other requirements in respect of the Leased Premises.

Lessee's obligation not to contaminate land

- (10) The Lessee covenants that, during the continuance of this Lease, the Lessee will
 - (a) not use or permit to be used or stored at the Leased Premises any radioactive, toxic or hazardous chemicals, wastes or substances, except in concentrations and quantities permitted by the relevant statutory authorities and in accordance with any licences, permits or authorisations required by law and in accordance with the conditions imposed by such authorities or under their permission;
 - (b) comply with the demands, notices and requirements of the regulatory authorities in respect of contamination of the Leased Premises caused by the Lessee or by occupiers of the Leased Premises, including notices to remediate the Leased Premises;
 - (c) notify the Lessor within seven (7) days after receiving any demand or notice from a regulatory authority in respect of contamination of the Leased Premises;
 - (d) indemnify the Lessor against any liability, loss, damage, expense or claim which the Lessor may incur as a consequence of the breach by the Lessee of any obligation under this paragraph, including fines, legal costs, consultants' fees and remediation costs.



25 Overloading and heavy equipment

Weight and location of heavy equipment

- 25 (1) (a) The Lessor is entitled to specify the maximum weight and the proper location of heavy articles (described in Item 21 in the Reference Schedule) which may be brought into and located in the Leased Premises.

Requirement for Lessor's consent

- (b) The Lessee shall not bring into the Leased Premises any heavy equipment, including machinery, plant, safe, furniture or other equipment, unless
- (i) it is reasonably necessary for the conduct of the Lessee's business for the permitted use in the Leased Premises;
 - (ii) the Lessee gives at least seven (7) days prior written notice to the Lessor of the intention to bring them into the Leased Premises, a description of the nature, size and weight of each item, and indicating the intended position of each item;
 - (iii) the Lessee has obtained the Lessor's prior consent.

Damages

- (c) The Lessee is liable to the Lessor for any damage caused to the Leased Premises or the Building consequent on the Lessee moving heavy equipment into the Leased Premises without having complied with the provisions of this clause.

Overloading electrical supply

- (2) (a) The Lessee will not install any electrical equipment which will overload the cables, switchboards and other equipment that supplies electricity to the Building or to the Leased Premises.

Lessee's liability

- (b) If any installations by the Lessee result in overloading that equipment, the Lessee is liable
- (i) for the costs of repairing any damage;
 - (ii) for ensuring that the Lessor's equipment is repaired and restored to working order;
 - (iii) if necessary, to disconnect the Lessee's installations or alter or upgrade the electrical supply system at the Lessee's cost, in order that it will suffice for the additional load imposed by the Lessee's installations.

26 Security and keys

Securing premises



26 (1) The Lessee shall

- (a) take reasonable action to secure the Leased Premises against unauthorised entry whilst the premises are unoccupied;
- (b) securely lock and fasten external doors and windows in the Leased Premises whilst the premises are unoccupied.

Lessee's obligations regarding alarm

(2) The Lessee shall

- (a) service, maintain and repair, when required, any intruder alarm installed in the Leased Premises by the Lessee;
- (b) ensure that any intruder alarm installed by the Lessee is not incompatible with, or does not adversely affect the performance of, any intruder alarm installed by the Lessor;
- (c) allow reasonable access to the Leased Premises to persons nominated by the Lessor, for the purpose of testing, servicing, maintaining and repairing any intruder alarm to the Building or the Leased Premises installed by the Lessor.

Lessor to provide keys and access cards

- (3) At the commencement of this Lease the Lessor shall provide to the Lessee at the Lessor's cost keys and access cards reasonably required by the Lessee for entry into the Building, the Leased Premises and use of the elevators, including outside normal business hours.

Lessee's obligations regarding keys and access cards

(4) The Lessee shall

- (a) not make or allow to be made any duplicate keys or access cards;
- (b) provide keys and access cards only to the Lessee's employees;
- (c) keep a permanent record of who is provided with keys and access cards, including their issue and return, and allow the Lessor to inspect that record on reasonable notice;
- (d) notify the Lessor promptly if any keys or access cards are reported to the Lessee to have been lost, destroyed or stolen;
- (e) pay the Lessor for the cost of supplying any replacement or additional keys or access cards;
- (f) return to the Lessor all keys and access cards obtained from the Lessor on termination of the Lessee's tenancy of the Leased Premises.



27 Common Areas of the Building

Lessor's rights and obligations relating to Common Areas of the Building

27 The Lessor has control over the Common Areas of the Building.

28 Lessor's obligations relating to air conditioning, lifts and other Facilities

Meaning of Facilities

28 (1) In this clause "Facilities" means the plant and equipment for heating, cooling or circulating air (called "air conditioning"), lifts, elevators and escalators (called "lifts"), fire sprinklers and other fire safety and prevention equipment, and car parking, provided by the Lessor in the Building, and includes the plant, machinery and equipment associated with those Facilities.

Lessee's obligations

(2) The Lessee will ensure that the Lessee's employees shall comply with the Lessor's reasonable instructions regarding the use of the Facilities, and will not interfere with, or allow anything to be done which might impair the efficient operation of any of the Facilities.

Exemption of Lessor's financial responsibility

(3) The Lessor is exempted from any liability to the Lessee for financial loss or inconvenience, including for damages, abatement of rent or for repudiation, and the Lessee is not entitled to terminate this Lease, because

- (a) any of the Facilities is out of order and is not functioning properly or at all;
- (b) any of the Facilities is temporarily stopped or interrupted pending inspection, repair, maintenance, replacement for any other cause.

PART 6 — REPAIRS, MAINTENANCE AND ALTERATIONS

29 Lessor's repair obligations

Lessor's general obligation

29 (1) The Lessor shall keep the Building in good repair throughout the term of this Lease.

30 Lessee's repair obligations

Lessee's general obligation

30 (1) The Lessee shall keep the Leased Premises and the Lessor's fixtures and chattels situated in the Leased Premises in good repair and working condition throughout this Lease and shall on expiry or termination of this Lease yield up the Leased Premises to the Lessor in the state of repair and condition as is specified in this clause.



Limiting Lessee's repair obligation

- (2) The Lessee is not responsible for
- (a) latent defects;
 - (b) structural repairs, unless the need for repair occurred
 - (i) through the conduct or negligence of the Lessee or of persons for whose conduct the Lessee is legally liable;
 - (ii) through the Lessee's use and occupation of the Leased Premises or the use of fixtures, plant and machinery in the Leased Premises;
 - (c) the condition of the Leased Premises at the commencement of this Lease;

Lessee's additional specific repair obligations

- (3) In addition to the Lessee's obligations under clause 30(1), the Lessee shall throughout the term of this Lease, notwithstanding clause 30(2) (which does not apply to the matters listed in this paragraph), carry out the following repair and maintenance
- (a) promptly repair or replace all broken, cracked or damaged glass in the Leased Premises, with glass of the same or similar gauge and quality, unless the damage was caused by the Lessor or the Lessor's tradespersons;
 - (b) promptly repair or replace all damaged, broken or faulty light globes, fluorescent lights, power points, light switches, heating, lighting and electrical appliances, services and wiring in the Leased Premises;
 - (c) promptly repair and keep in proper working order and free from blockage plumbing fittings, drains, water pipes, sewerage pipes, toilets and sinks, to the extent to which they are situated in or under the Leased Premises and provide Services or Facilities to the Leased Premises;
 - (d) maintain and repair all door and window locks and fittings in the Leased Premises;
 - (e) repair any damage or breakage to the Leased Premises, to the Lessor's Fixtures and property in the Leased Premises, and to Services and Facilities in the Leased Premises, caused by lack of care or misuse by the Lessee or by its employees or agents.
 - (f) properly maintain gardens, lawns and landscaped areas in and outside the Building in a high class condition;
 - (g) keep and maintain the Services to the Building and to the Leased Premises in good working condition and repair.

Carrying out repairs



- (4) When carrying out any repair in accordance with this clause, the Lessee shall ensure that
- (a) the work is carried out by appropriately licensed and qualified tradespersons;
 - (b) the work is carried out promptly;
 - (c) the work is completed in high class workmanship and with good quality materials;
 - (d) fittings and materials of similar style and quality are used to the items being repaired or replaced;
 - (e) the required consent or approval of any statutory authority is obtained to carry out the work and the conditions of approval are observed;
 - (f) the work is carried out without creating undue noise, nuisance or interference with the use and enjoyment of adjoining or nearby leased premises.

31 Lessee's obligation to redecorate

Obligation to redecorate

- 31 (1) The Lessee shall redecorate the Leased Premises during each period specified in Item 22 in the Reference Schedule and also immediately following serious damage to the Leased Premises, which cannot be adequately rectified by repair and redecoration of only the damaged surfaces.

Quality of redecoration

- (2) (a) The redecoration shall be carried out by qualified tradespersons engaged by the Lessee, in high class workmanship and with good quality materials.
- (b) If the Lessee desires to change the colours, patterns, nature, style and quality of any aspect of the redecoration, including wallpaper or carpet, the Lessee shall submit to the Lessor full details of and patterns for the intended changes, or a detailed proposal for redecoration indicating those changes, for the Lessor's prior written approval, such approval not to be refused unreasonably by the Lessor.

Extent of redecoration

- (3) Redecoration includes
- (a) cleaning and preparing the surfaces of the Leased Premises, including walls, ceilings, floors and partitions, for redecoration;
 - (b) painting all painted surfaces with at least two coats of first quality paint, wallpapering, staining, varnishing and polishing all internal surfaces as they were treated previously;
 - (c) replacing those floor coverings, floor tiles, window coverings and window blinds which, in the opinion of the Lessor, are sufficiently worn or damaged to require replacement during redecoration;



- (d) upgrading or renewing all internal and external signs etc., at the Leased Premises which, due to deterioration or wear and tear, require replacement, repair or repainting.

Lessee's failure to redecorate

- (4) If the Lessee fails to redecorate the Leased Premises in accordance with this clause, the Lessor may give notice to the Lessee requiring it to commence to redecorate within thirty (30) days, and if the Lessee shall fail to commence to redecorate in accordance with that notice, and proceed efficiently with redecoration, the Lessor may redecorate the Leased Premises and recover from the Lessee the reasonable cost of the redecoration.

32 Lessor's right to inspect Leased Premises

Right of inspection

- 32 (1) The Lessor, or persons authorised by the Lessor, may enter the Leased Premises
 - (a) to inspect the condition and state of repair of the Leased Premises, Services and Facilities;
 - (b) to ascertain that the Lessee complies with the Lessee's obligations under this Lease.

Prior notice

- (2) The Lessor shall exercise its entitlement under clause 32(1) after giving reasonable prior notice to the Lessee of the intended time of the inspection, except in an emergency when the Lessor has an additional right to enter the Leased Premises and prior notice is not required before entry.

33 Lessor's right to repair Leased Premises

Lessor's right of entry

- 33 (1) The Lessor and persons authorised by the Lessor, including consultants and contractors, may enter the Leased Premises, together with tools, equipment and materials, and remain on the Leased Premises, at and for such reasonable times as is necessary for the purpose of carrying out repairs and other work, in accordance with this clause.

Notice before entry

- (2) Before entering the Leased Premises the Lessor shall give to the Lessee not less than seven (7) days prior written notice of the intended date and time of entry, its purpose and the likely duration of the intended work, except in an emergency, when prior notice before entry is not required.

Nature of repairs



- (3) The Lessor may carry out repairs, including maintenance, installations, alterations, replacement or renewal, in respect of the Building, the Leased Premises, Services and Facilities to or situated in the Leased Premises, in order
- (a) to undertake work which the Lessor is required or desires to carry out in accordance with this Lease;
 - (b) to comply with the requirements of any authority;
 - (c) to carry out work in conjunction with or to adjoining leased premises or Common Areas of the Building which cannot be reasonably undertaken without access from or through the Leased Premises;
 - (d) to undertake work which the Lessee
 - (i) failed to carry out, in breach of its obligations under this Lease, or following notice from the Lessor;
 - (ii) failed to complete in a workmanlike manner;
 - (e) to remove unauthorised work, alterations or signs, undertaken or installed by the Lessee in breach of its obligations under this Lease;
 - (f) to restore or rebuild the Leased Premises following damage or destruction.

34 Removal of alterations and fixtures

34 (1) The Lessee shall

- (a) remove
 - (i) any alterations, additions, fixtures, partitions and fittings made or installed by the Lessee in the Leased Premises during this Lease;
 - (ii) all signs and notices etc., erected or affixed by the Lessee to the Leased Premises and to the Building;
 - (iii) all nails and screws inserted by the Lessee into any part of the Leased Premises;
- (b) reinstate
 - (i) the Leased Premises to their condition before any alterations, additions, installations and partitions were made or installed by the Lessee; and
 - (ii) make good, in a proper and workmanlike manner, any damage caused to the Leased Premises by the installations and their removal.

Period of removal

- (2) The Lessee shall comply with the obligations under clause 34(1)



- (a) before the expiry or termination of this Lease;
- (b) if this Lease is terminated suddenly or unexpectedly, by forfeiture, destruction or other event, within fourteen (14) days after the termination of this Lease.

Removal of fixtures

- (3) (a) The Lessee is entitled to remove from the Leased Premises all fixtures installed by the Lessee during the lease term (except fixtures which the parties agreed in writing to become the Lessor's property and not removable by the Lessee).
- (b) The Lessee may remove fixtures during the term of this Lease, during any extension of the term of this Lease, during holding over after the expiration of this Lease, and during the term of a new lease granted to the Lessee, notwithstanding the surrender of this Lease, subject to this clause.
- (c) The Lessee (or the Lessee's successors or assigns) must remove fixtures within the number of days in Item 23 in the Reference Schedule after having ceased to occupy the Leased Premises.
- (d) The Lessee covenants to repair any damage caused to the Leased Premises by the removal of fixtures, or becoming apparent on their removal, in a workmanlike manner, so as to restore the Leased Premises to its condition before the installation of those fixtures which are removed.
- (e) Those fixtures which the Lessee does not remove within the period specified in paragraph (c) may at the Lessor's option remain permanently affixed to the Leased Premises and be and remain the property of the Lessor.

Consequences of failure to remove and reinstate

- (4) If the Lessee fails to comply with the obligations under clause 34(1) or (3) within the periods in clause 34(2) or (3)(c)
 - (a) the Lessor may cause the removal, reinstatement and repairs to be carried out, and the Lessee is responsible for and shall reimburse the Lessor for the Lessor's costs and expenses;
 - (b) if the Lessor incurs further loss in reletting the Leased Premises by reason of the Lessee's failure, the Lessor may recover from the Lessee the loss of rent and operating expenses which would have been received from a prospective Lessee.

PART 7 — INSURANCE, INDEMNITIES, DAMAGE AND DESTRUCTION

35 Lessor's insurances

Lessor's obligation to insure

- 35 (1) The Lessor shall effect and maintain throughout the term of this Lease a comprehensive insurance policy



- (a) for the full insurable and replacement value of the Building and the Lessor's plant, equipment, Facilities and property in the Building;
- (b) against loss or damage by fire, storm, tempest, earthquake, lightning, explosion, and other risks usually covered under a comprehensive insurance policy for fire and related risks.

Replacement of property

- (2) (a) In the event of loss or damage to the Lessor's property covered by the insurance under clause 35(1) the Lessor will promptly replace, repair or reinstate the damaged or destroyed property and utilise the insurance proceeds.
- (b) The Lessor is not required to repair, replace or reinstate the Lessor's property, when the Building has been seriously damaged and is required to be substantially rebuilt or replaced.

36 Lessee's insurances

Lessee's obligations to insure

- 36 (1) The Lessee shall effect and maintain throughout the term of this Lease the following insurances:

Public Risk

- (a) A public risk insurance policy
 - (i) in the form of a standard public risk policy or in the form commonly used by the Lessee's insurer and by some other reputable insurers;
 - (ii) (A) in the sum in Item 24 in the Reference Schedule in respect of any single event or accident;
(B) or for such higher amount as the Lessor, acting reasonably and prudently, may require, during any year of the term of this Lease after the first year of the term of this Lease;
 - (iii) relating to the Lessee's liability for death, personal injuries and property damage arising from the Lessee's occupancy of the Leased Premises and use of the Building, whilst entering, leaving, using and being in the Leased Premises or any portion of the Building, in circumstances in which the Lessee may incur liability for the injury, loss or damage;
 - (iv) and extended to include claims, risks and events covered under indemnities provided by the Lessee to the Lessor under this Lease.

Plate glass

- (b) For the full replacement value, through breakage or damage from any cause



- (i) of all plate and other glass in windows, doors, shop front, display cases and other fixed glass in the Leased Premises; and
- (ii) of any doors, windows or other frames containing the glass;
- (iii) within or forming part of the Leased Premises.

Lessee's property

- (c) A comprehensive insurance policy
 - (i) for the full insurable and replacement value of the Lessee's fixtures, fittings, plant, equipment and stock in trade in the Leased Premises;
 - (ii) against loss or damage by fire, storm, tempest, earthquake, lightning, explosion, burglary and other risks usually covered under a comprehensive insurance policy for fire and related risks.

Workers' compensation

- (d) A workers' compensation insurance policy, providing unlimited cover in respect of the Lessee's employees for workers' compensation, as required by law and including an extension for common law liability by the Lessee for an amount not less than specified in Item 24 in the Reference Schedule.

Insurer and conditions

Lessor's approval

- (2) (a) The Lessee's insurances shall be effected with one or more insurance companies which are
 - (i) respectable, reputable and financially sound;
 - (ii) approved by the Lessor, and the Lessor's approval shall not be unreasonably withheld.

Joint insurances

- (b) The Lessee's insurances relating to public risk, plate glass and the Lessee's property (in order to cover fixtures)
 - (i) shall be in the joint names of the Lessor and the Lessee;
 - (ii) shall cover the Lessor's and Lessee's interests;
 - (iii) and, if requested by the Lessor, shall include the interest of any mortgagee over the Building.

Payment of premium



- (3) (a) The Lessee shall pay punctually when due the insurance premiums and other moneys payable to effect and maintain the insurances required under this clause.
- (b) If the Lessee fails to pay an insurance premium when due, the Lessor may make such payment, which shall become due and payable by the Lessee to the Lessor, together with interest, within seven (7) days after service of written notice by the Lessor on the Lessee requiring payment.

Replacement of property

- (4) (a) In the event of loss or damage to the Lessor's or Lessee's property which is covered by insurance effected by the Lessee, the Lessee will promptly replace, repair or reinstate the damaged or destroyed property, utilising the proceeds from the insurance.
- (b) (i) The Lessee shall pay any additional costs of replacement, repair or reinstatement not covered by the proceeds from the insurance,
- (ii) unless the Building is seriously damaged or destroyed and is not repaired or reinstated by the Lessor or this Lease is terminated as a consequence of the damage or destruction.
- (c) In the events under paragraph (b)(ii), the proceeds from any insurance effected by the Lessee in respect of damage or loss to the Lessor's property shall be remitted to the Lessor as compensation for its loss.

Evidence of insurance

- (5) The Lessee shall forward to the Lessor within twenty eight (28) days after the insurance is effected or is due for renewal
 - (a) copies of each insurance policy effected in accordance with this clause;
 - (b) evidence of renewal of the insurance and payment by the Lessee of the insurance premium.

Notifications by Lessee

- (6) The Lessee shall promptly give to the Lessor written notice of
 - (a) the Lessee's intention to cancel, replace or alter any insurance effected by the Lessee in accordance with this clause;
 - (b) any notice or correspondence received by the Lessee from an insurer indicating its intention to cancel or materially alter any of those insurances;
 - (c) the occurrence of any fact or event which may not be known to the Lessor and
 - (i) may give rise to a claim against the Lessor or the Lessee, which may be covered by any one of those insurances;



- (ii) may prejudice the entitlement to claim under any of those insurances; or
- (iii) should be disclosed to the insurer and may affect its decision to continue to insure the Lessee or the risk.

37 Lessee's conduct relevant to insurance

Compliance with fire safety regulations etc.

- 37 (1) (a) The Lessee agrees to comply with the requirements imposed by the Lessor's insurer for the Building and under fire safety regulations, in respect of the authorised use by the Lessee of the Leased Premises
- (i) with regard to the installation, repair and maintenance of fire alarms, sprinklers, and fire prevention equipment in the Leased Premises, except those provided by the Lessor at or before the commencement of this Lease;
 - (ii) including in respect of partitions and alterations in the Leased Premises;
 - (iii) with regard to securing the Leased Premises or the Building.
- (b) The Lessee is liable to the Lessor for the reasonable cost of installations and equipment, which the Lessor may install in the Leased Premises during this Lease, in order to comply with the requirements under paragraph (a), if the Lessee shall have failed to comply with those obligations in any respect.

Lessee's conduct not to affect adversely Lessor's insurances

- (2) (a) The Lessee shall not do anything
- (i) in the Leased Premises or bring or keep anything in the Leased Premises,
 - (ii) which the Lessor shall have previously advised the Lessee would render the Lessor's insurance in respect of the Building or the Leased Premises, in respect of any risk, prejudicially affected or liable to be avoided by the Lessor's insurer,
 - (iii) unless the activity is
 - (A) authorised expressly under this Lease; or
 - (B) authorised by the Lessor in writing or
 - (C) authorised by the Lessor's insurer.
- (b) The Lessee shall, within fourteen (14) days after receiving written notice from the Lessor, pay to the Lessor all additional insurance premiums and stamp duties required to be paid by the Lessor to maintain the Lessor's existing insurances, notwithstanding the Lessee's conduct, which would otherwise constitute breach of paragraph (a).

38 Lessee's indemnities to Lessor



Indemnities

- 38 (1) The Lessee agrees to indemnify the Lessor from and against any liability, loss, damage, expense or claim, which the Lessor may incur, including to a third party, during or after the term of this Lease, in respect of or arising from:

Breach of lease obligations

- (a) Loss, damage or injury to property or person occurring within the Building or the Leased Premises, caused or contributed to by the Lessee's failure (including through the Lessee's agents or employees) to comply with the obligations imposed under this Lease.

Misuse of Services or Facilities

- (b) The negligent use or misuse by the Lessee (and by its agents or employees) of any Services or Facilities in the Building or in the Leased Premises.

Escape of substances

- (c) The overflow, leakage or escape of water, gas, electricity, fire, or other materials or substances in or from the Leased Premises, caused or contributed to by the Lessee's (and its agents' or employees') negligence.

Use of Leased Premises

- (d) Loss, damage or injury to property or person, arising out of use of the Leased Premises.

Faulty installations

- (e) Loss, damage or injury to property or persons, caused or contributed to by the defective installation of plant, fixtures and equipment in the Leased Premises by or on behalf of the Lessee.

Failure to notify

- (f) The Lessee's failure to notify the Lessor regarding any defect in the Facilities or Services in the Leased Premises.

Conditions and limitations

- (2) The indemnities under this clause

- (a) include penalties, fines, legal and other costs incurred by the Lessor;
- (b) do not apply when the loss, damage or injury was caused by the wilful or negligent act or omission of the Lessor, its employees or agents.

Leased premises occupied at Lessee's risk



- (3) The Lessee agrees to use and occupy the Leased Premises throughout the term of this Lease at the Lessee's risk as regards loss or damage to the Lessee and the Lessee's property.

Exclusion of Lessor's liability to Lessee

- (4) The Lessor is not liable to the Lessee and is excluded from liability for damage to the Lessee's plant, equipment and other property and for loss of profits whilst the Lessee is using and occupying the Leased Premises, including
- (a) through any defect in the construction or condition of the Building or the Leased Premises;
 - (b) through any defect in the construction or operation of Facilities or Services to the Leased Premises;
 - (c) through fire, water or any other cause.

PART 8 — ASSIGNMENT AND SUBLETTING

39 Prohibition against assignment, subletting and mortgage over lease

Prohibition of dealings

- 39 (1) During the continuance of this Lease, in respect of whole or part of this Lease or the Leased Premises, the Lessee shall not
- (a) assign, transfer, sublet, deal with, hold on trust, or grant any interest in, this Lease;
 - (b) mortgage, charge or encumber this Lease;
 - (c) part with possession of whole or any part of the Leased Premises;
 - (d) grant any licence, or share the right of occupation or possession, in respect of the whole or part of the Leased Premises;
 - (e) grant any franchise or concession over the Lessee's business conducted at the Leased Premises which would entitle any other person to use, occupy or trade from whole or part of the Leased Premises.

Consent to assignment

- (2) The Lessee may apply to the Lessor for consent to the assignment of this Lease, which shall not be unreasonably withheld if the following conditions precedent are satisfied:
- (a) the Lessee shall make a written application to the Lessor for consent and furnish complete copies of all written documents entered into between the Lessee and the proposed assignee relating to the Lessee's business and the premises, written personal and business references and financial statements relating to the assignee and any proposed new guarantors;



- (b) the Lessee shall establish to the reasonable satisfaction of the Lessor that
 - (i) the proposed assignee is respectable, responsible and solvent;
 - (ii) the proposed assignee has adequately performed its obligations as the lessee or former lessee of other business premises;
 - (iii) in respect of the business or profession intended to be conducted by the assignee at the Leased Premises the assignee has sufficient financial resources and business experience to be capable of adequately complying with the Lessee's obligations under this Lease and of efficiently conducting the assignee's business at the Leased Premises;
- (c) the Lessee shall have paid to the Lessor all moneys due under this Lease up to the date of the assignment (and, in respect of any liability which can not be accurately determined, will secure it to the Lessor's reasonable satisfaction at the date of the assignment);
- (d) there are no unremedied breaches of the Lessee's obligations under this Lease at the date of the assignment;
- (e) any other consents which are required to the assignment, by headlessors, mortgagees or others, are obtained before the assignment;
- (f) when the assignee is a company, other than a company whose shares are listed on an Australian Stock Exchange, personal guarantees for performance of lease covenants for the duration of the lease term by the assignee be provided, in a form reasonably acceptable to the Lessor and prepared on behalf of the Lessor at the Lessee's expense, by two of the assignee's directors or principal shareholders chosen by the Lessor;
- (g) the execution by the Lessee and the assignee of a transfer of this Lease, which shall be duly stamped and which the assignee or the assignee's solicitor shall undertake to have registered promptly after completion of the assignment;
- (h) the execution of a deed in a form reasonably required by and prepared on behalf of the Lessor, by the Lessor, Lessee, assignee, continuing guarantors and new guarantors, in which
 - (i) the Lessee confirms its liability under this Lease for the balance of the current lease term;
 - (ii) the Lessor is released from liability to the Lessee under this Lease;
 - (iii) the assignee covenants to observe the Lessee's obligations under this Lease during the duration of this Lease;
 - (iv) any continuing guarantors confirm their consent and continuing liability, unless that is adequately covered in their guarantee



- (v) new guarantors execute guarantees under this Lease for the assignee;
- (i) the payment by the Lessee to the Lessor of the Lessor's reasonable costs and disbursements in accordance with clause 12(3)-(6).

Change in control of Lessee

- (3) (a) When the Lessee is not a company whose shares are listed on an Australian Stock Exchange, any proposed

- (i) transfer in the legal or beneficial interest in shares of the Lessee if a company;
- (ii) allotment of shares in the Lessee company; or
- (iii) changes in the company's articles of association,

which would have the consequence of altering the effective control of the Lessee company, is considered to be an assignment of this Lease and requires the Lessor's consent in accordance with clause 39(2) as if the parties which would acquire control over the company were assignees of the Lease.

PART 9 — LESSOR'S COVENANTS, OBLIGATIONS AND RESERVATION OF ENTITLEMENTS

40 Lessor's covenant for quiet enjoyment

- 40 The Lessor covenants with the Lessee that whilst the Lessee complies with the financial and other obligations under this Lease, the Lessee may occupy and have the use and enjoyment of the Leased Premises for the term of this Lease without interruption or disturbance from the Lessor and other persons lawfully claiming through or under the Lessor.

41 Miscellaneous reservations

Roof, external walls, advertising

- 41 (1) The Lessor reserves the exclusive entitlement to use the roofs and external walls of the Building, and the entitlement to erect and display and to authorise the erection and display of advertisements and advertising signs above, on or from the roofs or external walls of the Building.

For sale and for lease signs

- (2) The Lessor may install on the external walls of the Building or of the Leased Premises for sale signs if the Building is offered for sale or for lease signs during the last two months of a lease term.

Right to inspect Leased Premises

- (3) (a) The Lessor, its employees, agents and persons authorised by the Lessor, may enter and remain on the Leased Premises for the purpose of inspecting the Leased



Premises, with a prospective purchaser or mortgagee of the building or with a prospective lessee of the Leased Premises.

- (b) The right to enter and inspect the Leased Premises shall be exercised
 - (i) during the last two months of the lease term, with prospective lessees;
 - (ii) during two hours in any week, to be nominated by the Lessor, with prospective purchasers or mortgagees of the Building.

Passage of Services

- (4) The Lessor reserves the right to maintain Services to the Leased Premises, to any other leased premises in the Building and to the Common Areas of the Building, by having those Services pass through or under the Leased Premises, and to have access to those Services for the purpose of maintenance, repair or replacement, or to provide additional Services for any leased premises or common areas through or under the Leased Premises.

Grant of easements by Lessor

- (5) (a) The Lessor reserves the entitlement to grant easements and enter into arrangements or agreements with owners, lessees and others having interests in land or premises adjoining or near the Building or any government, statutory or local authority for the purposes specified in paragraph (b).
- (b) Such easements, arrangements or agreements may constitute enforceable interests in land benefiting or burdening the Building and other land or benefiting and burdening both the Building and other land, to provide
 - (i) access to or egress from the Building;
 - (ii) support of existing or future structures erected on the Building or on adjoining land;
 - (iii) Services and facilities to the Building or to adjoining or nearby land, including for water, drainage, electricity, gas, telephonic and other telecommunications.
- (c) The Lessor, in order to grant such easements or other entitlements may execute transfers, leases, and other instruments binding on the title to the Building and on the title to this Lease.
- (d) The Lessee covenants to execute any consent or other instrument required to render the entitlement binding on the Lessor and the Lessee.
- (e) The Lessor covenants not to grant or create any entitlements under this clause which would have the consequence of substantially or seriously interfering with the use and enjoyment of the Leased Premises.

Conversion of title



- (6) (a) The Lessor may at any time convert the title to the Building to strata (or similar) title, by obtaining the approval and registration of a subdivision (if required).
- (b) If required, the Lessee will sign consents to that subdivision and conversion.
- (c) In any subdivision the Lessee's entitlement to the Leased Premises will be preserved and the Common Areas of the Building will be retained as common areas.

42 Lessor's entitlement to alter Building or common areas

Work in Building

- 42 (1) The Lessor may carry out any building work in the Building, but without that work substantially altering or interfering with the Leased Premises.

Extent of building work

- (2) The Lessor is entitled to
 - (a) repair, renovate or refurbish the Building and/or Common Areas of the Building;
 - (b) alter the Common Areas of the Building, including their size, nature and arrangement;
 - (c) extend or alter the Building;
 - (d) add to and alter the car parking facilities, alter their location and the direction and access to those facilities;
 - (e) alter the access to the Building or to the Leased Premises, including for pedestrians or for vehicles.

PART 10 — DEFAULT AND TERMINATION

43 Lessee's obligation to yield up Leased Premises

- 43 The Lessee agrees, immediately on the expiry or legally effective termination of this Lease, to yield up possession and control over the Leased Premises to the Lessor, in the condition and state of repair as required under this Lease.

44 Essential terms of lease

- 44 (1) It is agreed that the following obligations by the Lessee are essential terms of this Lease:
 - (a) the covenant to pay rent throughout the lease term at a date not later than fourteen (14) days after the due date for the payment of each monthly instalment of rent (clause 7);
 - (b) the covenant to pay operating expenses throughout the lease term at a date not later than fourteen (14) days after the due date for the payment of instalments (clause 10);



- (c) the covenant dealing with the use of the Leased Premises (clause 18);
 - (d) the covenant dealing with insurance (clause 35);
 - (e) the covenant dealing with assignment and subletting (clause 39).
- (2) The presence of this clause 44 shall not mean or be construed that there are no other essential terms.

45 Lessor's entitlements after Lessee vacates during lease term

Lessor's entitlements

- 45 If the Lessee vacates or abandons the Leased Premises during the lease term in breach of the Lessee's obligations under this Lease, the Lessor may
- (a) (i) accept the keys to the Leased Premises from the Lessee;
 - (ii) renovate, restore and clean the Leased Premises;
 - (iii) change the locks and secure the Leased Premises;
 - (iv) permit prospective tenants to inspect the Leased Premises;
 - (b) take any action in paragraph (a) without the Lessor's conduct constituting
 - (i) a re-entry or termination of this Lease;
 - (ii) the acceptance of a surrender of this Lease.

46 Power of attorney by Lessee to Lessor

Appointment

- 46 (1) The Lessee appoints the Lessor (and its successors and assigns, being the owner of the property for the time being) the Lessee's attorney with the powers contained in this clause.

Irrevocable power

- (2) This power of attorney is
- (a) irrevocable by the Lessee,
 - (b) granted by the Lessee for valuable consideration (the grant of this Lease by the Lessor), to secure the performance of the Lessee's obligations and the Lessor's proprietary interest over the Leased Premises.

Extent of power



- (a) remove from the Leased Premises, store and sell, any plant, equipment, chattels and other property left on the Leased Premises by the Lessee, after the Lessee has vacated the premises and this Lease is terminated or has expired;
 - (b) surrender this Lease, after
 - (i) the Lessor has become entitled to terminate this Lease; and
 - (ii) the Lessee vacates or abandons the Leased Premises; or
 - (iii) the Lessor terminates this Lease by serving notice of termination;
 - (c) withdraw any caveat lodged by the Lessee in respect of this Lease, after the Lessor effectively terminates this Lease.
- (4) The Lessor may
- (a) act as attorney under this clause during the continuance of this Lease and during the period of the number of months in Item 25 in the Reference Schedule after the termination of this Lease;
 - (b) register this Lease (or lease provision) as a power of attorney, at any time including after the termination of this Lease, if that is required for the exercise of any power;
 - (c) ratify and confirm any power when exercised under this clause, as attorney and agent for the Lessee.

47 Waiver

Demand and acceptance of rent and other financial obligations

- 47 After the Lessee is in default or breach under this Lease, including in breach of an essential term of this Lease, the demand or acceptance from the Lessee by the Lessor of arrears or of any late payment of rent, operating expenses, or other financial obligations does not
- (a) preclude the Lessor from exercising any rights or remedies under this Lease, including enforcing or terminating this Lease;
 - (b) constitute a waiver of the essentiality of the Lessee's obligation to make those payments;
 - (c) waive the Lessee's continuing obligation to make those payments during the lease term.

48 Termination after damage to or destruction of Building

Lessor's entitlement to terminate lease

- 48 (1) (a) The Lessor may terminate this Lease when the Building is seriously damaged by fire, storm, tempest, earthquake, lightning, explosion, or other similar event, in any of the following circumstances:



- (i) when the Building is required to be demolished and wholly replaced;
 - (ii) when the serious damage or destruction extends to more than fifty per cent (50%) of the Building, including the Leased Premises;
 - (iii) when the Lessor is not required to repair, replace or reinstate the Building under this Lease;
 - (iv) when the Building cannot be repaired or reinstated by the Lessor, acting reasonably and promptly, within the number of months in Item 26 in the Reference Schedule after the damage;
 - (v) when the Leased Premises are incapable of being used and occupied due to the damage and this Lease expires, with no option for renewal, within two (2) years after the date when the damage occurs.
- (b) In any of the circumstances specified in paragraph (a) the Lessor may give written notice at any time terminating this Lease on one month's notice.

49 Termination of Lease for default

Default

49 (1) Each of the following constitutes a default by the Lessee under this Lease

- (a) the failure to pay to the Lessor rent or comply with any other financial obligation under this Lease, including the payment of operating expenses, for a period in excess of fourteen (14) days after the due date for payment, whether a formal demand for payment has or has not been made;
- (b) the failure to comply with an essential term of this Lease;
- (c) any serious, persistent and continuing breach by the Lessee of its covenants and obligations under this Lease.

49 Termination after default

- (2) The Lessor may terminate this Lease, after a default by the Lessee in accordance with clause 49(1), and continuance of the default, after the Lessor shall have served a legally effective notice of breach of covenant (if required) by
 - (a) re-entering and taking possession of the Leased Premises, using reasonable force to secure possession;
 - (b) serving on the Lessee written notice terminating this Lease;
 - (c) instituting proceedings for possession against the Lessee;
 - (d) taking the actions in both (a) and (b) or in (b) and (c).



Damages for breach or for repudiation

50 (1) (a) In the event that the Lessee's conduct (whether acts or omissions) constitutes

(i) a repudiation of this Lease (or of the Lessee's obligations under this Lease);

(ii) a breach of any Lease covenants;

(iii) a breach of an essential term of this Lease;

the Lessee covenants to compensate the Lessor for the loss or damage suffered by the Lessor as a consequence of the repudiation or breach, whether this Lease is or is not terminated for the repudiation, breach or on any other ground.

(b) The Lessor's entitlement to damages is in addition to any other remedy or entitlement, including termination of this Lease.

(c) The Lessor is entitled to recover damages against the Lessee in respect of the repudiation or breach of covenant or essential term for the loss suffered by the Lessor during the term of this Lease, including the periods before and after termination of this Lease.

(d) The Lessor's entitlement to recover damages is not affected or limited by any of the following:

(i) if the Lessee abandons or vacates the Leased Premises;

(ii) if the Lessor elects to re-enter or to terminate the Lease;

(iii) if the Lessor accepts the Lessee's repudiation;

(iv) if the parties' conduct constitutes a surrender by operation of law.

Additional entitlements of Lessor

(2) The Lessor's entitlement to damages is in addition to

(a) the entitlement to recover rent, rates and operating expenses until the date of expiry or termination of this Lease;

(b) interest on late payments in accordance with this Lease;

(c) costs of any breach or default, including the costs of termination.

51 Removal of Lessee's property

Lessee's obligation to remove property

51 (1) (a) The Lessee shall remove all its property including furniture plant equipment and



Lease or, if it is terminated by the Lessor, within seven (7) days after this Lease is terminated.

- (b) After the Lessor terminates this Lease, the Lessee and its employees and agents may have access to the Leased Premises by arrangement with the Lessor, for the purposes of removing the Lessee's property and cleaning, repairing or restoring the Leased Premises.
- (c) The Lessee shall not cause any damage to the Building or to the Leased Premises whilst removing its property, shall leave the Leased Premises clean and tidy after the removal and shall be liable for the cost of repair of the damage caused by or during the removal.

Lessee's failure to remove property

- (2) (a) If the Lessee fails to remove any of its property from the Leased Premises, the Lessor may
 - (i) have that property removed from the Leased Premises and stored, using reasonable care in removing and storing the property, but being exempted from any liability to the Lessee for loss or damage to any of its property through the negligence of the Lessor, its employees or agents;
 - (ii) sell or otherwise dispose of all or any of the Lessee's property, with or without removing them from the Leased Premises, in the name of and as agent for the Lessee.
- (b) (i) In respect of all or any of the Lessee's property which the Lessee has failed to remove from the Leased Premises, the Lessee is deemed to have abandoned the property and title to it and the Lessor at its option acquires title to that property through abandonment.
- (ii) The Lessor is not obliged to account to the Lessee for the value of any property whose title vests in the Lessor by abandonment.

Lessee's responsibility for damages and costs

- (3) The Lessee is responsible for and indemnifies the Lessor in respect of:
 - (a) any loss or damage caused by the Lessee, its employees or agents during the removal of the Lessee's property from the Leased Premises;
 - (b) the costs of removal, storage and sale of any of the Lessee's property.

PART 11 — MISCELLANEOUS

52 Service of notices

Notice



- 52 (1) Any notice, document or demand (called "notice") under this Lease shall be served in accordance with this clause.

Signature of notice

- (2) The notice shall be in writing, signed by the party giving it, or by the party's duly authorised officer (if a corporation), agent or solicitor.

Service of notice

- (3) A notice may be served on a party to this Lease, including their successors, assigns, and guarantors
- (a) by personal delivery to that party or if more persons than one are lessors or lessees to any one of them;
 - (b) by delivering the notice to the Leased Premises and leaving it with an employee of the Lessee;
 - (c) by delivering the notice to the Lessor's business address and leaving it with an employee of the Lessor;
 - (d) by sending it, addressed to the party at that party's address stated in Item 28 in the Reference Schedule, by prepaid security post or certified post;
 - (e) if the Lessor maintains a centre manager's or administrator's office in the Building, by delivering any notice addressed to the Lessor to that office whilst it is open and leaving it with a person working in that office.

Additional or altered address

- (4) Either party may advise the other party of an additional or an altered address for the service of notices, which is within the State in Item 28 in the Reference Schedule and is not a post office box or poste restante.

Time of service

- (5) A notice is considered to have been served
- (a) at the time of delivery;
 - (b) on the third Business day after the day on which it is posted, the first Business day being the day of posting.

53 Lessor's reservations and rights exercisable by successors and by others

- 53 (1) The reservations and rights exercisable by the Lessor over the Building and over the Leased Premises may be exercised by

- (a) successors and assigns of the Lessor whilst being the owner of the Building



(b) persons in whom control over the Building is vested, as head lessee or concurrent lessee;

(c) mortgagees in possession in respect of the Building.

(2) Persons other than the Lessor, when exercising reservations or rights in accordance with clause 53(1), shall comply with any conditions or qualifications imposed under this Lease on the exercise of such entitlements.

54 Notification of changes relating to Lessee

54 The Lessee shall promptly advise the Lessor or, if there is a managing agent, that agent, of any changes, during the term of this Lease, in

(a) the Lessee's telephone number at the Leased Premises;

(b) the Lessee's private address and telephone number;

(c) if the Lessee is a corporation, the name, private address and telephone number of the manager or other person in charge of the business at the Leased Premises.

55 Rent Free Period

55 Notwithstanding Clause 7 of this Lease, provided there is no subsisting breach of any lease covenants by the Lessee, the Lessee is not required to pay rent for the period commencing on the commencement date and ending on ~~31 July, 2000~~ ^{15 September} ("the Rent Free Period"). At the expiry of the Rent Free Period, monthly instalments of rent shall be paid in accordance with the provisions of Clause 7 as if the Lessee had been paying rent during the Rent Free Period. This clause does not apply to any renewed lease.

~~56 The execution & granting of this Lease is subject to approval from Marrickville Council for the issue of a Development Approval for the use of the lease premises by the Lessee for the usage as stated herein and if such Development Approval is not obtained within three months of this date, then either party shall be at liberty to give written notice to the other for termination of this Lease and in the event of such termination neither party shall thereafter be under any liability to each other in respect of the terms of this Lease.~~



56 Development Approval

- 56 (1) Within 14 days of the commencement of this Lease the Lessee shall apply to the local council for development approval (and building approval if necessary) ("the application") for approval for the use of the leased premises as stated in Item 17 of the Reference Schedule.
- (2) The Lessee must act promptly, reasonably and diligently in pursuing the application and in satisfying the council's requirements.
- (3) The Lessee shall provide to the Lessor a copy of the application within 7 days after lodging it.
- (4) Within 7 days after the Lessee shall have received written correspondence regarding the application and written notification of council's decision on the application, a copy shall be forwarded to the Lessor.
- (5) If the application is refused or not approved within 3 months of commencement of this Lease, either party may terminate this Lease by written notice served on the other party.
- (6) If the Lease is terminated in accordance with sub-clause (5), the Lessee's obligations under this Lease, including the payment of rent and outgoings up until termination continue.

53 A

REFERENCE SCHEDULE

- Item 1 Lessor: Evangelos and Dina DANIAS, 169 Victoria Road, Marrickville 2204
- Item 2 Lessee: Elegant Glass Company Pty. Limited (ACN 002 261 029), 189 Port Hacking Road, Miranda.
- Item 3 Guarantor: Graeme Owen Murray, 10 Cranbrook Place Illawong (Menai) NSW 2234 and Brian Thomas Kinnear, 26 Valley Way, Gymea Bay NSW 2227.
- Item 4 Description of Leased Premises: Factory, 190-198 Victoria Road, Marrickville NSW 2204.
(cl 1)
- Item 5 Inclusions in Leased Premises —
(cl 1 and cl 3(b)) Lessor's Fixtures: Lighting
Lessor's chattels: Nil
- Item 6 (cl 2(8)) Law of State governing this Lease: New South Wales
- Item 7 Deleted
- Item 8 Deleted
- Item 9 (cl 4) Lease term: Three (3) years
Commencement date: ~~1 May, 2000~~ 15 June, 2000
Last day of lease term: ~~30 April, 2003~~ 14 June, 2003
- Item 10 (cl 6) Option for renewal —
Period of service of notice of exercise of option
(cl 6(4)(b)): Between ~~1 November, 2002~~ and ~~31 January, 2003~~ 15 December, 2002
14 March, 2003
Net assets of adequately financial Guarantor, exceeding (cl 6(5)(c)): To be advised by Lessor at the time the Lessee nominates a new Guarantor.

Term of renewal (cl 6(6)(a)(i)): Three (3) years commencing on ~~1 May, 2003~~ 15 June, 2003

Period for adjustment of rent (cl 6(7)(b)): 14 days
- Item 11 (cl 7) Rent: One Hundred and Seventy Thousand Dollars (\$170,000.00) per annum, payable by



equal monthly instalments of Fourteen thousand One Hundred and Sixty Six dollars and Sixty Six Cents (\$14,166.66) on the first day of each month.

First payment: On or before the commencement date of the Lease.

Item 12 (cl 9)

Review Dates (cl 9(1)):

Annually from the date of commencement (including the date of commencement of any renewed lease and including any holding over):

~~1 May, 2001~~ 15 June, 2001

~~1 May, 2002~~ 15 June, 2002

If the Lease is renewed:

~~1 May, 2003~~ 15 June, 2003

~~1 May, 2004~~ 15 June, 2004

~~1 May, 2005~~ 15 June, 2005

If the Lessee remains in possession pursuant to a holding over on 1 May in each year.

Item 13 (cl 10)

Percentage of operating expenses (cl 10(1)(a)):
One hundred per cent (100%)

Annual period, for operating expenses, ending on (cl 10(1)(b)): 30 June.

Lessor's itemised statement of total operating expenses, to be given number of days after end of annual period (cl 10(3)(d)): 90 days

Item 14 (cl 14)

Rate of interest (cl 14(2)(b)): twelve percent (12%)

Item 15 (cl 15)

BOMA Method of Measurement, for determination of lettable areas (cl 15(1)): Gross Lettable Area.

Item 16 (cl 17)

Amount of Bond (cl 17(1)): An amount equal to three months' rent.

Item 17 (cl 18)

Use of Leased Premises for the following purpose (cl 18(1)): Glass manufacture and glass warehousing.

Item 18 (cl 20)

Leased Premises required to be kept open and trading during the following hours (cl 20(1)) —

Monday to Friday: 9.00 a.m. - 5.00 p.m.

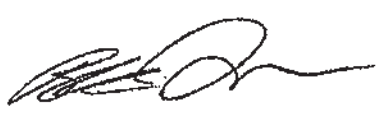
Saturday: 9.00 a.m. - 12.00 noon



- Item 19 [deleted]
- Item 20 (cl 24) Frequency of cleaning floor and interior of Leased Premises, not less than once each day (cl 24(4)(a)).
- Item 21 (cl 25) Heavy articles (cl 25(1)(a)): To be advised
- Item 22 (cl 31) Redecorating of Leased Premises during each of the following periods (cl 31(1)): Two (2) months prior to the expiration of the Lease term and two (2) months prior to the expiration of the Lease term of any renewed Lease.
- Item 23 (cl 34) Removal of fixtures, not more than 7 days after Lessee ceases to occupy Leased Premises (cl 34(3)(c))
- Item 24 (cl 36) Lessee's insurances —
Amount of initial public risk cover (cl 36(1)(a)(ii)(A)): \$10,000,000.00.

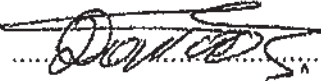
Extension of workers' compensation for common law liability for amount not less than (cl 36(1)(d)): \$10,000,000.00.
- Item 25 (cl 46) Duration of power of attorney after termination of Lease (cl 46(4)(a)): six (6) months
- Item 26 (cl 48) Lessor's entitlement to terminate Lease, when Building seriously damaged and cannot be repaired or reinstated within following period (cl 48(1)(a)(iv)): four (4) months.
- Item 28 (cl 52) Address for service of notices (cl 52(3)(d)) —
Lessor: 169 Victoria Road, Marrickville NSW 2204
Lessee: 190-198 Victoria Road, Marrickville NSW 2204

Additional or altered address may be notified within (cl 52(4)): State of New South Wales
- Item 29 (cl 27) Deleted.

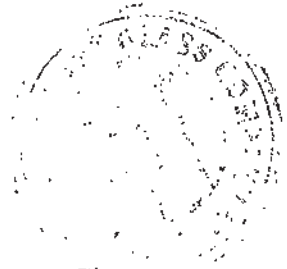
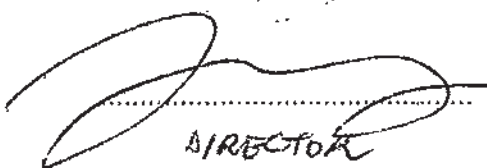


56

SIGNED in my presence by the)
Lessors DINA DANIAS &)
EVANGELOS DANIAS who are)
personally known to me:

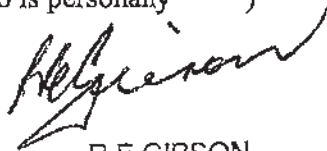
THE COMMON SEAL of)
ELEGANT GLASS COMPANY)
PTY. LIMITED (CAN 002 261)
028) was hereunto affixed by)
authority of the Board of Directors)
in the presence of:



DIRECTOR

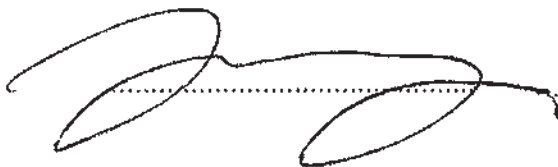
X

SECRETARY

SIGNED in my presence by the)
Guarantor GRAEME OWEN)
MURRAY who is personally)
known to me:



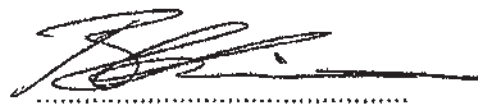
R E GIBSON
SOLICITOR
64 CROYDON ST, CRONULLA



SIGNED in my presence by the)
Guarantor BRIAN THOMAS)
KINNEAR who is personally)
known to me:



R E GIBSON
SOLICITOR
64 CROYDON ST, CRONULLA



CONSENT TO LEASE

Annexure to Lease

From: Evangelos & Dina Danias

To: Elegant Glass Company Pty Limited ACN 002 261 029

Dated: 15 June 2000

HSBC Bank Australia Limited (the "Mortgagee") is Mortgagee under Mortgage No. ~~7098332~~ (the "Mortgage"). This document forms an annexure to a lease over the mortgaged property (the "Lease").

The Mortgagee hereby consents to the Lease on the following terms:

- (a) This consent is without prejudice to the rights, powers and remedies of the Mortgagee under the Mortgage(s) except that so long as the provisions of the Lease are duly observed and performed, then any power or remedy exercisable by the Mortgagee including a power of sale shall be subject to the rights of the Lessee(s) then subsisting under the Lease.
- (b) This consent is given on condition that-
- (i) the consent of the Mortgagee is procured in all cases where the consent of the Lessor(s) is necessary under the Lease;
 - (ii) the Mortgagee shall not be obliged to perform any covenant or agreement by the Lessor(s) contained in the Lease; and
 - (iii) all rights, powers and remedies of the Lessor(s) under the Lease shall absolutely vest in and be exercisable and enforceable by the Mortgagee immediately upon the Mortgagee giving notice to the Lessee(s) of demand to enter into receipt of the rents and profits of the leased premises.

Signed at Sydney on this 24th day of October 2000.

EXECUTED BY HSBC BANK AUSTRALIA LIMITED
A.C.N. 006 434 162 by being signed by its Attorney
Victoria A. Caelli under Power of Attorney dated 20 July 1999
a certified copy of which is filed at the New South Wales
Land Titles Office in Book 4255 No 245 and by her
execution hereof the said Attorney certifies that she has
no notice of the revocation of such Power of Attorney and that
she is the Assistant Manager, Credit Administration
(New South Wales) in the presence of:

Signature

Signature of Witness

PE ONG SAN SOY

Name of Witness (BLOCK LETTER)

10 CONNELL ST. SYDNEY NSW 2000

Address of Witness

RP 1

STAMP DUTY



OFFICE OF STATE REVENUE
(N.S.W. TREASURY)
1990/91
P8
\$1336.45
DUTY



E
759839 A

LEASE

REAL PROPERTY ACT, 1900
(To be lodged in duplicate)

(See Instructions for Completion issued as Form RP 1B)

LAND of which LESSOR is registered proprietor

If Part or premises, see note (a) (ii)

Location

DESCRIPTION
OF LAND
Note (a)

Now being 1/74240
VOLUME - 3600 FOLIO - 97
VOLUME - 10123 FOLIO - 55
IDENTIFIER 10/701368

Now being 1/226599

~~XXXXXX~~ Part:
196-198 Victoria Road
Marrickville, First Floor.
together with the rear part of
the Ground Floor and 8
carparking spaces including 1
carport as shown on the 2 plans
annexed hereto hatched black.

MARRICKVILLE

LESSOR
Note (b)

EVANGELOS DANIAS of 18 London Street, Enmore and
DINA DANIAS of the same address, his wife.

(The above-named LESSOR) hereby leases to the LESSEE at the request & direction of the Guarantors herein named.

LESSEE
Note (b)

INTEGRATED DESIGN ORDER & MANUFACTURE PTY. LIMITED OF 158-160 Victoria
Road Marrickville

OFFICE USE ONLY

OVER.

Note (c)

as joint tenants/tenants in common

Note (h)

PRIOR
ENCUMBRANCES
Note (d)

The land and above described, subject to the following PRIOR ENCUMBRANCES 1. Y881061
2. E 562599

TERM

Note (e)

Note (f)

Note (g)

Note (h)

for a TERM of Five (5) Years commencing on 27/4/1995 and TERMINATING on 26/4/1995
(with an ~~XXXXXXXXXXXXXXXXXXXX~~ OPTION OF RENEWAL as set forth in clause (e) 25 ~~XXXXXXXXXXXX~~ hereto,
together with and reserving the rights and liberties set forth in SCHEDULE ONE hereto, and

SUBJECT TO THE covenants and provisions:
(i) implied by sections 84 and 85 of the Conveyancing Act, 1919 as not expressly negatived or modified herein,
(ii) set forth in SCHEDULE TWO hereto, which covenants and provisions shall be deemed to be incorporated herein.

DATE 18 October 1995

We hereby certify this lease to be correct for the purposes of the Real Property Act, 1900.

EXECUTION
Note (i)

Signed in my presence by the lessor who is personally known to me

[Signature]
Name of Witness (full name)
Address and occupation of Witness

FOR ATTESTATION BY GUARANTORS SEE
ANNEXURE HERETO

Note (j)

Signed in my presence by the lessee who is personally known to me

[Signature]
Name of Witness (full name)
Address and occupation of Witness

[Signature]
SECRETARY



TO BE COMPLETED
BY LODGING PARTY
Notes (k)
and (l)

OFFICE USE ONLY

LODGED BY		LOCATION OF DOCUMENTS	
459V I & K LEGALS DX 941 SYDNEY PH 550-1449		CT	OTHER
Ref Delivery Box Number NE-DANIAS		Herewith.	
Checked <i>[Signature]</i>		In LTO with	
Passed RFIS		Produced by 83K	
REGISTERED - 10		Secondary Directions	
Signed <i>[Signature]</i>		Delivery Directions	

1297587

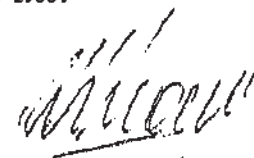
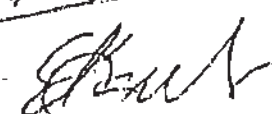
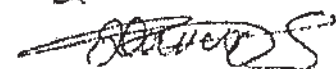
B

1. (a) That the Lessee covenants with the Lessor to pay rent.
2. (a) Provided that in the event of war damage, damage by fire, lightning, flood or tempest rent shall abate until the premises are restored, provided however that if the whole or any part of the building shall be taken for any public purpose or be destroyed or damaged by fire, flood, lightning, storm, tempest or other disabling cause so as in the opinion of the Lessor;
 - A. To render the premises during the term substantially unfit for the use and occupation of the Lessee;
 - OR
 - B. So as to deprive the Lessee of substantial use of the premises;
 - OR
 - C. So as to render the re-building or re-construction of the said premises in its present form impracticable or undesirable than;
1. This Lease may be determined without compensation by either the Lessor or the Lessee by notice in writing to the other of them SUBJECT HOWEVER in the case of termination of the Lessee that the Lessor shall have failed to re-build or re-instate the premises within a reasonable time after notice in writing from the Lessee;
- ii. Any such termination as aforesaid shall be without prejudice to the rights of either party in respect of any antecedent breach, matter or thing;
- iii. Nothing herein contained or implied shall be deemed to impose any obligation on the Lessor to re-build or re-instate or make fit for occupation the premises but any monies expended by the Lessor in so doing shall not form any part of the outgoings referred to in this Lease.

CONVEYANCING ACT COVENANTS:

2. To the full effect of the covenants next hereinafter shortly noted as the same are set forth in words at length in the second column of Part 2 of the Fourth Schedule to the Conveyancing Act 1919-1958.



 *W. L. T. T. T.*



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Leave premises
in good
condition:

5. And to leave the premises in good repair (having regard to the condition thereof at the commencement of this Lease) reasonable wear and tear and damage by fire, lightning, flood and tempest only excepted.

Lessor enter
and view:

6. And that the Lessor may without notice at all reasonable time of the day enter and view state of repair, and that the Lessee will repair according to notice in writing within one (1) calendar month of that in default the Lessor may repair at the Lessee's expense.

Public
Authorities:

7. And that the Lessor may enter and carry out requirements of public authorities and repairs under the lease.

Paint/Paper

10. And to paint and/or paper ^{the interior of the} ~~the~~ demised premises every ^{five (5)} ~~two (2)~~ years.

No Offensive
Trade:

17. That the Lessee will not carry on any offensive trade.

Quiet
Enjoyment:

21. That the Lessor subject as herein provided covenants with the Lessee for quiet enjoyment.

ADDITIONAL COVENANTS BY LESSEE:

3. To the following special additional provisions which however shall not (except in so far as the provisions hereinafter contained shall expressly negative or modify the same) be held to in anywise limit or abridge any of the provisions of the Conveyancing Act 1919-1958 or the Real Property Act 1900 namely:-

Repair and
Cleaning:

- (a) Notwithstanding the provisions hereinbefore contained the Lessee will at his own expense at all times during the said term hereby granted well and sufficiently repair, maintain, cleanse, empty and amend the demised premises the fixtures therein and all drains, sewers, closets, sanitary arrangements cisterns, yards, pavements, gutters, walls and erections and keep both the outside and inside of the said premises in clean and attractive order and repair and condition.

Fixtures and
Fittings
Undisturbed:

- (b) That the Lessee will at the expiration or sooner determination of the said term surrender and yield up to the Lessor and subject to its obligations under Clause 2(6) hereof leave undisturbed all water, gas, electric light and other fixtures and fittings which are or may be hereinafter be put into and upon the demised premises by the Lessor in good order and condition, having regard to the condition of the demised premises at the time of commencement of this Lease with reasonable wear and tear and damage by fire lightning storm and tempest only excepted.

[Handwritten signatures] *Chris [unclear]* *John L. Tabor*

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Use:

- (c) That the Lessee will not without the consent in writing of the Lessor use or occupy the demised premises otherwise than for an office and show rooms as well as the production and storage of signs and associated products and will ensure that the conduct and management of the premises shall at all times be of such standard as to enhance the status of and preserve the premises for the purposes aforesaid and the Lessee will during all proper business hours keep the premises open for business and will not in any case use the premises for ~~storage of merchandise for manufacturing or~~ as a sleeping place. The Lessee acknowledges that no promise, warranty or undertaking has been given by the Lessor in respect of the suitability of the premises or the building for any business to be carried out therein, or as to any necessary approval or consent for the abovementioned use by any relevant Statutory Authority or to fitting finish facilities or amenities of the premises or the building otherwise than as contained in this Lease.

Compliance:

- (d) That the Lessee will comply with and relieve the Lessor from all liability in respect of the requirements of any notice issued by the Board of Health, the Water Board and/or other Statutory Authority or Municipal Authority in relation to all alterations, conveniences and/or repairs to the demised premises whether or not of a structural nature or for the use in connection therewith occasioned by reason of the nature of the business carried on by the Lessee in the said demised premises, or, the number of persons employed by the Lessee therein or using or occupying the same, or, by reason of the nature of the Lessee's occupation of the premises AND so far as the same are applicable to the said premises and the business carried on therein by the Lessee will observe and conform to the rules and regulations of the Factories and Shops Act or any other Act or Regulation or by-law which may be in force during the said term PROVIDED that all notices received by the Lessor from any of the abovementioned authorities shall within a reasonable time after receipt thereof by the Lessor be served on the Lessee.

Licenses:

- (e) That the Lessee will keep on foot all licenses and permits required for the carrying on of any business conducted by the Lessee in or upon the demised premises.

[Signature]

[Signature] Ben Toomay
[Signature]
[Signature]

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- Alterations:**
- (f) (i) The Lessee shall not make or cause or suffer to be made any alterations, additions, or improvements to the premises, or install or cause or suffer to be installed therein, or thereon any trade fixtures exterior signs, floor coverings, partitions, interior or exterior lightning, plumbing, fixtures, shutters, or awnings, or drive nails or screws into the premises or any part thereof, or in any way damage or deface ceilings, walls, partitions, floors, wood, stone, concrete or iron work thereof during the said term, without first obtaining the written approval of the Lessor. The Lessee shall present to the Lessor plans and specifications for such work at the time approval is sought. The Lessor shall be entitled to obtain the advice of its architects in respect thereof, and any fees payable by the Lessor to such architects shall be paid by the Lessee to the Lessor on demand.
- (ii) Any such works carried out pursuant to sub-paragraph (i) hereof shall be carried out by contractors approved of in writing by the Lessor in a proper and workmanlike manner and to a standard in conformity with the requirements of the Building Services Corporation and to the satisfaction of the Lessor, and in carrying out such work the Lessee shall ensure that a minimum amount of disturbance and inconvenience shall be caused to any other occupier of the building or adjoining buildings.
- (iii) Any such work, installations or additions carried out pursuant hereto with the Lessor's consent, shall, if required by the Lessor be removed by the Lessee at or immediately prior to the expiration of this Lease, but the Lessee shall upon removal do no damage to the demised premises and shall reinstate the same to the condition they were in prior to such installation.

- Exterior Signs:** (g) The Lessee shall not without first obtaining the written consent of the Lessor place construct or erect on the demised premises or post or paint or otherwise affix thereto any displays advertising hoardings posters signs devices or other advertising media. Such advertising media shall strictly relate to the Lessee's said business upon the demised premises, but the Lessor's consent shall not be unreasonably withheld.

[Signature]

[Signature] *[Signature]*
[Signature]
[Signature]

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Prohibition
noxious offensive
uses;

- (h) That the Lessee will not use the premises for any noxious noisly or offensive purpose or do any act matter or thing whatsoever which shall or may be or grow to the annoyance nuisance grievance damage or disturbance of the occupiers or owners of neighbouring property or any other tenants of the Lessor.

That the Lessee will not permit any noxious or offensive odours or smells to be created on the leased premises and will not do or permit to be done anything whereby the leased premises or any part thereof may be damaged or strained or the walls or floors thereof caused to sag or deflect from their right lines.

Insurance:

- (i) That the Lessee will upon the execution hereof effect and at all times maintain with an Insurance Company to be approved by the Lessor, the following policies of Insurance;

(i) In the joint name of the Lessor and the Lessee against breakage loss or damage to any plate glass in the demised premises through any cause whatsoever and to the full insurable value thereof;

(ii) In respect of Public Risk for an amount of FIVE MILLION DOLLARS (\$5,000,000.00), in the joint names of the Lessor and Lessee. The Lessee shall supply the Lessor with the Policies so effected.

Increase
Insurance
Premium:

- (j) That if at any time during the currency of the term hereby granted the fire insurance premiums or any of them payable in respect of the demised premises shall be increased beyond the annual amount of rates at the commencement of the said term by reason of the nature of the business carried on or proposed to be carried on by the Lessee on the demised premises or by reason of any alterations made by the Lessee whether or not approved by the Lessor the Lessee will upon demand pay to the Lessor from the time the whole amount by which such increased premiums shall exceed the annual amount of rates as aforesaid AND FURTHER that the Lessee will in no way whatsoever invalidate any Policy or Policies of Insurance on the demised premises, Provided that if the Lessee invalidates any such Policy he shall be responsible for any loss to the Lessor as a result.

Acts or Goods
not permitted:

- (k) That the Lessee shall not wilfully or knowingly do manufacture or permit anything to be done or bring deposit keep store or permit in the premises any goods materials or substance which may conflict with the laws relating to fires or with the by-laws or regulations of the Board of Fire Commissioners of New South Wales or such like authority or with any Acts or Regulations affecting the water supply or sewerage or the Board of Health or with the Factories Act of present

[Handwritten signatures and initials at the bottom of the page, including "Davies", "Van L. T. T. T.", and others.]

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or future laws or ordinances or regulations affecting the Shire within which the demised premises are or may be situated or which may increase or contribute to the increase of the yearly premium payable on any Policy of Insurance against fire now or at any time hereafter to be effected by the Lessor PROVIDED HOWEVER that nothing herein contained shall impose upon the Lessee any responsibility or liability to effect or carry out any work of a structural nature,

Heating:

- ✓ (1) The Lessee shall not use such methods of heating which shall conflict with the requirements of the Underwriters of the Fire Association of New South Wales. The method of heating the of the demised premises used by the Lessee shall be first approved by the Lessor.

Lessee to
Indemnify Lessor
for negligence
fire damage
etc.,

- (m) The Lessee will and does hereby indemnify the Lessor from and against all actions claims demands losses damages costs and expenses for which the Lessor shall or may be or become liable in respect of or arising from:
- (a) The negligent use misuse waste or abuse by the Lessee or any servant agent sub-tenant invitee of or any other person claiming through or under the Lessee of the water gas electricity lighting and other services and facilities of the demised premises or any part of the building;
- (b) Overflow or leaking of water (including rain water) in or from the premises caused or contributed to by any act or omission on the part of the Lessee his servants agents sub-tenants invitees or other persons as aforesaid;
- (c) Loss damage or injury from any cause whatsoever to property or person caused or contributed to by the use of the premises by the Lessee or any servant agent sub-tenant invitee or other person aforesaid;
- (d) Loss damage or injury from any cause whatsoever to property or person within or without the premises or the building occasioned or contributed to by any act omission neglect breach or default of the Lessee or any servant agent sub-tenant invitee or other person as aforesaid.

No Encumbrances: (n) That the Lessee will not mortgage lien or in any way charge or encumber his interest in this Lease without the written consent of the Lessor first had and obtained

✓

Les Lessor
David *Robert* *Repe*

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Legal costs: (o) That the Lessee will on demand pay the Lessor's Solicitor's costs charges and expenses of and incidental to the preparation and completion of this Lease, including Stamp Duty, Mortgagee's Solicitor's costs and fees and registration fee payable to obtain a certified copy of the Lease.

No Auction Sale: (p) That the Lessee will not carry on or permit or cause to be carried on or be party or privy to any sale or sales by auction on the demised premises or any part thereof.

Light Fittings: (q) That the Lessee shall keep and maintain all light fittings in proper working order and condition and replace all tubes and parts thereof needful for the effective operation and use thereof.

Overloading: (r) That the Lessee shall not do permit or suffer to be done upon the said premises anything in the nature of overloading the floors thereof whereby the said premises or any part thereof or the said building or any part thereof may be strained or the walls or floors caused to sag or deflect from the right line or so as to damage the said premises or the said building or any part thereof respectively and shall not bring any iron safe or heavy machinery or goods into the said premises without the consent of the Lessor first had and obtained, in writing.

Notice of Sale or Re-Letting: (s) That the Lessee will at any time during three (3) months prior to the expiration of this lease or any continuation thereof or during the period of any holding over hereunder permit the Lessor to affix and exhibit any notice in or about the demised premises indicating the premises to be available for sale or lease and shall permit access to the Lessor its agents or prospective purchaser or lessees.

Electrical Fixtures: (t) The Lessee shall at his own expense install all electrical fixtures and fittings wiring and other things (if any) necessary for the installation of the electric light and power in the leased premises and all such fixtures and fittings and wiring and other things installed by the Lessee shall at the termination of this lease be and become the property of the Lessor; provided that any such installations shall not be made without the written consent of the Lessor's first had and obtained and provided that any such installation shall be approved and passed by the Fire Underwriters Association of New South Wales, The Sydney and Local County Council.

Handwritten signatures and initials:
D D W
B
James [unclear]
[unclear]
[unclear]

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and such other Public Authority as shall be necessary.

**Payment of
Charges:**

- (u) The Lessee covenants to pay the proper authorities all charges for the telephone used and for electricity and gas consumed on the premises and for all excess water in accordance with accounts rendered and if the Lessee makes default in the payment thereof it shall be optional for the Lessor to pay the same and in addition to the Lessor's other remedies it shall be lawful for the Lessor to recover the amount so paid as if same was overdue rent hereunder.

Tenant's Fixtures:(v)

Notwithstanding any respective contributions of the Lessor and Lessee to the cost of the shopfront the said shopfront is part of the premises and shall remain the property of the Lessor and shall not be removed or altered without the prior consent in writing of the Lessor, nor shall any compensation be payable to the Lessee in respect of same in the event of the determination or expiration of the said lease. Subject thereto and as hereinafter provided all other fixtures plant machinery utensils shelving counters safes and other material or articles brought on to the premises by the Lessee shall be trade or tenant's fixtures and subject to tenant's rights and the Lessee may at or prior to the expiration or sooner determination of the lease take remove and carry away the same from the premises but the Lessee shall in such removal do no damage to the premises and shall forthwith make good any damage which he may occasion thereto. The Lessee's obligations to observe or perform this covenant shall survive the expiration or other termination of this lease. Any trade or tenant's fixtures not removed at or prior to the expiration or sooner determination of the lease shall be deemed to form part of the freehold property.

**Lessee to assume (w)
Public Risk:**

The Lessee agrees to occupy use and keep the premises at the risk of the Lessee and hereby releases to the full extent permitted by law the Lessor and its agents servants, contractors and employees except to the extent of any negligence on their part from all claims and demands of every kind resulting from any accident damage or injury occurring therein and the Lessee expressly agrees that the Lessor shall have no responsibility or liability for any loss of or damage to stock-in-trade fittings fixtures signs or personal property of the Lessee or loss of profits by the Lessee.

D D.
①

Wm L. Talbot
[Signatures]

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Lessor not
liable for damages:

x.

Notwithstanding any implications or rule of law to the contrary the Lessor shall not be liable for any damages or loss the Lessee may suffer by any act, default or neglect of the Lessor, or any other person in carrying out the powers, authorities and provisions herein contained or otherwise with respect to the premises or the building or by reason of the Lessor neglecting to do something to the premises or to the building and which as between the Lessor and the Lessee it might be legally liable to do unless the Lessee has given the Lessor written notice to do such thing and the Lessor has without reasonable cause failed within a reasonable time thereafter to take proper steps to comply therewith.

COVENANTS BY THE LESSOR:

Lessee's
Fixtures:

4. The Lessor covenants and agrees with the Lessee as follows:-

That the Lessee may on the expiration of this Lease provided that the Lessee shall have paid all rental and other monies payable by the Lessee hereunder remove and carry away from the said premises all fixtures, fittings, plant and machinery, utensils, shelving, counters, safes or other articles upon the said premises in the nature of trade or tenant's fixtures brought upon the said premises by the Lessee but the Lessee shall in such removal do no damage to the said premises and shall re-instate all floor coverings, walls, ceilings and the like and repair any damage thereto caused by the installation, placement and maintenance upon the premises of the fixtures, fittings and other articles as hereinbefore specified and shall forthwith make good to the satisfaction of the Lessor or its authorised agent any damage which the Lessee may occasion thereto and notwithstanding the provision relating to wear and tear in the Covenant 3(a) hereof the Lessee shall in all cases deliver up the premises with all surfaces in a clean and freshly painted condition.

VARIATION OF RENT AND INCREASE IN OUTGOINGS:

Rent:

~~5(a) In the event that the term of this demise exceeds three (3) years then at the discretion of the Lessor the annual rental may be re-appraised at the expiration of the third year and each year which is a multiple thereof to an amount which shall be the then current market rent as agreed upon by the Lessor~~

D.D. *[Handwritten initials]*
[Handwritten signature] *[Handwritten signature]* *[Handwritten signature]* *[Handwritten signature]*

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DD *[initials]*
~~and Lessee or in the event of failure to agree as determined
by an independent Valuer to be appointed by the President of
the Real Estate Institute of New South Wales.~~

[initials]
(b) Notwithstanding anything hereinbefore contained the annual rental
hereinbefore specified and the instalments by which such rental
is payable shall be increased in the same proportion that the
Index number at the commencement of any year of the term period
bears to the Index Number as at the commencement of the term.
Each year shall be calculated from the date of commencement
of this Lease and subsequent annual anniversaries thereof.
In this Clause the words "Index Number" shall mean the Consumer
Price Index for Sydney published from time to time in the Commonwealth
Statisticians Summary of Australian Statistics. In the event
that there is any suspension or discontinuance of the Consumer
Price Index for Sydney by the Commonwealth Authorities then
the annual rental hereinbefore specified and the instalments
by which such rental is payable shall be the mean of the rental
as determined as the fair market rental value of the premises
by two (2) Real Estate Valuers nominated by the then Secretary
of the Real Estate Institute of New South Wales whose decision
shall be conclusive and binding.

DD CFI
10/1
(c) For any one or more years of the term (other than the initial
year thereof) the Lessor at its discretion may by notice in
writing to the Lessee elect not to require the rental in that
year to be varied as provided in sub-paragraph (b) hereof. Should
the Lessor so elect then in respect of the year the subject
of that election the annual rental shall be an amount equal
to One hundred and ~~ten~~ ^{ten} percentum (110 %) of the rent
payable in the immediately preceding year and the Lessee covenants
to pay such rent accordingly by equal calendar monthly instalments
in advance.

ADJOINING PREMISES:

6. It is hereby agreed and declared by and between the said Lessor
and the said Lessee that in the event of any building or buildings
being erected on any property adjoining the said premises in
such manner that the light now obtained from any window or windows
in the demised premises be shut off then the Lessor will not
be held responsible to the Lessee nor will the matter be a subject
for compensation or reduction of rent.

[Signatures]
James J. Tawney *[initials]* *[initials]*

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LESSEE'S DEFAULT:

- 7(a) If the rent hereby reserved or any part thereof shall be unpaid for the space of fourteen (14) days after any of the days on which the same ought to have been paid although no formal demand shall have been made therefore,
OR
(b) If any Lessee being a Company shall pass an effective resolution to wind up (other than for the purposes of reconstruction) or shall be ordered by the Court to be wound up, or if any steps whatsoever be taken for the winding up whether compulsorily or otherwise., OR
(c) If the Lessee or any future Assignee of the Lessee being a person or persons of his, her or their estate or estates shall be declared bankrupt or if he, she or they shall compound with or assign his, her or their estate or estates for the benefit of his her or their creditors, or if he, she or they shall suffer execution to be levied upon the demised premises on the term hereby created., OR
(d) In the case of the breach or non-observance or non-performance after reasonable notice to rectify has been given of any of the covenants conditions provisions or agreements herein contained or implied and on the Lessee to be performed and observed,

THEN and in any such case it shall be lawful for the Lessor at any time thereafter and whilst such neglect or default continues and without further notice or demand to enter (forcibly if necessary) into and upon the demised premises or any part thereof in the name of the whole and to repossess the same as of his former estate and expel the Lessee and those claiming under him and remove his effects from off the demised premises without being taken or deemed guilty of any manner of trespass or wrong but without prejudice to any action or right of action or any remedy of the Lessor in respect of any breach of the Lessee's covenants herein contained or implied; and that thereupon this Lease shall if the Lessor so elects determine cease and be at an end and the Lessee shall be and remain liable for the rent to the date of such entry at the rate hereinbefore reserved.

- (e) Notwithstanding anything herein contained upon the Lessor becoming entitled to re-enter or determine this Lease the residue of the said term for the time being unexpired shall at the option of the Lessor immediately upon Notice of the exercise of such Option being given to the Lessee be reduced to one (1) ^{month} week and thereafter the tenancy hereby created shall be and remain a tenancy from week to week at a weekly rent equal to one (1) weeks proportion

Mr. L. Talbot
[Signature]
[Signature]
[Signature]

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of the rent hereby reserved commencing from the date of service of such notice and shall be determinable by one (1) weeks notice to quit terminating any day of the week.

- (f) The Lessor may, but shall not be obliged to, remedy at any time without notice any default by the Lessee under this lease and whenever the Lessor so elects all costs and expenses incurred by the Lessor (including legal costs and expenses) in remedying a default shall so constitute a liquidated debt and shall be paid by the Lessee to the Lessor on demand.
- (g) If the rent hereby reserved or any part thereof or any other monies payable by the Lessee to the Lessor hereunder shall not be paid on the day upon which the same shall become due (whether any formal or legal demand therefore shall have been made or not) then the Lessee shall pay to the Lessor interest at the rate of Fifteen (15%) per centum per annum to the date on which such monies are paid to or recovered by the Lessor as the case may be. The Lessor shall be entitled to recover such interest from the Lessee as if such interest was rent in arrears. Nothing contained in this Clause shall be deemed to restrict limit or prejudice any right power or remedy of the Lessor in respect of such monies.
- (h) That upon the Lessor becoming entitled to re-enter the premises pursuant to any provision of this Lease the Lessee shall forthwith remove from the premises all goods (which expression where hereinafter used shall include personal property of every description) which may be thereon or therein and in default of the Lessee effecting such removal the Lessor upon entering into possession of the premises may remove all such goods from the premises to such place or places as the Lessor may see fit and shall be deemed to have the authority of the Lessee to deposit the same and at the expense of the Lessee with a warehousman selected by the Lessor and in doing so the Lessor shall not be liable or responsible for loss or damage to or warehousing expenses in respect of the whole or any part of such goods which shall be at the Lessee's risk and expense at all times and all costs and expenses incurred by the Lessor in such removal and deposit shall notwithstanding that this Lease shall then have terminated by and be deemed to be a liquidated debt payable by the Lessee to the Lessor upon demand.
- (i) No consent or waiver expressed or implied by the Lessor to or of any breach of any covenant condition or duty of the Lessee shall be construed as a consent or waiver to or of any other breach of the same or any other covenant condition or duty.

Wm L. Talbot

M. H. H. H.

Darius S. H. H.

P. H. H.

- 13 -

HOLDING OVER:

Monthly
Holding Over:

8. It is hereby FURTHER MUTUALLY AGREED AND DECLARED as follows:-

- (a) In the event of the Lessee holding over after the expiration or prior determination of the term granted by this demise with the consent of the Lessor, the Lessee shall become a monthly tenant only of the Lessor at a monthly rental being a monthly proportion of the annual rent payable hereunder but varied as provided by Clause 5 hereof and otherwise on the same terms and conditions mutatis mutandis as those herein contained as far as applicable.

NOTICES AND INTERPRETATIONS:

- 9(a) That the covenants powers and provisions implied in Leases by Sections 84, 85, 133 and 133A of the Conveyancing Act, 1919-1958 shall not apply to and are hereby excluded from this Lease.
- (b) That any demand or notice to be given by the Lessor to the Lessee shall be deemed to be duly made if given in writing signed by the Lessor or his agent and delivered to the Lessee personally or sent by post addressed to the Lessee at the demised premises or to the last known address of the Lessee.
- (c) Where the context so admits in the construction of any covenant or proviso or other provision contained or implied in this lease words importing the singular or plural number or the masculine gender shall be read as also importing and including the plural or singular number and the feminine gender as the case may require, and a covenant, proviso or provision in which more persons than one are by the context deemed to covenant agree or appoint, shall be deemed to bind and extend to such persons and any two of them severally (whenever a corporation shall be a party hereto either as Lessor or Lessee the words "Lessor", "Lessee" or "Persons" whenever herein used shall be deemed to mean and include such corporation, its successors, assigns and transferees) and the word "Lessor" or "Guarantor" shall include his executors, administrators and permitted assigns.

DEEMED AGREEMENT UNDER SEAL:

10. That this document shall be deemed an agreement under seal for the granting of such a lease as is hereby purported to be granted and the covenants and conditions herein contained shall be deemed to bind the parties in the same manner as if THIS DOCUMENT WERE REGISTERED NOTWITHSTANDING THAT IT MAY BE held that no estate passes hereunder PROVIDED that should the Lessee require registration the Lessor will procure the same but any necessary survey and the registration of such Lease and the obtaining of all necessary consents thereto shall be at the cost or expense of the Lessee.

Wm. L. Tavaney
James E. Tavaney
Robert

- 14 -

GARANTEE:

Guarantee
of Lessee's
Obligations:

11. ~~The Lessor agrees to grant this lease at the request (testified by his/her~~
~~execution hereof of ALAN MOULD and BARUSHKA MOULD~~

ALAN FREDERICK MORTIMER MOULD and VERA LUDMILA TABORSKI

hereinafter called "The Guarantor/s"). In consideration of the Lessor at
the request of the Guarantor/s entering into this Lease the said Guarantor/s
do/does hereby guarantee to the Lessor the due and punctual performance
by the Lessee of its several obligations and duties on its part to be observed
and fulfilled and performed pursuant to the terms of this Lease and in
particular but without limiting the generality of the guarantee hereby given
IT IS AGREED that:

- (a) In the event of default by the Lessee in payment of any monies due and payable
by it pursuant to this Lease then as regards such monies the Guarantor
shall be deemed to become a principal debtor to the Lessor and the Guarantor
shall forthwith upon the occurrence of such default pay such monies to the
Lessor.
- (b) The guarantee hereby granted shall be deemed to extend to all costs, fees,
expenses and other monies which the Lessor may incur in enforcing or attempting
to enforce against the Lessee the terms of this Lease and the observance
and performance by the Lessee of its several obligations and duties or any
of them to be observed fulfilled or performed pursuant to this Lease or
in the recovery or attempted recovery from the Lessee of any monies which
may be payable by the Lessee pursuant to this Lease.
- (c) The guarantee hereby granted shall be deemed to extend to and cover the
payment to the Lessor of all monies by way of damages or compensation inter
alia for any breach or non-observance (should such breach or non-observance
occur) by the Lessee of the terms of this Lease.
- (d) Any payment made to the Lessor and later avoided by any statutory provision
shall be deemed not to have discharged the Guarantor's liability hereunder
and in the event of any such payment being so avoided the parties hereto
are to be restored to the right which each respectively would have had if
the payments so avoided had not been made.
- (e) Where there is more than one Guarantor bound by the provisions hereof then
such Guarantors shall be liable hereunder both jointly and severally.

It is expressly agreed and declared that it is the intention of the parties that
this shall be a continuing guarantee and it shall not be affected or abrogated
by the granting of any time credit or any other indulgence whatsoever by the
Lessor to the Lessee or to the Guarantor or to any one Guarantor when there is
more than one, it also being the intention of the parties and it is hereby so
agreed that this guarantee shall be binding and absolute in all and any circumstances.

Handwritten signatures:
Alan F. Mortimer Mould
Vera Ludmila Taborski

- 15 -

~~12. The Lessee shall on or before the signing hereof pay to the Lessors or their agent a deposit of _____ which sum shall be refunded to the Lessee on the termination of this lease and the vacation of the premises by the Lessee provided that the Lessors shall be entitled to deduct from the said sum or apply the same towards the satisfaction of any amount that may be payable to the Lessor as a result of any breach of the Lessee of any of the terms conditions and covenants of this Lease.~~

DD. *[Handwritten initials]*
CP
13. The Lessee shall advise the Lessor and the Managing Agent of the building for the time being of the private address and telephone number of the Lessee or if the Lessee shall be a corporation of the Manager thereof or if there shall be more than one Lessee of each of them. The Lessor and the Managing Agent shall be promptly informed of any change of such address and telephone number.

14. The Lessor reserves the right from time to time to arrange for pest control examination of the premises and if any service is required as a result of such examination then the total cost for such examination and service shall be borne by the Lessee.

AIR CONDITIONING:

~~15. The Lessee covenants with the Lessor that the following provisions shall apply to the plant and machinery and equipment, for heating cooling or circulating air (herein called "Air Conditioning Plant") installed on the premises:-~~

- DD. *[Handwritten initials]*
CP
(i) the Lessee shall at all times use and regulate the same to ensure that the air conditioning plant is employed to the best advantage and under conditions from time to time prevailing and shall keep such air conditioning plant in good repair and condition and shall pay all costs of maintaining and operating the same;
- (ii) the Lessors shall not be under any liability to the Lessee or to any other person arising from any breakdown of or any inability or failure to operate and maintain the air conditioning plant at any time or times for any reason whatsoever

BUSINESS CONTROL:

16. The Lessee will not enter into any partnership or arrangement in relation to the business carried out on the subject demised premises or relinquish actual control of the business without the consent in writing of the Lessor.

[Handwritten signatures: "Mrs L. Toland", "Dennis", and another signature]

- 16 -

LOCK UP:

17. The Lessee will use his best endeavour to protect and keep safe the demised premises and any property contained therein from theft or robbery and shall keep all doors windows and other openings closed and securely fastened when either the Lessors or any responsible employee or agent of the Lessee is not present on the demised premises or the demised premises are not open for business and the Lessee may maintain such security or other services as may be necessary for this purpose.
18. The Lessee will indemnify and hold harmless the Lessors from and damages sums of money costs charges expenses actions claims which may be sustained or suffered or recovered or made against the by any person for any loss damage or injury such person may sustain when using or entering portion of the premises or building whether in the occupation of the Lessors, the Lessee or any other person whether or not such injury arises or has arisen as a result of any act or omission neglect breach or default by the Lessee or any servant agent clerk workman employee or invitee of the Lessee or as a result of the creation of some dangerous thing or state of affairs by the Lessee or by any clerk servant agent workman employee or invitee of the Lessee and whether the existence of such dangerous thing or state of affairs was or ought to have been known to the Lessor or not. It is hereby expressly agreed and declared that the Lessors shall not be liable for any damage the Lessee or its clerks servants licensees invitees workmen employees agents customers or visitors of the Lessee may suffer by reason of any injury or damage to any person or property who or that may be at any time in the premises or building arising from any cause or reason except due to negligence or omission on the part of the Lessor whatsoever but including the overflow of water supply or rain water which may leak into the demised premises or any premises attached to or connected with the same or from any parts of the demised premises or any building attached to or connected with the same or arising from any defects in gas, electric or water supply connectoin or fittings or appliances used in connection thereof.
19. The Lessee will during the said term well and sufficiently repair maintain and keep the said premises with the appurtenances in good and substantial repair including painting and all fixtures fittings gas electric and otherwise locks and keys and all things thereto belonging or which at any time during the said term shall be erected and made by the Lessors when and where and so often as need be with reasonable wear and tear and damage by fire, not attributable to any act or omission or omission by the Lessee's servants, agents or workmen invitees lightning flood and tempest only excepted. Provided that the Lessee shall take all reasonable measures and precautions to ensure that any damage defect or dilapidation which has been or at any time shall

James S. [Signature] *W. L. T. [Signature]* *[Signature]* *[Signature]*

- 17 -

be occasioned by reasonable wear and tear shall not give rise to or cause or contribute to any substantial injury to the demised premises. The Lessee will at all times during the continuance of this Lease keep and at the expiration or sooner determination of the said term peaceably surrender and yield up unto the Lessors the said premises with the appurtenances, and all building erections fixtures erected or made by the Lessors thereon and all the Lessors fixtures and fittings water gas electric light or otherwise locks and keys in good and substantial repair and condition having regard to the condition thereof at the commencement of this Lease; reasonable wear and tear and damage by fire not attributable to any act or omission or commission by the Lessee's agents servants or workmen or invitees, lightning Flood and tempest only excepted. Provided that the Lessee shall take all reasonable measures and precautions to ensure that any damage defect or dilapidation which has been or at any time shall be occasioned by reasonable wear and tear shall not give rise or cause or contribute to any substantial injury to the demised premises.

20. The Lessors shall be able when and as often as the Lessors shall require and without previous notice at all reasonable times of day by itself or its agents to enter the premises and view the state of repair thereof and to serve upon the Lessee notice in writing of any defect requiring him to repair the same.

In default of the Lessee repairing any defect according to notice or for the purpose of complying with the terms of any present or future legislation affecting the premises and of any notice served on the Lessors or Lessee by the Board of Health, Licensing Inspector or any other competent authority for the carrying out of any repairs or alterations or work which the Lessee may not be bound or if bound may neglect to do and also for the purpose of exercising the powers and authorities of the Lessors under the Lease and the Lessors may enter the premises with or without workmen architect and others and may execute the required repairs and additions and in addition to the Lessors other remedies to recover from the Lessee as and by way of for which the Lessee by this lease is obliged to do overdue rent the cost of such repair/together with all monies expended on account of any insurances, indemnities or compensation under the Workers' Compensation Act or otherwise howsoever,

Handwritten signatures:
Vera L. Tabory
[Signature]
[Signature]
[Signature]

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REIMBURSEMENT OF OUTGOINGS:

21. The Lessee will reimburse the lessors on demand for THIRTY percentum per annum (30 %) of each of the annual outgoings as hereinafter specified paid or payable by the lessors in respect to the property known as 190-198 VICTORIA ROAD HARACKVILLE

- (i) All federal state or municipal taxes of whatsoever kind or nature whether presently existing or arising in the future including any Land Tax (but excluding income tax payable by the Lessor on its income) assessed or payable in respect of either the improvements or the land, or arising from the Lessors ownership of the subject property.
- (ii) All rates charges assessments license fees duties impositions fees and levies of whatsoever kind or nature whether presently existing or arising in the future of any public municipal or government body authority or department assessed or payable in respect of either the improvements or the land or arising from the Lessors ownership of the subject property.
- (iii) All insurance premiums payable by the Lessor in respect of the building of which the demised premises form part and the fittings and fixtures in their full insurable reinstatement value against fire flood lightning storm and tempest cyclone malicious damage earthquake and against such other risks as the Lessor may deem necessary or desirable.
- (iv) The cost of ventilation air-conditioning lighting heating and cooling cleaning and maintenance and repair of any parts of the building of which the demised premises form part.
- ~~(v) any Strata Levies payable to the Body Corporate and/or the Strata Plan relating to the premises pursuant to the Strata Title Act 1973 or any replacement or amendment thereof.~~

23. The Lessee will not during the continuance of this lease assign transfer demise or sublet part with or share the possession of or grant any license affecting or mortgage charge or otherwise deal with or dispose of the demised premises or any part thereof or any estate or interest therein or by any act or deed procure the demised premises or any part thereof or any estate or interest to be assigned transferred demise sublet unto share or put into possession of any person or persons licensed mortgaged charged or otherwise dealt with or disposed of unless:-

- (i) The Lessee gives to the Lessor not less than one (1) months notice in writing of its desire to deal with the premises in manner aforesaid;

[Handwritten signatures and initials]

- 19 -

(ii) The Lessee is not at the time of giving such notice or thereafter in default in the observance or performance of the covenants and agreements on the Lessee's part herein contained or implied;

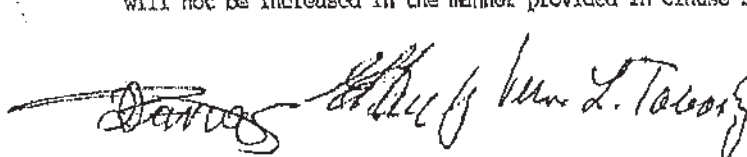
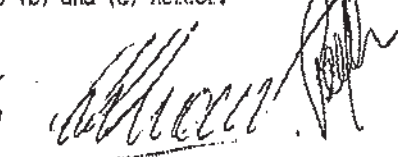
(iii) The Lessee proposes to assign transfer sub-lease or grant a license to a person or entity who not less than fourteen (14) days prior to any such assignment transfer sub-lease or grant -

- (aa) proves to the satisfaction of the Lessor that he is a responsible and solvent person of stature and experience to that of the Lessee and capable of adequately carrying on the business proposed to be carried on by him in the premises;
- (bb) enters into a covenant with the Lessor in the form required by the Lessor that he will duly perform and keep the covenants and agreements on the Lessee's part herein contained;
- (cc) furnishes to the Lessor such guarantee or guarantees of the performance of his obligations under this Lease as the Lessor shall require;
- (dd) pays to the Lessor a reasonable fee to cover administrative expenses and also its proper costs and disbursements of and incidental to the giving of its consent;

and in any case with the prior written consent of the Lessor and subject to the Lessee complying with all the foregoing provisions of this sub-clause such consent shall not be unreasonably withheld.

23. The Lessee shall pay to the Lessor the annual rental of SEVENTY FIVE THOUSAND DOLLARS (\$75,000-00) payable calendar monthly in advance to the Lessor or as he may direct by calendar monthly instalments of SIX THOUSAND TWO HUNDRED & FIFTY DOLLARS (\$6,250-00) each.

24. In the event of the introduction or effect of any legislation, regulation or prohibition by any Government or other competent authority prohibiting or restricting the Lessor from recovering from the Lessee reimbursement of the outgoings or any one or part of such outgoings referred to in Clause 21 hereof, the parties herein agree that, commencing in the year during which such legislation is introduced, at the end of each period of twelve (12) months of the term hereof the rental payable pursuant to this Lease in respect of the said twelve (12) month period having immediately elapsed shall be increased by the amount of the Lessee's share of the outgoings or part of such outgoings referred to in Clause 21 hereof which the Lessor has not received from the Lessee and the Lessee agrees to pay to the Lessor such additional rental within twenty-one (21) days of the written request by the Lessor or the Lessee for payment of same, provided always the amount of such rent representing the outgoings will not be increased in the manner provided in Clause 5 (b) and (c) hereof.

Witness
 

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25. It is hereby expressly agreed and declared that if the Lessee shall desire to take a renewed Lease of the demised premises for a further term of **FIVE (5) Years** from the expiration of the term of this Lease and of such desire shall prior to the expiration of the said term give to the Lessor not less than **THREE (3) CALENDAR MONTHS PREVIOUS NOTICE IN WRITING** and shall in the meantime duly and punctually pay the rent reserved by this Lease at the time herein appointed for payment and shall duly perform and observe the covenants and agreements by and on the part of the Lessee contained in this Lease up to the expiration of the term hereby granted including covenant to pay rent the Lessor will at the cost of the Lessee demise to the Lessee the said premises hereby demised for a further term of **FIVE (5) Years** at a rental to be determined by either of the following methods whichever is the greater:-
- (i) by increasing the rent as at the expiration of this Lease in the same proportion as the Index Number at the commencement of the term of the renewed Lease increases in relation to the Index Number as at the commencement of the term of this Lease. In this Clause the words "Index Number" shall mean the Consumer Price Index for Sydney published from time to time in the Commonwealth Statisticians Summary of Australian Statistics. In the event that there is any suspension or discontinuance of the Consumer Price Index by the Commonwealth Authorities then "Index Number" shall mean the New South Wales Male Basic Wage applicable in the City of Sydney.
 - (ii) the mean of the rental as determined as the fair market rental value of the premises by two (2) Real Estate Valuers nominated by the then Secretary of the Real Estate Institute of New South Wales.

PROVIDED ALWAYS that notwithstanding such determination the rental payable by the Lessee in respect of the renewed term shall not be less than the rental for the final year of the term of this Lease. The said Lease shall be otherwise on the same terms and conditions as this Lease with the exception of this Clause.

D.D.
W
~~The Lessee shall deliver to the lessors upon the commencement hereof a Bank Guarantee in favour of the Lessors from a Bank carrying on business in Sydney to secure payment to the Lessors of the sum of \$18,750.00. The Guarantee shall be released to the Bank by the Lessors upon the termination of this Lease or any renewal thereof and the Lessee vacating the premises and upon the Lessee having performed and observed the covenants, agreements and provisions herein contained. The Lessors shall be entitled to require payment pursuant to the Guarantee in respect to any monies payable pursuant to this Lease and not paid by the Lessee. Acceptance of the Guarantee or payment thereunder shall not be deemed to satisfy or limit the rights of the Lessors.~~

Ken L. Torrey
James
Rep

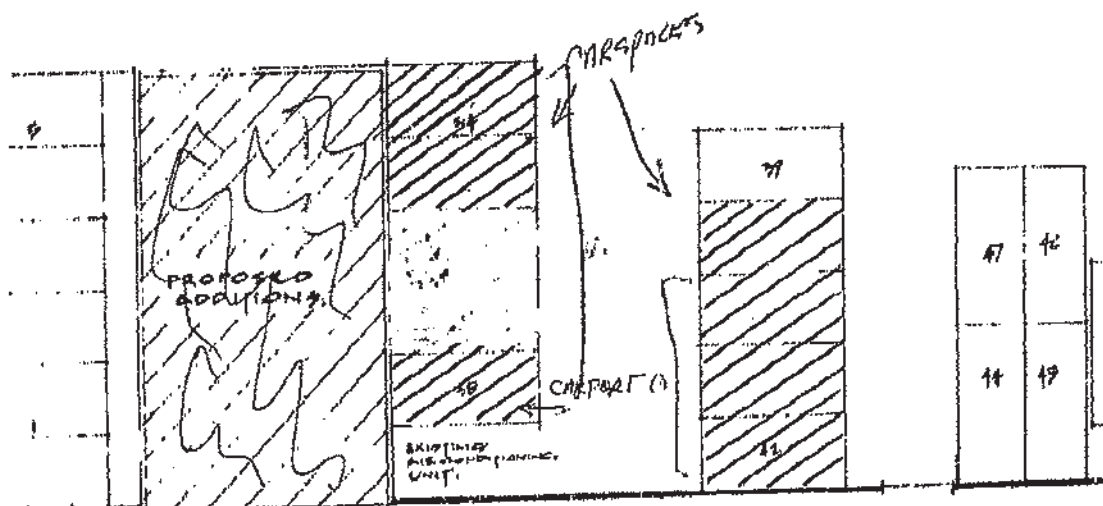
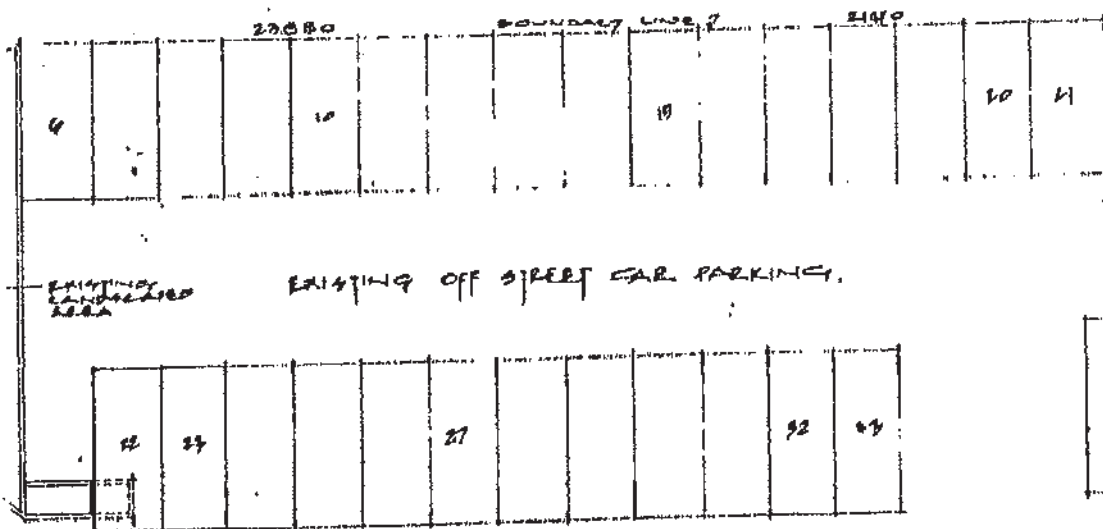
- 21 -

Signed in my presence by the Guarantors who
are personally known to me:

Hayll
.....
FRANK EDWARD MAJOR
.....
Solnie
.....
RPPIND
.....

Ken L. Tolan

David Gray *Wheat*



A

LODGE WITH DEAMING

Handwritten signatures and notes:
 [Signature] [Signature] [Signature]
 [Signature] [Signature] [Signature]

OFFICE USE ONLY

RP 1

STAMP DUTY



OFFICE OF STATE REVENUE P8
STAMP DUTY 1992/93
DUTY \$ 1936-20 1ST REC NO 200386649

LEASE

REAL PROPERTY ACT, 1900
(To be lodged in duplicate)

(See instructions for Completion issued as Form RP 1B)

L

of

\$

B

D

LAND of which LESSOR is registered proprietor

Torrens Title Reference

If Part or premises, see note (a) (ii)

Location

DESCRIPTION
OF LAND
Note (a)

VOLUME - 3600 FOLIO - 97
Now being 1/174A0
VOLUME 10123 FOLIO - 55
Now being 4/226899
IDENTIFIER 10/701368

XXDUE Part:
Known as 190-194 Victoria Road
Marrickville being the area
hatched in the Plan annexed
hereto marked with the letter
"A"

MARRICKVILLE

LESSOR
Note (b)

EVANGELOS DANIAS of 18 London Street, Enmore and
DINA DANIAS of the same address, his wife.

LESSEE
Note (b)

TECH METAL INDUSTRIES PTY. LIMITED of 190-194 Victoria Road Marrickville
ACN NO 000181760

OFFICE USE ONLY

as joint tenants/tenants in common

Note (c)

Note (h)
PRIOR
ENCUMBRANCES
Note (d)

the land and premises described, subject to the following PRIOR ENCUMBRANCES

TERM
Note (e)
Note (f)
Note (g)
Note (h)

for a TERM of FIVE (5) Years commencing on 5/8/91 and TERMINATING on 31/7/96

together with and reserving the rights and liberties set forth in SCHEDULE ONE hereto, and

SUBJECT TO THE covenants and provisions:

(i) Implied by sections 84 and 85 of the Conveyancing Act, 1919 as are not expressly negated or modified herein;

(ii) set forth in SCHEDULE TWO hereto, which covenants and provisions shall be deemed to be incorporated herein.

DATE 13 FEBRUARY 1992

We hereby certify this lease to be correct for the purposes of the Real Property Act, 1900.

EXECUTION
Note (i)

Signed in my presence by the lessor who is personally known to me

Signature of Lessor

A. C. COOMBS

Name of Witness (BLOCK LETTERS)

Marrickville, New South Wales

Address and occupation of Witness

Note (j)

Signed in my presence by the lessee who is personally known to me

Signature of Lessee

Name of Witness (BLOCK LETTERS)

Address and occupation of Witness

FOR ATTESTATION BY GUARANTORS SEE ANNEXURE HERETO

TO BE COMPLETED
BY LODGING PARTY
Notes (j)
and (k)

OFFICE USE ONLY

LODGED BY		LOCATION OF DOCUMENTS	
CT	OTHER	CT	OTHER
			Herewith.
			In L.T.O. with
			Produced by
Checked	Passed	Secondary	Directions
Signed	Extra Fee	Delivery	Directions

Ref: 459V I & K LEGALS DX 941 SYDNEY PH 550-1449

Delivery Box Number NC - DANIAS

REGISTERED -19

Checked: [Signature] Passed: RF15 Signed: [Signature] Extra Fee: [Signature]

pendance right re option on lease W 795573

Notes (l) and (m)

Notes (m) and (n)

Note (g)

OFFICE USE ONLY

AUBDGC Commercial & Law Signatures Pty. Ltd. 1988

CONVEYANCING ACT COVENANTS

2. To the full effect of the covenants next hereinafter shortly noted as the same are set forth in words at length in the second column of Part 2 of the Fourth Schedule to the Conveyancing Act 1919-1958:

Rent:

1. That the lessee covenants with the lessor to pay rent.
2. Provided that in the event of war damage, damage by fire, lightning flood or tempest rent shall abate until the premises are restored, provided however that if the whole or any part of the building shall be taken for any public purpose or be destroyed or damaged by fire, flood, lightning, storm, tempest or other disabling cause so as in the opinion of the lessor:

- A. To render the premises during the term substantially unfit for the use and occupation of the lessee,

or

- B. So as to deprive the lessee of substantial use of the premises,

or

- C. So as to render the re-building or re-construction of the said premises in its present form impracticable or undesirable then:

- i. This Lease may be determined without compensation by either the lessor or the lessee by notice in writing to the other of them Subject However in the case of termination of the lessee that the lessor shall have failed to re-build or re-instate the premises within a reasonable time after notice in writing from the lessee;

- ii. Any such termination as aforesaid shall be without prejudice to the rights of either party in respect of any antecedent breach, matter or thing;

- iii. Nothing herein contained or implied shall be deemed to impose any obligation on the lessor to re-build or re-instate or make fit for occupation the premises but any monies expended by the lessor in so doing shall not form any part of the outgoings referred to in this Lease.

Shank
Shank
M. L. L. L.

Leave premises
in good
condition:

5. And to leave the premises in good repair (having regard to the condition thereof at the commencement of this Lease) reasonable wear and tear and damage by fire, lightning, flood and tempest only excepted.

Lessor enter
and view:

6. And that the lessor may without notice at all reasonable times of the day enter and view state of repair, and that the lessee will repair according to notice in writing within one calendar month of that in default the lessor may repair at the lessee's expense.

Public
Authorities:

7. And that the lessor may enter and carry out requirements of public authorities and repair under the Lease.

Paint/Paper

- ~~10. And to paint and/or paper the demised premises every two (2) years.~~

No Offensive
Trade:

17. That the lessee will not carry on any offensive trade.

Quiet
Enjoyment:

21. That the Lessor subject as herein provided covenants with the Lessee for quiet enjoyment.

ADDITIONAL COVENANTS BY LESSEE

3. To the following special additional provisions which however shall not (except in so far as the provisions herein-after contained shall expressly negative or modify the same) be held to in anywise limit or abridge any of the provisions of the Conveyancing Act 1919-1958 or the Real Property Act 1900 namely:-

Repair &
Cleaning:

- (a) Notwithstanding the provisions hereinbefore contained the Lessee will at his own expense at all times during the said term hereby granted well and sufficiently repair maintain cleanse empty and amend the demised premises the fixtures therein and all drains sewers closets sanitary arrangements cisterns yards pavements gutters walls and erections and keep both the outside and inside of the said premises in clean and attractive order repair and condition.

Fixtures &
fittings
undisturbed:

- (b) That the lessee will at the expiration or sooner determination of the said term surrender and yield up to the lessor and subject to its obligations under Clause 2(6) hereof leave undisturbed all water gas electric light and other fixtures and fittings which are or may hereafter be put into and upon the demised premises by the

lessor in good order and condition.

Use: (c) That the Lessee will not without the consent in writing
of the lessor use or occupy the demised premises otherwise
than for **ENGINEERING FACTORY including CUTTING, PUNCHING, WELDING, SPRAY PAINTING
AND ASSEMBLING**
and will ensure that the conduct and management of the
premises shall at all times be of such standard as to
enhance the status of and preserve the premises for the
purposes aforesaid and the lessee will during all proper
business hours keep the premises open for business and
will not in any case use the premises for storage of
merchandise for manufacturing or as a sleeping place.
The lessee acknowledges that no promise, warranty or
undertaking has been given by the lessor in respect of
the suitability of the premises or the building for any
business to be carried out therein, or as to any necessary
approval or consent for the abovementioned use by any
relevant Statutory Authority or to fitting finish
facilities or amenities of the premises or the building
otherwise than as contained in this Lease.

Compliance: (d) That the lessee will comply with and relieve the lessor
from all liability in respect of the requirements of any
notice issued by the Board of Health, the Metropolitan
Water Sewerage and Drainage Board and/or any other Statutory
Authority or Municipal Authority in relation to all
alterations conveniences and/or repairs to the demised
premises whether or not of a structural nature or for the
use in connection therewith occasioned by reason of the
nature of the business carried on by the lessee in the
said demised premises, or, the number of persons employed
by the lessee therein or using or occupying the same, or,
by reason of the nature of the lessee's occupation of
the premises AND so far as the same are applicable to the
said premises and the business carried on therein by the
lessee will observe and conform to the rules and regulations
of the Factories and Shops Act or any other Act or
Regulation or by-law which may be in force during the
said term PROVIDED that all notices received by the
lessor from any of the abovementioned authorities shall
within a reasonable time after receipt thereof by the
lessor be served on the lessee.

Licences: (e) That the lessee will keep on foot all licences and permits
required for the carrying on of any business conducted by
the lessee in or upon the demised premises.

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Alterations: (f) (i) The lessee shall not make or cause or suffer to be made any alterations, additions, or improvements to the premises, or install or cause or suffer to be installed therein, or thereon any trade fixtures exterior signs, floor coverings, partitions, interior or exterior lightning, plumbing, fixtures, shades or awnings, or drive nails or screws into the premises or any part thereof, or in any way damage or deface ceilings, walls, partitions, floors, wood, stone, concrete or iron work thereof during the said term, without first obtaining the written approval of the lessor. The lessee shall present to the lessor plans and specifications for such work at the time approval is sought. The lessor shall be entitled to obtain the advice of its architects in respect thereof, and any fees payable by the lessor to such architects shall be paid by the lessee to the lessor on demand:

(ii) Any such work carried out pursuant to sub-paragraph (i) hereof shall be carried out by contractors approved of in writing by the lessor in a proper and workmanlike manner and to a standard in conformity with the requirements of the Builders Licensing Board and to the satisfaction of the lessor, and in carrying out such work the lessee shall ensure that a minimum amount of disturbance and inconvenience shall be caused to any other occupier of the building or adjoining buildings.

(iii) Any such work, installations or additions carried out pursuant hereto with the lessor's consent, shall, if required by the lessor be removed by the lessee at or immediately prior to the expiration of this Lease, but the lessee shall upon removal do no damage to the demised premises and shall re-instate the same to the condition they were in prior to such installation.

Exterior
Signs:

(g) The lessee shall not without first obtaining the written consent of the lessor place construct or erect on the demised premises or post paint or otherwise affix thereto any displays advertising hoardings posters signs devices or other advertising media. Such advertising media shall strictly relate to the lessee's said business upon the demised premises, but the lessor's consent shall not be unreasonably withheld.

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Prohibition
noxious
offensive
use:

- (h) That the lessee will not use the premises for any noxious noisy or offensive purpose or do any act matter or thing whatsoever which shall or may be or grow to the annoyance nuisance grievance damage or disturbance of the occupiers or owners of neighbouring property or any other tenants of the lessor.

That the lessee will not permit any noxious or offensive odours or smells to be created on the leased premises and will not do or permit to be done anything whereby the leased premises or any part thereof may be damaged or strained or the walls or floors thereof caused to sag or deflect from their right lines.

Insurance:

- (i) That the lessee will upon the execution hereof effect and at all times maintain with an Insurance company to be ^{agreed} ~~nominated~~ by the Lessor, the following policies of ^{agreed} ~~nominated~~ insurance and if not ~~nominated~~ with the Government.

Insurance Office of N.S.W.

- (1) In the joint name of the lessor and the lessee against breakage loss or damage to any plate glass in the demised premises through any cause whatsoever and to the full insurable value thereof.
(ii) In respect of Public Risk for an amount of five million dollars (\$5,000,000.00)

The lessee shall supply the lessor with the policies so effected.

Increase
Insurance
Premium:

- (j) That if at any time during the currency of the term hereby granted the fire insurance premiums or any of them payable in respect of the demised premises shall be increased beyond the annual amount rates at the commencement of the said term by reason of the nature of the business carried on or proposed to be carried on by the lessee on the demised premises or by reason of any alterations made by the lessee whether or not approved by the lessor the lessee will upon demand pay to the lessor from the time the whole amount by which such increased premiums shall exceed the annual amount of rates as aforesaid AND FURTHER that the lessee will in no way whatever invalidate any policy or policies of insurance on the demised premises. Provided that if the lessee invalidates any such policy he will be responsible for any loss to the lessor as a result.

W. Lewis

x M. Lewis

*Edmund
Dennis*

Acts or Goods (k)
not permitted:

That the lessee shall not wilfully or knowingly do manufacture or permit anything to be done or bring deposit keep store or permit in the premises any goods materials or substance which may conflict with the laws relating to fires or with the by-laws or regulations of the Board of Fire Commissioners of New South Wales or such like authority or with any Acts or Regulations affecting the water supply or sewerage or the Board of Health or with the Factories Act or present or future laws or ordinances or regulations affecting the Shire within which the demised premises are or may be situated or which may increase or contribute to the increase of the yearly premium payable on any policy of insurance against fire now or at any time hereafter to be effected by the lessor PROVIDED HOWEVER that nothing herein contained shall impose upon the lessee any responsibility or liability to effect or carry out any work of a structural nature.

Heating:

- (1) The lessee shall not use such methods of heating which shall conflict with the requirements of the Underwriters of the Fire Association of New South Wales. The method of heating the demised premises used by the lessee shall be first approved by the Lessor.

Lessee to
Indemnify
Lessor for
negligence
fire damage etc.,

- (m) The Lessee will and does hereby indemnify the Lessor from and against all actions claims demands losses damages costs and expenses for which the Lessor shall or may be or become liable in respect of or arising from:

- (a) The negligent use misuse waste or abuse by the Lessee or any servant agent sub-tenant invitee of or any other person claiming through or under the Lessee, of the water gas electricity lightning and other services and facilities of the demised premises or any part of the building.
- (b) Overflow or leakage of water (including rain water) in or from the premises caused or contributed to by any act or omission on the part of the Lessee his servants agents sub-tenants invitees or other persons as aforesaid;
- (c) Loss damage or injury from any cause whatsoever to property or person caused or contributed to by the use of the premises by the Lessee or any servant agent sub-tenant invitee or other person aforesaid;

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(d) Loss damage or injury from any cause whatsoever to property or person within or without the premises or the building occasioned or contributed to by any act omission neglect breach or default of the Lessee or any servant agent sub-tenant invitee or other person as aforesaid.

No Encum-
brances:

(n) That the lessee will not mortgage lien or in any way charge or encumber his interest in this lease without the written consent of the lessor first had and obtained.

Legal costs:

(o) That the lessee will on demand pay the lessor's solicitors' costs charges and expenses of and incidental to the preparation and completion of this Lease, including stamp duty, mortgagee's solicitors' costs and fees and registration fee payable to obtain a certified copy of the Lease.

No Auction
Sale:

(p) That the lessee will not carry on or permit or cause to be carried on or be party or privy to any sale or sales by auction on the demised premises or any part thereof, without the prior consent of the lessor.

Not to
Assign or
Sublet:

(q) That the Lessee will not assign or sublet or part with possession of the demised premises or any part thereof without consent in writing no fine to be taken, such consent not to be unreasonably withheld

Light
fittings:

(r) That the lessee shall keep and maintain all light fittings in proper working order and condition and replace all tubes and parts thereof needful for the effective operation and use thereof.

Overloading:

(s) That the lessee shall not do permit or suffer to be done upon the said premises anything in the nature of overloading the floors thereof whereby the said premises or any part thereof or the said building or any part thereof may be strained or the walls or floors caused to sag or deflect from the right line or so as to damage the said premises or the said building or any part thereof respectively and shall not bring any iron safe or heavy machinery or goods into the said premises without the consent of the lessor first had and obtained, in writing.

W. Green

E. Baker

D. Davis

M. Leslie

Notice of
Sale or Re-
Letting:

- (t) That the lessee will at any time during three months prior to the expiration of this Lease or any continuation thereof or during the period of any holding over hereunder permit the lessor to affix and exhibit any notice in or about the demised premises indicating the premises to be available for sale or lease and shall permit access to the lessor its agents or prospective purchaser or lessees.

Electrical
Fixtures:

- (u) The lessee shall at his own expense install all electrical fixtures and fittings wiring and other things (if any) necessary for the installation of the electric light and power in the leased premises and all such fixtures and fittings and wiring and other things installed by the lessee shall at the termination of this lease be and become the property of the lessor; ^{EXCLUDING THE ELECTROBARS} provided that any such installations shall not be made without the written consent of the lessor's first had and obtained and provided that any such installation shall be approved and passed by the Fire Underwriters Association of New South Wales, The Sydney and Local County Council and such other Public Authority as shall be necessary.

Payment of
Charges:

- (v) The lessee covenants to pay the proper authorities all charges for the telephone used and for electricity and gas consumed on the premises and for all excess water (if separately metered) in accordance with accounts rendered and if the lessee makes default in the payment thereof it shall be optional for the lessor to pay the same and in addition to the lessor's other remedies it shall be lawful for the lessor to recover the amount so paid as if same was overdue rent hereunder.

Tenants
Fixtures:

- ~~(w) Notwithstanding any respective contributions of the Lessor and Lessee to the cost of the shopfront the said shopfront is part of the premises and shall remain the property of the Lessor and shall not be removed or altered without the prior consent in writing of the Lessor, nor shall any compensation be payable to the Lessee in respect of same in the event of the determination or expiration of the said Lease. Subject thereto and as hereinafter provided all other fixtures plant machinery utensils shelving counters safes and other~~

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material or articles brought on to the premises by the Lessee shall be trade or tenant's fixtures and subject to tenant rights and the Lessee may at or prior to the expiration or sooner determination of the Lease take remove and carry away the same from the premises but the Lessee shall in such removal do no damage to the premises and shall forthwith make good any damage which he may occasion thereto. The Lessee's obligations to observe or perform this covenant shall survive the expiration or other termination of this Lease.

Any trade or tenant's fixtures not removed at or prior to the expiration or sooner determination of the Lease shall be deemed to form part of the freehold property.

Lessee to (x)
assume
Public
Risk:

The Lessee agrees to occupy use and keep the premises at the risk of the Lessee and hereby releases to the full extent permitted by law the Lessor and its agents servants, contractors and employees except to the extent of any negligence on their part from all claims and demands of every kind resulting from any accident damage or injury occurring therein and the Lessee expressly agrees that the Lessor shall have no responsibility or liability for any loss of or damage to stock-in-trade fittings fixtures signs or personal property of the Lessee or loss of profits by the Lessee.

Lessor not (y)
liable for
damages:

Notwithstanding any implications or rule of law to the contrary the Lessor shall not be liable for any damages or loss the Lessee may suffer by any act, default or neglect of the Lessor, or any other person in carrying out the powers authorities and provisions herein contained or otherwise with respect to the premises or the building or by reason of the Lessor neglecting to do something to the premises or to the building and which as between the Lessor and the Lessee it might be legally liable to do unless the Lessee has given the Lessor written notice to do such thing and the Lessor has without reasonable cause failed within a reasonable time thereafter to take proper steps to comply therewith.

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COVENANTS BY THE LESSOR

4. The Lessor covenants and agrees with the lessee as follows:-

Lessee's
Fixtures:

That the lessee may on the expiration of this Lease provided that the lessee shall have paid all rental and other monies payable by the lessee hereunder remove and carry away from the said premises all fixtures fittings plant and machinery utensils shelving counters safes or other articles upon the said premises in the nature of trade or tenant's fixtures brought upon the said premises by the lessee but the lessee shall in such removal do no damage to the said premises and shall re-instate all floor coverings walls ceilings and the like and repair any damage thereto caused by the installation placement and maintenance upon the premises of the fixtures fittings and other articles as hereinbefore specified and shall forthwith make good to the satisfaction of the lessor or its authorised agent any damage which the lessee may occasion thereto and notwithstanding the provision relating to wear and tear in the Covenant 3(a) hereof the lessee shall in all cases deliver up the premises with all surfaces in a clean and freshly painted condition.

VARIATION OF RENT AND INCREASE IN OUTGOINGS

Rent:

~~5(a) In the event that the term of this demise exceeds three years then at the discretion of the lessor the annual rental may be re-appraised at the expiration of the third year and each year which is a multiple thereof to an amount which shall be the then current market rent as agreed upon by the Lessor and lessee or in the event of failure to agree as determined by an independent valuer to be appointed by the President of the Real Estate Institute of New South Wales.~~

(b) Notwithstanding anything hereinbefore contained the annual rental hereinbefore specified and the instalments by which such rental is payable shall be increased in the same proportion that the Index Number at the commencement of any one year of the term period bears to the Index Number as at the commencement of the term. Each year shall be calculated from the date of commencement of this Lease and subsequent annual anniversaries thereof. In this clause the words "Index Number" shall mean the Consumer Price Index published from time to time in

the Commonwealth Statisticians Summary of Australian Statistics. In the event that there is any suspension or discontinuance of the Consumer Price Index by the Commonwealth Authorities then "Index Number" shall mean the New South Wales Male Basic Wage applicable in the City of Sydney. If the system or practice of the determination of the New South Wales Male Basic Wage applicable in the City of Sydney shall cease, then, "Index Number" shall mean such Index published at the date hereof and at the times of variation of the rental in the said Commonwealth Statisticians Summary of Australian Statistics which reflects fluctuations of the cost of living in Sydney and which the parties may mutually agree upon and if they are unable to agree then such variation of rental shall be by reference to such Index or in such amount as may be determined by the President at the relevant time of the Real Estate Institute of New South Wales or some person nominated by him whose decision shall be conclusive and binding.

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~~(a) For any one or more years of the term (other than the initial year thereof) the lessor at its discretion may by notice in writing to the lessee elect not to require the rental in that year to be varied as provided in sub-paragraph (b) hereof. Should the lessor so elect then in respect of the year the subject of that election the annual rental shall be an amount equal to One hundred and per centum of the rent payable in the immediately preceding year and the lessee covenants to pay such rent accordingly by equal monthly instalments in advance.~~

ADJOINING PREMISES

6. It is hereby agreed and declared by and between the said lessor and the said lessee that in the event of any building or buildings being erected on any property adjoining the said premises in such manner that the light now obtained from any window or windows in the demised premises be shut off then the lessor will not be held responsible to the lessee nor will the matter be a subject for compensation or reduction of rent. The Lessor will advise the Lessee prior to erecting any such buildings on adjoining land to the demised premises of any use which would affect the Lessee's use of the demised premises. The Lessor shall in no way obstruct the Lessee's access to the demised premises by reason of such erections or additions

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McKenzie
Stan
Davis

LESSEE'S DEFAULT

- 7(a) If the rent hereby reserved or any part thereof shall be unpaid for the space of twenty-one days after any of the days on which the same ought to have been paid although no formal demand shall have been made therefor, or
- (b) If any lessee being a company shall pass an effective resolution to wind up (other than for the purpose of reconstruction) or shall be ordered by the Court to be wound up, or if any steps whatever be taken for the winding up whether compulsorily or otherwise.
- (c) If the Lessee or any future assignee of the Lessee being a person or persons of his, her for their estate or estates shall be declared bankrupt or if he, she or they shall compound with or assign his, her or their estate or estates for the benefit of his her or their creditors, or if he, she or they shall suffer execution to be levied upon the demised premises on the term hereby created,
- (d) In the case of the breach or non-observance or non-performance of any of the covenants conditions provisoes or agreements herein contained or implied and on the Lessee to be performed and observed,

THEN and in any such case it shall be lawful for the Lessor at any time thereafter and whilst such neglect or default continues and without further notice or demand to enter (forcibly if necessary) into and upon the demised premises or any part thereof in the name of the whole and to repossess the same as of his former estate and expel the Lessee and those claiming under him and remove his effects from off the demised premises without being taken or deemed guilty of any manner of trespass or wrong but without prejudice to any action or right of action or any remedy of the Lessor in respect of any breach of the Lessee's covenants herein contained or implied: and that thereupon this lease shall if the Lessor so elects determine case and be at an end and the Lessee shall be and remain liable for the rent to the date of such entry at the rate hereinbefore reserved.

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- (e) Notwithstanding anything herein contained upon the Lessor becoming entitled to re-enter or determine this lease the residue of the said term for the time being unexpired shall at the option of the Lessor immediately upon Notice of the exercise of such option being given to the Lessee be reduced to one month and thereafter the tenancy hereby created shall be and remain a tenancy from month to month at a monthly rent equal to one month's proportion of the rent hereby reserved commencing from the date of service of such notice and shall be determinable by one months notice to quit terminating any day of the month.
- (f) The Lessor may, but shall not be obliged to, remedy at any time without notice any default by the Lessee under this Lease and whenever the Lessor so elects all costs and expenses incurred by the Lessor (including legal costs and expenses) in remedying a default shall so constitute a liquidated debt and shall be paid by the Lessee to the Lessor on demand.
- (g) If the rent hereby reserved or any part thereof or any other monies payable by the Lessee to the Lessor hereunder shall not be paid on the day upon which the same shall become due (whether any formal or legal demand therefor shall have been made or not) then the Lessee shall pay to the Lessor interest at the rate of (15%) fifteen per centum per annum to the date on which such monies are paid to or recovered by the lessor as the case may be. The lessor shall be entitled to recover such interest from the lessee as if such interest was rent in arrears. Nothing contained in this clause shall be deemed to restrict limit or prejudices any right power or remedy of the lessor in respect of such monies.
- (h) That upon the lessor becoming entitled to re-enter the premises pursuant to any provision of this Lease the lessee shall forthwith remove from the premises all goods (which expression where hereinafter used shall include personal property of every description) which may be thereon or therein and in default of the lessee effecting such removal the lessor upon entering into possession of the premises may remove all such goods from the premises to such place or places as the lessor may see fit and shall be deemed to have the authority of the lessee to deposit the same and at the expense of the lessee with a warehouseman selected by the lessor and in doing so the lessor shall not be liable or responsible for loss or damage to or warehousing expenses in respect of the whole or any part of such goods which shall be at the lessee's risk and

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Algerie

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expense at all times and all costs and expenses incurred by the lessor in such removal and deposit shall notwithstanding that this lease shall then have terminated by and be deemed to be a liquidated debt payable by the lessee to the lessor upon demand.

- (i) No consent or waiver expressed or implied by the lessor to or of any breach of any covenant condition or duty of the lessee shall be construed as a consent or waiver to of any other breach of the same or any other covenant condition or duty.

HOLDING OVER

Monthly
Holding
Over.

8. It is hereby FURTHER MUTUALLY AGREED AND DECLARED as follows:

- (a) In the event of the lessee holding over after the expiration or prior determination of the term granted by this demise with the consent of the lessor, the lessee shall become a monthly tenant only of the lessor at a monthly rental being a monthly proportion of the annual rent payable hereunder but varied as provided by Clause 5 hereof and otherwise on the same terms and conditions mutatis mutandis as those herein contained as far as applicable.

NOTICES AND INTERPRETATION

9(a) That the covenants powers and provisions implied in Leases by Sections 84, 85, 133 and 133A of the Conveyancing Act, 1919-1958 shall not apply to and are hereby excluded from this Lease.

(b) That any demand or notice to be given by the Lessor to the Lessee shall be deemed to be duly made if given in writing signed by the Lessor or his agent and delivered to the Lessee personally or sent by post addressed to the Lessee at the demised premises or to the last known address of the Lessee.

(c) Where the context so admits in the construction of any covenant or proviso or other provision contained or implied in this lease words importing the singular or plural number or the masculine gender shall be read as also importing and including the plural or singular number and the feminine

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W. J. Service

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[Signature]

- (b) The guarantee hereby granted shall be deemed to extend to all costs, fees, expenses and other moneys which the Lessor may incur in enforcing or attempting to enforce against the Lessee the terms of this lease and the observance and performance by the Lessee of its several obligations and duties or any of them to be observed fulfilled or performed pursuant to this lease or in the recovery or attempted recovery from the Lessee of any monies which may be payable by the Lessee pursuant to this lease.
- (c) The guarantee hereby granted shall be deemed to extend to and cover the payment to the Lessor of all moneys by way of damages or compensation inter alia for any breach or non-observance (should such breach or non-observance occur) by the Lessee of the terms of this lease.
- (d) Any payment made to the Lessor and later avoided by any statutory provision shall be deemed not to have discharged the Guarantor's liability hereunder and in the event of any such payment being so avoided the parties hereto are to be restored to the right which each respectively would have had if the payments so avoided had not been made.
- (e) Where there is more than one guarantor bound by the provisions hereof then such Guarantors shall be liable hereunder both jointly and severally.

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It is expressly agreed and declared that it is the intention of the parties that this shall be a continuing guarantee and it shall not be affected or abrogated by the granting of any time credit or any other indulgence whatever by the Lessor to the Lessee or to the Guarantor or to any one Guarantor when there is more than one, it also being the intention of the parties and it is hereby so agreed that this guarantee shall be binding and absolute in all and any circumstances.

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~~12. The Lessee shall on or before the signing hereof pay to the Lessors or their agent a deposit of _____ which sum shall be refunded to the Lessees on the termination of this lease and the vacation of the premises by the Lessees provided that the lessors shall be entitled to deduct from the said sum or apply the same towards the satisfaction of any amount that may be payable to the Lessors as a result of any breach of the Lessee of any of the terms conditions and covenants of this Lease.~~

W. J. Service
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13. The Lessee shall advise the Lessor and the Managing Agent of the building for the time being of the private address and telephone number of the Lessee or if the Lessee shall be a corporation of the Manager thereof or if there shall be more than one Lessee of each of them. The Lessor and the Managing Agent shall be promptly informed of any change of such address and telephone number.

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~~14. The Lessor reserves the right from time to time to arrange for pest control examination of the premises and if any service is required as a result of such examination then the total cost for such examination and service shall be borne by the Lessee~~

15. AIR CONDITIONING.

The Lessee covenants with the Lessor that the following provisions shall apply to the plant and machinery and equipment, for heating cooling or circulating air (herein called "air conditioning plant") installed on the premises by the Lessor:-

- (i) the Lessee shall at all times use and regulate the same to ensure that the air conditioning plant is employed to the best advantage and under conditions from time to time prevailing and shall keep such air conditioning plant in good repair and condition and shall pay all costs of maintaining and operating the same;
- (ii) the Lessors shall not be under any liability to the Lessee or to any other person arising from any breakdown of or any inability or failure to operate and maintain the air conditioning plant at any time or times for any reason whatsoever.

16. BUSINESS CONTROL

The Lessee will not enter into any partnership or arrangement in relation to the business carried out on the subject demised premises or relinquish actual control of the business without the consent in writing of the Lessor.

17. LOCK UP.

The Lessee will use his best endeavour to protect and keep safe the demised premises and any property contained therein from theft or robbery and shall keep all doors windows and other openings closed and securely fastened when either the Lessors or any responsible employee or agent of the Lessee is not present on the demised premises or the demised premises are not open for business and the Lessee may maintain such security or other services as may be necessary for this purpose.

Heine
M. Lewis
Stan
Dorcas

19. The Lessee will during the said term well and sufficiently repair maintain and keep the said premises with the appurtenances in good and substantial repair including painting and all fixtures fittings gas electric and otherwise locks and keys and all things thereto belonging or which at any time during the said term shall be erected and made by the Lessors when and where and so often as need be with reasonable wear and tear and damage by fire, not attributable to any act or omission or omission by the Lessee s servants, agents or workmen invites lightning flood and tempest only excepted. Provided that the Lessee shall take all reasonable measures and precautions to ensure that any damage defect or delapidation which has been or at any time shall be occasioned by reasonable wear and tear shall not give rise to or cause or contribute to any substantial injury to the demised premises. The Lessee will at all times during the continuance

- 19 -

of this Lease keep and at the expiration or sooner determination of the said term peaceably surrender and yield up unto the Lessors the said premises with the appurtenances and all buildings erections fixtures erected or made by the Lessors thereon and all the Lessors fixtures and fittings water gas electric light or otherwise locks and keys in good and substantial repair and condition having regard to the condition thereof at the commencement of the Lease; reasonable wear and tear and damage by fire not attributable to any act or omission or commission by the Lessee's agent servants, or workmen or invitees, lightning flood and tempest only excepted. Provided that the Lessee shall take all reasonable measures and precautions to ensure that any damage defect or delapidation which has been or at any time shall be occasioned by reasonable wear and tear shall not give rise or cause or contribute to any substantial injury to the demised premises.

20. The Lessors shall be able when and as often as the Lessors shall require and giving 24 hours notice at all reasonable times of day by itself or its Agents to enter the premises and view the state of repair thereof and to serve upon the Lessee notice in writing of any defect requiring him to repair the same.

In default of the Lessee repairing any defect according to notice or for the purpose of complying with the terms of any present or future legislation affecting the premises and of any notice served on the Lessors or Lessee by the Board of Health, Licensing Inspector or any other competent authority for the carrying out of any repairs or alterations or work which the Lessee may not be bound or if bound may neglect to do and also for the purpose of exercising the powers and authorities of the Lessors under the Lease the Lessors may enter the premises with or without workmen architect and others and may execute the required repairs and additions and in addition to the Lessors other remedies to recover from the Lessee as and by way of overdue rent the cost of such repair together with all monies expended on account of any insurances, indemnities or compensation under the Workers' Compensation Act or otherwise howsoever.

~~REIMBURSEMENT OF OUTGOINGS.~~

~~21. The Lessee will reimburse the Lessors on demand for~~
~~per cent per annum (5p.a.) of each of the annual outgoings as~~
~~hereinafter specified paid or payable by the Lessor~~

- (i) All federal state or municipal taxes of whatsoever kind
or nature ~~whether presently existing or arising~~

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~~in the future including any land tax (but excluding income tax payable by the Lessor on its income) assessed or payable in respect of either the improvements or the land, or arising from the Lessors ownership of the subject property.~~

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- (ii) All rates charges assessments license fees duties impositions fees and levies of whatsoever kind or nature whether presently existing or arising in the future of any public municipal or government body authority or department assessed or payable in respect of either the improvements or the land or arising from the Lessors ownership of the subject property.
- (iii) All insurance premiums payable by the Lessor in respect of the building of which the demised premises form part and the fittings and fixtures in their full insurable reinstatement value against fire Flood lightning storm and tempest cyclone malicious damage earthquake and against such other risks as the Lessor may deem necessary or desirable.
- (iv) The cost of ventilation air-conditioning lighting heating and cooling cleaning and maintenance and repair of any parts of the building of which the demised premises form part.

22. The Lessee shall pay to the Lessor the annual rental of ~~TWO HUNDRED AND ELEVEN THOUSAND THREE HUNDRED AND NINETY ONE DOLLARS AND TWENTY CENTS~~ ^{ONE HUNDRED AND EIGHTY THOUSAND} ~~THREE HUNDRED AND THIRTY THREE DOLLARS AND SEVENTEEN CENTS (\$311,333.17)~~ ^(L1 180,391.20) ~~THOUSAND SIX HUNDRED AND ELEVEN DOLLARS AND TEN CENTS~~ ^{FIFTEEN} ~~each.~~ ^{(15,032.60) (\$17,611.10)}

OFFICE OF THE REGISTRAR
LAND & MINES
ALLENBY STREET
SYDNEY N.S.W. 2010

23. ~~It is hereby expressly agreed and declared that if the Lessee shall desire to take a renewed Lease of the demised premises for a further term of~~ ^{years} ~~from the expiration of the term of this Lease and of such desire shall prior to the expiration of the said term give to the Lessor not less than THREE (3) CALENDAR MONTHS PREVIOUS NOTICE in writing and shall in the meantime duly and punctually pay the rent reserved by this Lease at the time herein appointed for payment and shall duly perform and observe the covenants and agreement sby and on the part of the Lessee contained in this Lease up to the expiration of the term hereby granted including covenant to pay rent the Lessors will at the cost of the Lessee demise to the Lessee the said premises hereby demised for a further term of~~ ^{years} ~~at a rental to be determined by either of the following methods whichever is the greater:-~~

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- (1) By increasing the rent as at the expiration of this Lease in the same proportion as the Index Number at the commencement of the term of the renewed Lease increases in relation to the Index Number as at the commencement of the term of this Lease. In this clause the words "Index Number" shall mean the Consumer Price Index published from time to time in the Commonwealth Statisticians Summary of Australian Statistics. In the event that there is any suspension or discontinuance of the Consumer Price Index by the Commonwealth Authorities then "Index Number" shall mean the New South Wales Male Basic Wage applicable in the City of Sydney.

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[Signature]
[Signature]

~~PROVIDED ALWAYS~~ that notwithstanding such determination the rental payable by the Lessee in respect of the renewed term shall not be less than the rental for the final year of the term of this Lease. The said Lease shall be otherwise on the same terms and conditions as this lease with the exception of this Clause.

25. If at any time prior to the expiration of this Lease the Lessor shall desire to sell the demised premises or any part thereof, the Lessee (if is shall in the mean time have duly and punctually paid the rent hereby reserved and performed and observed all of the covenants on the part of the Lessee herein contained and implied) shall have the right to purchase the demised premises or such part thereof upon the following conditions:-

(b) the Lessee if it desires to purchase the subject premises upon the terms and conditions so offered shall within thirty (30) days after the delivery of such notice cause to be delivered to the Lessors the said form of Agreement for Sale of Land duly executed by the Lessee together with the deposit or any other monies required by the terms thereof to be paid upon the execution thereof and thereupon such Agreement shall be deemed to be entered into by the parties.

(d) upon the expiration of this Lease the Lessor shall be at liberty to sell the demised premises or any part thereof to any person or corporation upon such terms and conditions as it shall think fit.

W. Price

M. J. J. J.

Exams
Darius

27. The Lessee shall not obstruct or interfere with any of the entrances or common areas of the whole of the property owned by the Lessors of which the demised premises form part and the Lessee acknowledges to the Lessor that without limiting the right of the Lessors the common areas shall at all times be subject to the absolute and exclusive control and management of the Lessors...

28. Unless the contrary intention appears common areas means the entrances, driveways and other areas of whole of the property owned by the Lessors of which the demised premises forms part, permitted by the Lessors to be used in general by the occupants of the whole of the property owned by the Lessors and/or not being the subject or any other Lease from the Lessors.

29. Notwithstanding anything else herein contained the annual rental referred to herein shall increase as follows:-

from 1st ~~August~~^{September}, 1992 in the same proportion that the Index Number as at 31st ~~July~~^{July}, 1992 bears to the Index Number as at the 31st ~~July~~^{July}, 1991. 30.4.50.44 20. 50.44

from 1st ~~August~~ ^{Micro sheet}, 1993 in the same proportion that the Index Number as at 31st July, 1993 bears to the Index Number as at the 31st July, 1991. ~~30th Sept~~ ^{30th Sept}

from 1st August, 1994 in the same proportion that the Index-Number as 31st July, 1994 bears to the Index Number as at 31st July, 1993: 75 APL

~~from 1st August, 1995, in the same proportion that the Index Number as at 31st July, 1994 bears to the Index Number as at 31st July, 1994.~~

In this clause the words "Index Number" shall have the same meaning as referred to in clause 5(b) hereof.

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Signed in my presence by the Guarantors
who are personally known to me:

WITNESSES
TO
COMPLETE

Y [Signature]
Y [Signature]
Y [Signature]
Y

W L.
M L.

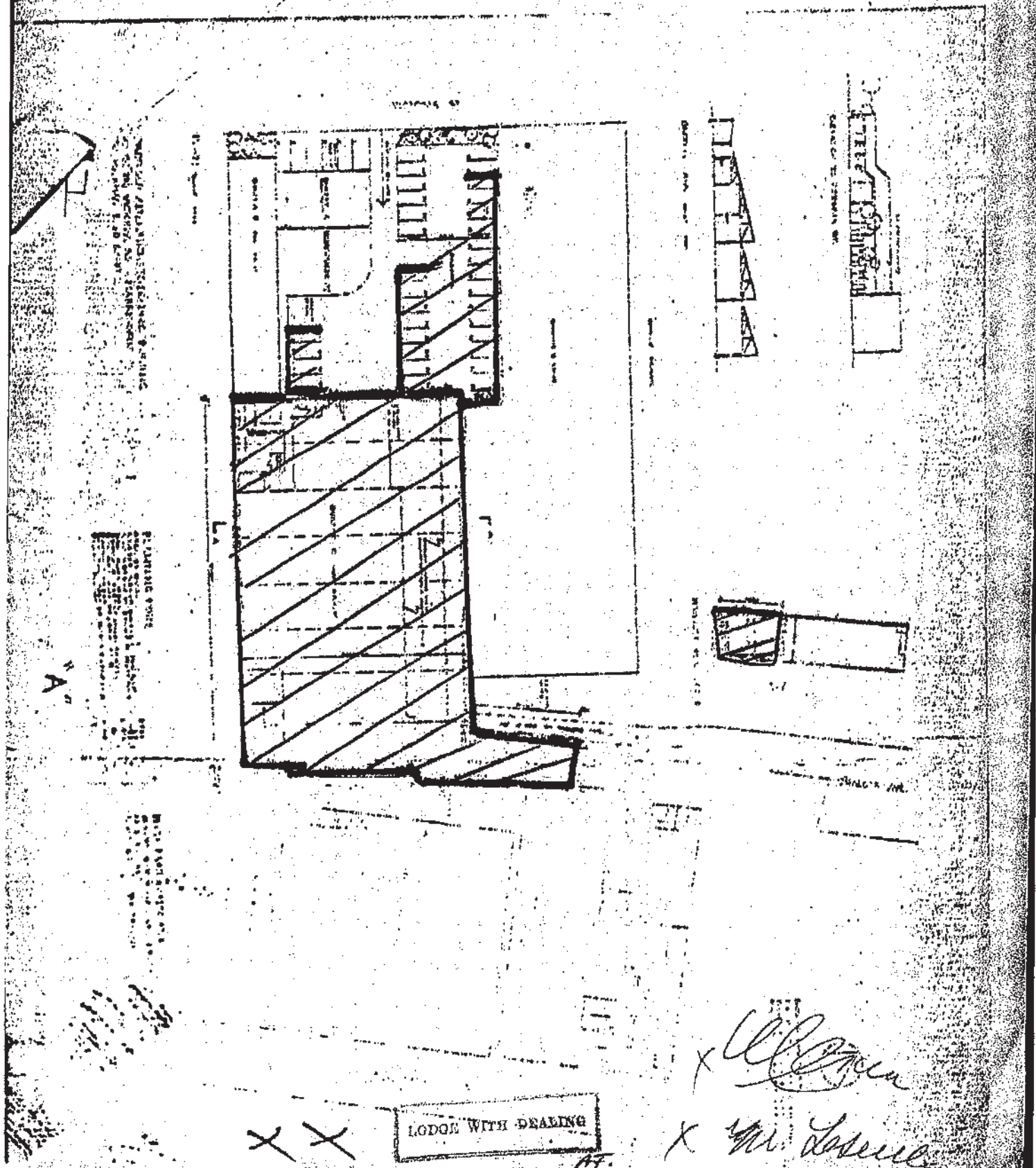
THE COMMON SEAL OF TECH METAL
INDUSTRIES PTY. LIMITED AON No. 000181760
was hereunto affixed by authority of the
Directors in the presence of:-



Y [Signature]
Secretary

Y [Signature]
Director

D



LODGE WITH DRAWING

X X

X *[Signature]*

X Mr. Lawrence

MORTGAGEES'S CONSENT TO LEASE

BARCLAYS BANK AUSTRALIA LIMITED A.C.N.008 497 603 being the Mortgagee under Memorandum of Mortgage Registered No. of the premises demised by the within lease HEREBY CONSENTS to such lease as from the registration thereof and not otherwise and subject to the following conditions and provisions namely:

1. That this consent shall be without prejudice to the rights powers and remedies of the Mortgagee and its assigns under the said Mortgage which shall remain in full force and effect as if this consent had not been given except that so long as the covenants conditions and provisions of the said lease are duly observed and performed the Mortgagee will in the event of the exercise of the power of sale of other power or remedy of the Mortgagee or its assigns or default under the said Mortgage exercise the same subject under the said lease.
2. ~~C That so long as the Mortgagee or its assigns is or are registered as Mortgagee of the said premises the Lessee shall obtain the consent or approval of the Mortgagee in all cases whereunder the said Lease the consent or approval of the Lessor is required.~~
3. That upon the Mortgagee or its assigns giving notice to the Lessee of demanding to enter into receipts of the rents and profits of the said premises the covenants on the part of the Lessee expressed or implied in the said Lease shall be deemed to have been entered into by the Lessee with the Mortgagee and its assigns and all the rights powers and remedies of the lessor under the said lease shall vest in and be exercisable by the Mortgagee and its assigns until such notice be withdrawn or the said Mortgage is discharged.
4. That the Mortgagee shall in no way be bound to perform and shall not incur any liability in respect of the covenants and agreements expressed or implied in the said Lease and on the part of the Lessor to be performed and observed.
5. That the word "Lessees" when used herein shall mean and include the Lessee its successors and assigns.
6. In consideration of the consent by the Mortgagee the Lessor and the Lessee agree to be bound by its terms.
7. The provisions of S153 of the Liquor Act 1982 (or any amendment thereof) shall not apply to this mortgage.

[Handwritten signature]
[Handwritten signature]

DATED this 31 day of August, 1991



[Signature] Director
[Signature] *[Signature]*
LESSEE LESSOR

SIGNED for and on behalf of BARCLAYS BANK AUSTRALIA LIMITED AND its duly constituted Attorneys WHO HEREBY DECLARE that at the time of execution by them of this document they have no notice of the revocation of the Power of Attorney Registered No. ... Book ... under the authority of which they have executed the within document.

[Signature]
STEVE RAYWARD

[Signature]
AARON BAHAN



STAMP DUTY

OFFICE



Y998701

\$2109.80

LEASE

REAL PROPERTY ACT, 1900
(To be lodged in duplicate)

(See instructions for Completion issued via Form RP 10)

CA	101	X	R
\$	127		1

DESCRIPTION
OF LAND
Note (a)

Torrens Title Reference
* Now BEING 1/74280
VOLUME 3600 FOLIO 97
VOLUME 10123 FOLIO 65
IDENTIFIER 10/701308
Now BEING 4/226899

LAND of which LESSOR is registered proprietor
If Part or premises, set out (a) (b)

WHOLE

PART
180 Victoria Road Marrickville
and being that area hatched
black in the plan annexed "A"
hereto.

Location

MARRICKVILLE

LESSOR
Note (b)

EVANGELOS DANIAS of 18 London Street Murre and
DINA DANIAS of the same address his wife

LESSEE
Note (b)

DAICLAYS BANK AUSTRALIA LTD

OFFICE USE ONLY

over

Note (c)

Note (d)

PRIOR
ENCUMBRANCES
Note (d)

TERM

Note (e)

Note (f)

Note (g)

Note (h)

the land and premises above described, subject to the following PRIOR ENCUMBRANCES

for a TERM of Ten (10) years

commencing on 08/07/89 and TERMINATING on 05/07/99

(with an OPTION TO PURCHASE under an OPTION OF RENEWAL as set forth in clause (e)
together with and reserving the rights and liberties set forth in SCHEDULE ONE hereto), and

SUBJECT TO THE covenants and provisions:

- (i) implied by sections 84 and 85 of the Conveyancing Act, 1919 as are not expressly negated or modified herein;
- (ii) set forth in the Memorandum filed in the Land Titles Office as Volume 3600 Folio 97 and
- (iii) set forth in SCHEDULE TWO hereto, which covenants and provisions shall be deemed to be incorporated herein

DATE 14 DECEMBER 1987

We hereby certify this lease to be correct for the purposes of the Real Property Act, 1900.

Signed in my presence by the lessor who is personally known to me

EXECUTION
Note (i)

SEE ANNEXURE HERETO

Note (j)

502

TO BE COMPLETED
BY LODGING PARTY
Notes (j)
and (k)

LODGED BY

Carmel Lucas + Co
PO Box 703 St Leonards

Ref

Delivery Box Number

982E

Checked
EC 20

Passed

IN CHARGE

10

Signed

Expiry Date

28 MAY 1990

LOCATION OF DOCUMENTS	
CT	OTHER
2	
Produced by	83R 5/4
Enclosure	100
Delivery	100

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1. (a) That the Lessee covenants with the Lessor to pay rent.
2. (a) Provided that in the event of war damage, damage by fire, lightning, flood or tempest rent shall abate until the premises are restored, provided however that if the whole or any part of the building shall be taken for any public purpose or be destroyed or damaged by fire, flood, lightning, storm, tempest or other disabling cause so as in the opinion of the Lessor;
 - A. To render the premises during the term substantially unfit for the use and occupation of the Lessee;
 - OR
 - B. So as to deprive the Lessee of substantial use of the premises;
 - OR
 - C. So as to render the re-building or re-construction of the said premises in its present form impracticable or undesirable then;
1. This Lease may be determined without compensation by either the Lessor or the Lessee by notice in writing to the other of them SUBJECT HOWEVER in the case of termination of the Lessee that the Lessor shall have failed to re-build or re-instate the premises within a reasonable time after notice in writing from the Lessee;
- ii. Any such termination as aforesaid shall be without prejudice to the rights of either party in respect of any antecedent breach, matter or thing;
- iii. Nothing herein contained or implied shall be deemed to impose any obligation on the Lessor to re-build or re-instate or make fit for occupation the premises but any monies expended by the Lessor in so doing shall not form any part of the outgoings referred to in this Lease.

CONVEYANCING ACT COVENANTS:

2. To the full effect of the covenants next hereinafter shortly noted as the same are set forth in words at length in the second column of Part 2 of the Fourth Schedule to the Conveyancing Act 1919-1950.

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| Leave premises
in good
condition: | 5. And to leave the premises in good repair (having regard to the condition thereof at the commencement of this lease) reasonable wear and tear and damage by fire, lightning, flood and tempest only excepted. |
| Lessor enter
and view: | 6. And that the Lessor may without notice at all reasonable time of the day enter and view state of repair, and that the Lessee will repair according to notice in writing within one (1) calendar month of that in default the Lessor may repair at the Lessee's expense. |
| Public
Authorities: | 7. And that the Lessor may enter and carry out requirements of public authorities and repairs under the lease. |
| Paint/Paper: | 10. And to paint and/or paper the demised premises every two (2) years. |
| No Offensive
Trade: | 17. That the Lessee will not carry on any offensive trade. |
| Quiet
Enjoyment: | 21. That the Lessor subject as herein provided covenants with the Lessee for quiet enjoyment. |

ADDITIONAL COVENANTS BY LESSEE:

3. To the following special additional provisions which however shall not(except in so far as the provisions hereinafter contained shall expressly negative or modify the same) be held to in anywise limit or abridge any of the provisions of the Conveyancing Act 1919-1958 or the Real Property Act 1900 namely:-
- | | |
|--|--|
| Repair and
Cleaning: | (a) Notwithstanding the provisions hereinbefore contained the Lessee will at his own expense at all times during the said term hereby granted well and sufficiently repair, maintain, cleanse, empty and amend the demised premises the fixtures therein and all drains, sewers, closets, sanitary arrangements cisterns, yards, pavements, gutters, walls and erections and keep both the outside and inside of the said premises in clean and attractive order and repair and condition. |
| Fixtures and
Fittings
Undisturbed: | (b) That the Lessee will at the expiration or sooner determination of the said term surrender and yield up to the Lessor and subject to its obligations under Clause 2(6) hereof leave undisturbed all water, gas, electric light and other fixtures and fittings which are or may be hereinafter be put into and upon the demised premises by the Lessor in good order and condition. |

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- Use: (c) That the Lessee will not without the consent in writing of the Lessor use or occupy the demised premises otherwise than for a Banking Chamber and Commercial offices with ancillary carparking and storage and will ensure that the conduct and management of the premises shall at all times be of such standard as to enhance the status of and preserve the premises for the purposes aforesaid and the Lessee will during all proper business hours keep the premises open for business and will not in any case use the premises for storage of merchandise for manufacturing or as a sleeping place. The Lessee acknowledges that no promise, warranty or undertaking has been given by the Lessor in respect of the suitability of the premises or the building for any business to be carried out therein, or as to any necessary approval or consent for the abovementioned use by any relevant Statutory Authority or to fitting finish facilities or amenities of the premises or the building otherwise than as contained in this Lease.
- Compliance: (c) That the Lessee will comply with and relieve the Lessor from all liability in respect of the requirements of any notice issued by the Board of Health, the Water Board and/or other Statutory Authority or Municipal Authority in relation to all alterations covenances and/or repairs to the demised premises whether or not of a structural nature or for the use in connection therewith occasioned by reason of the nature of the business carried on by the Lessee in the said demised premises, or, the number of persons employed by the Lessee therein or using or occupying the same, or, by reason of the nature of the Lessee's occupation of the premises AND so far as the same are applicable to the said premises and the business carried on therein by the Lessee will observe and conform to the rules and regulations of the Factories and Shops Act or any other Act or Regulation or by-law which may be in force during the said term PROVIDED that all notices received by the Lessor from any of the abovementioned authorities shall within a reasonable time after receipt thereof by the Lessor be served on the Lessee.
- Licenses: (a) That the Lessee will keep on foot all licenses and permits required for the carrying on of any business conducted by the Lessee in or upon the demised premises.

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- Alterations: (F) (i) The Lessee shall not make or cause or suffer to be made any alterations, additions, or improvements to the premises, or install or cause or suffer to be installed therein, or thereon any trade fixtures exterior signs, floor coverings, partitions, interior or exterior lightning, plumbing, fixtures, shades or awnings, or drive nails or screws into the premises or any part thereof, or in any way damage or deface ceilings, walls, partitions, floors, wood, stone, concrete or iron work thereof during the said term, without first obtaining the written approval of the Lessor. The Lessee shall present to the Lessor plans and specifications for such work at the time approval is sought. The Lessor shall be entitled to obtain the advice of its architects in respect thereof, and any fees payable by the Lessor to such architects shall be paid by the Lessee to the Lessor on demand.
- (ii) Any such works carried out pursuant to sub-paragraph (i) hereof shall be carried out by contractors approved of in writing by the Lessor in a proper and workmanlike manner and to a standard in conformity with the requirements of the Building Services Corporation and to the satisfaction of the Lessor, and in carrying out such work the Lessee shall ensure that a minimum amount of disturbance and inconvenience shall be caused to any other occupier of the building or adjoining buildings.
- (iii) Any such work, installations or additions carried out pursuant hereto with the Lessor's consent, shall, if required by the Lessor be removed by the Lessee at or immediately prior to the expiration of this lease, but the Lessee shall upon removal do no damage to the demised premises and shall reinstate the same to the condition they were in prior to such installation.

- Exterior Signs: (3) The Lessee shall not without first obtaining the written consent of the Lessor place construct or erect on the demised premises or post or paint or otherwise affix thereto any displays advertising hoardings posters signs devices or other advertising media. Such advertising media shall strictly relate to the Lessee's said business upon the demised premises, but the Lessor's consent shall not be unreasonably withheld.
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Prohibition
noxious offensive
use;

- (h) That the Lessee will not use the premises for any noxious noisy or offensive purpose or do any act matter or thing whatsoever which shall or may be or grow to the annoyance nuisance grievance damage or disturbance of the occupiers or owners of neighbouring property or any other tenants of the Lessor.

That the Lessee will not permit any noxious or offensive odours or smells to be created on the leased premises and will not do or permit to be done anything whereby the leased premises or any part thereof may be damaged or strained or the walls or floors thereof caused to sag or deflect from their right lines.

Insurance:

- (i) That the Lessee will upon the execution hereof effect and at all times maintain with an Insurance Company to be approved by the Lessor, the following policies of Insurance:

- (1) In the joint name of the Lessor and the Lessee against breakage loss or damage to any plate glass in the demised premises through any cause whatsoever and to the full insurable value thereof;

- (ii) In respect of Public Risk for an amount of FIVE MILLION DOLLARS

* such amount to be re-appraised by the lessors at the expiration of every fifth year of this lease,

(\$5,000,000.00),* in the joint names of the Lessor and Lessee. The Lessee shall supply the Lessor with the Policies so effected.

Increase
Insurance
Premium;

- (j) That if at any time during the currency of the term hereby granted the fire insurance premiums or any of them payable in respect of the demised premises shall be increased beyond the annual amount of rates at the commencement of the said term by reason of the nature of the business carried on or proposed to be carried on by the Lessee on the demised premises or by reason of any alterations made by the Lessee whether or not approved by the Lessor the Lessee will upon demand pay to the Lessor from the time the whole amount by which such increased premiums shall exceed the annual amount of rates as aforesaid AND FURTHER that the Lessee will in no way whatsoever invalidate any Policy or Policies of Insurance on the demised premises. Provided that if the Lessee invalidates any such Policy he shall be responsible for any loss to the Lessor as a result.

Acts or Goods
not permitted;

- (k) That the Lessee shall not wilfully or knowingly do manufacture or permit anything to be done or bring deposit keep store or permit in the premises any goods materials or substance which may conflict with the laws relating to fires or with the by-laws or regulations of the Board of Fire Commissioners of New South Wales or such like authority or with any Acts or Regulations affecting the water supply or sewerage or the Board of Health or with the Factories Act or present

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or future laws or ordinances or regulations affecting the Shire within which the demised premises are or may be situated or which may increase or contribute to the increase of the yearly premium payable on any Policy of Insurance against fire now or at any time hereafter to be effected by the Lessor PROVIDED HOWEVER that nothing herein contained shall impose upon the Lessee any responsibility or liability to effect or carry out any work of a structural nature.

Heating: (1) The Lessee shall not use such methods of heating which shall conflict with the requirements of the Underwriters of the Fire Association of New South Wales. The method of heating the of the demised premises used by the Lessee shall be first approved by the Lessor.

Lessee to Indemnify Lessor for negligence fire damage etc., (m) The Lessee will and does hereby indemnify the Lessor from and against all actions claims demands losses damages costs and expenses for which the Lessor shall or may be or become liable in respect of or arising from:

- (a) The negligent use misuse waste or abuse by the Lessee or any servant agent sub-tenant invitee of or any other person claiming through or under the Lessee of the water gas electricity lighting and other services and facilities of the demised premises or any part of the building;
- (b) Overflow or leaking of water (including rain water) in or from the premises caused or contributed to by any act or omission on the part of the Lessee his servants agents sub-tenants invitees or other persons as aforesaid;
- (c) Loss damage or injury from any cause whatsoever to property or person caused or contributed to by the use of the premises by the Lessee or any servant agent sub-tenant invitee or other person aforesaid;
- (d) Loss damage or injury from any cause whatsoever to property or person within or without the premises or the building occasioned or contributed to by any act omission neglect breach or default of the Lessee or any servant agent sub-tenant invitee or other person as aforesaid.

No Encumbrances: (n) That the Lessee will not mortgage lien or in any way charge or encumber his interest in this Lease without the written consent of the Lessor first had and obtained

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- Legal costs:** (o) That the Lessee will on demand pay the Lessor's Solicitor's costs charges and expenses of and incidental to the preparation and completion of this Lease, including Stamp Duty, Mortgagee's Solicitor's costs and fees and registration fee payable to obtain a certified copy of the Lease.
- No Auction Sale:** (p) That the Lessee will not carry on or permit or cause to be carried on or be party or privy to any sale or sales by auction on the demised premises or any part thereof.
- Light Fittings:** (q) That the Lessee shall keep and maintain all light fittings in proper working order and condition and replace all tubes and parts thereof needful for the effective operation and use thereof.
- Overloadings:** (r) That the Lessee shall not do permit or suffer to be done upon the said premises anything in the nature of overloading the floors thereof whereby the said premises or any part thereof or the said building or any part thereof may be strained or the walls or floors caused to sag or deflect from the right line or so as to damage the said premises or the said building or any part thereof respectively and shall not bring any iron safe or heavy machinery or goods into the said premises without the consent of the Lessor first had and obtained, in writing.
- Notice of Sale or Re-Letting:** (s) That the Lessee will at any time during three (3) months prior to the expiration of this Lease or any continuation thereof or during the period of any holding over hereunder permit the Lessor to affix and exhibit any notice in or about the demised premises indicating the premises to be available for sale or lease and shall permit access to the Lessor its agents or prospective purchaser or lessees.
- Electrical Fixtures:** (t) The Lessee shall at his own expense install all electrical fixtures and fittings wiring and other things (if any) necessary for the installation of the electric light and power in the leased premises and all such fixtures and fittings and wiring and other things installed by the Lessee shall at the termination of this Lease be and become the property of the Lessor; provided that any such installations shall not be made without the written consent of the Lessor's first had and obtained and provided that any such installation shall be approved and passed by the Fire Underwriters Association of New South Wales, The Sydney and Local County Council

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and such other Public Authority as shall be necessary.

**Payment of
Charges:**

- (u) The Lessee covenants to pay the proper authorities all charges for the telephone used and for electricity and gas consumed on the premises and for all excess water in accordance with accounts rendered and if the Lessee makes default in the payment thereof it shall be optional for the Lessor to pay the same and in addition to the Lessor's other remedies it shall be lawful for the Lessor to recover the amount so paid as if same was overdue rent hereunder.

Tenant's Fixtures:(v)

Notwithstanding any respective contributions of the Lessor and Lessee to the cost of the shopfront the said shopfront is part of the premises and shall remain the property of the Lessor and shall not be removed or altered without the prior consent in writing of the Lessor, nor shall any compensation be payable to the Lessee in respect of same in the event of the determination or expiration of the said Lease. Subject thereto and as hereinafter provided all other fixtures plant machinery utensils shelving counters safes and other material or articles brought on to the premises by the Lessee shall be trade or tenant's fixtures and subject to tenant rights and the Lessee may at or prior to the expiration or sooner determination of the lease take remove and carry away the same from the premises but the Lessee shall in such removal do no damage to the premises and shall forthwith make good any damage which he may occasion thereto. The Lessee's obligations to observe or perform this covenant shall survive the expiration or other termination of this Lease. Any trade or tenant's fixtures not removed at or prior to the expiration or sooner determination of the Lease shall be deemed to form part of the freehold property.

**Lessee to assume (w)
Public Risk:**

The Lessee agrees to occupy use and keep the premises at the risk of the Lessee and hereby releases to the full extent permitted by law the Lessor and its agents servants, contractors and employees except to the extent of any negligence on their part from all claims and demands of every kind resulting from any accident damage or injury occurring therein and the Lessee expressly agrees that the Lessor shall have no responsibility or liability for any loss of or damage to stock-in-trade fittings fixtures signs or personal property of the Lessee or loss of profits by the Lessee.

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Lessor not
liable for damages:

x.

Notwithstanding any implications or rule of law to the contrary the Lessor shall not be liable for any damages or loss the Lessee may suffer by any act, default or neglect of the Lessor, or any other person in carrying out the powers, authorities and provisions herein contained or otherwise with respect to the premises or the building or by reason of the Lessor neglecting to do something to the premises or to the building and which as between the Lessor and the Lessee it might be legally liable to do unless the Lessee has given the Lessor written notice to do such thing and the Lessor has without reasonable cause failed within a reasonable time thereafter to take proper steps to comply therewith.

COVENANTS BY THE LESSOR:

Lessee's
Fixture:

4.

The Lessor covenants and agrees with the Lessee as follows:-

That the Lessee may on the expiration of this Lease provided that the Lessee shall have paid all rental and other monies payable by the Lessee hereunder remove and carry away from the said premises all fixtures, fittings, plant and machinery, utensils, shelving, counters, safes or other articles upon the said premises in the nature of trade or tenant's fixtures brought upon the said premises by the Lessee but the Lessee shall in such removal do no damage to the said premises and shall re-instate all floor coverings, walls, ceilings and the like and repair any damage thereto caused by the installation, placement and maintenance upon the premises of the fixtures, fittings and other articles as hereinbefore specified and shall forthwith make good to the satisfaction of the Lessor or its authorised agent any damage which the Lessee may occasion thereto and notwithstanding the provision relating to wear and tear in the Covenant 3(a) hereof the Lessee shall in all cases deliver up the premises with all surfaces in a clean and freshly painted condition.

VARIATION OF RENT AND INCREASE IN OUTGOINGS:

Rent:

5(a) In the event that the term of this demise exceeds three (3) years then at the discretion of the Lessor the annual rental may be re-appraised at the expiration of the third year and each year which is a multiple thereof to an amount which shall be the then current market rent as agreed upon by the Lessor

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- and Lessee or in the event of failure to agree as determined by an independent Valuer to be appointed by the President of the Real Estate Institute of New South Wales.
- (b) Notwithstanding anything hereinbefore contained the annual rental hereinbefore specified and the instalments by which such rental is payable shall be increased in the same proportion that the Index number at the commencement of any year of the term period bears to the Index Number as at the commencement of the term. Each year shall be calculated from the date of commencement of this lease and subsequent annual anniversaries thereof. In this Clause the words "Index Number" shall mean the Consumer Price Index for Sydney published from time to time in the Commonwealth Statisticians Summary of Australian Statistics. In the event that there is any suspension or discontinuance of the Consumer Price Index for Sydney by the Commonwealth Authorities then the annual rental hereinbefore specified and the instalments by which such rental is payable shall be the mean of the rental as determined as the fair market rental value of the premises by two (2) Real Estate Valuers nominated by the then Secretary of the Real Estate Institute of New South Wales whose decision shall be conclusive and binding.
- (c) For any one or more years of the term (other than the initial year thereof) the Lessor at its discretion may by notice in writing to the Lessee elect not to require the rental in that year to be varied as provided in sub-paragraph (b) hereof. Should the Lessor so elect then in respect of the year the subject of that election the annual rental shall be an amount equal to One hundred and Nine . percentum (109 %) of the rent payable in the immediately preceding year and the Lessee covenants to pay such rent accordingly by equal calendar monthly instalments in advance.

ADJOINING PREMISES:

6. It is hereby agreed and declared by and between the said Lessor and the said Lessee that in the event of any building or buildings being erected on any property adjoining the said premises in such manner that the light now obtained from any window or windows in the demised premises be shut off then the Lessor will not be held responsible to the Lessee nor will the matter be a subject for compensation or reduction of rent.

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LESSEE'S DEFAULT:

- 7(a) If the rent hereby reserved or any part thereof shall be unpaid for the space of fourteen (14) days after any of the days on which the same ought to have been paid although no formal demand shall have been made therefore,
OR
(b) If any Lessee being a Company shall pass an effective resolution to wind up (other than for the purposes of reconstruction) or shall be ordered by the Court to be wound up, or if any steps whatsoever be taken for the winding up whether compulsorily or otherwise., OR
(c) If the Lessee or any future Assignee of the Lessee being a person or persons of his, her for their estate or estates shall be declared bankrupt or if he, she or they shall compound with or assign his, her or their estate or estates for the benefit of his her or their creditors, or if he, she or they shall suffer execution to be levied upon the demised premises on the term hereby created., OR
(d) In the case of the breach or non-observance or non-performance of any of the covenants conditions provisions or agreements herein contained or implied and on the Lessee to be performed and observed,

THEN and in any such case it shall be lawful for the Lessor at any time thereafter and whilst such neglect or default continues and without further notice or demand to enter (forcibly if necessary) into and upon the demised premises or any part thereof in the name of the whole and to repossess the same as of his former estate and expel the Lessee and those claiming under him and remove his effects from off the demised premises without being taken or deemed guilty of any manner of trespass or wrong but without prejudice to any action or right of action or any remedy of the Lessor in respect of any breach of the Lessee's covenants herein contained or implied; and that thereupon this Lease shall if the Lessor so elects determine cease and be at an end and the Lessee shall be and remain liable for the rent to the date of such entry at the rate hereinbefore reserved.

- (e) Notwithstanding anything herein contained upon the Lessor becoming entitled to re-enter or determine this Lease the residue of the said term for the time being unexpired shall at the option of the Lessor immediately upon Notice of the exercise of such Option being given to the Lessee be reduced to one (1) week and thereafter the tenancy hereby created shall be and remain a tenancy from week to week at a weekly rent equal to one (1) weeks proportion

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- 12 -

of the rent hereby reserved commencing from the date of service of such notice and shall be determinable by one (1) weeks notice to quit terminating any day of the week.

- (f) The Lessor may, but shall not be obliged to, remedy at any time without notice any default by the Lessee under this Lease and whenever the Lessor so elects all costs and expenses incurred by the Lessor (including legal costs and expenses) in remedying a default shall so constitute a liquidated debt and shall be paid by the Lessee to the Lessor on demand.
- (g) If the rent hereby reserved or any part thereof or any other monies payable by the Lessee to the Lessor hereunder shall not be paid on the day upon which the same shall become due (whether any formal or legal demand therefor shall have been made or not) then the Lessee shall pay to the Lessor interest at the rate of Fifteen (15%) per centum per annum to the date on which such monies are paid to or recovered by the Lessor as the case may be. The Lessor shall be entitled to recover such interest from the Lessee as if such interest was rent in arrears. Nothing contained in this Clause shall be deemed to restrict limit or prejudice any right power or remedy of the Lessor in respect of such monies.
- (h) That upon the Lessor becoming entitled to re-enter the premises pursuant to any provision of this Lease the Lessee shall forthwith remove from the premises all goods (which expression where hereinafter used shall include personal property of every description) which may be thereon or therein and in default of the Lessee effecting such removal the Lessor upon entering into possession of the premises may remove all such goods from the premises to such place or places as the Lessor may see fit and shall be deemed to have the authority of the Lessee to deposit the same and at the expense of the Lessee with a warehouseman selected by the Lessor and in doing so the Lessor shall not be liable or responsible for loss or damage to or warehousing expenses in respect of the whole or any part of such goods which shall be at the Lessee's risk and expense at all times and all costs and expenses incurred by the Lessor in such removal and deposit shall notwithstanding that this Lease shall then have terminated by and be deemed to be a liquidated debt payable by the Lessee to the Lessor upon demand.
- (i) No consent or waiver expressed or implied by the Lessor to or of any breach of any covenant condition or duty of the Lessee shall be construed as a consent or waiver to or of any other breach of the same or any other covenant condition or duty.

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HOLDING OVER:

Monthly
Holding Over:

8. It is hereby FURTHER MUTUALLY AGREED AND DECLARED as follows:-

- (a) In the event of the Lessee holding over after the expiration or prior determination of the term granted by this demise with the consent of the Lessor, the Lessee shall become a monthly tenant only of the Lessor at a monthly rental being a monthly proportion of the annual rent payable hereunder but varied as provided by Clause 5 hereof and otherwise on the same terms and conditions mutatis mutandis as those herein contained as far as applicable.

NOTICES AND INTERPRETATIONS:

- 9(a) That the covenants powers and provisions implied in Leases by Sections 84, 85, 133 and 133A of the Conveyancing Act, 1919-1958 shall not apply to and are hereby excluded from this Lease,
- (b) That any demand or notice to be given by the Lessor to the Lessee shall be deemed to be duly made if given in writing signed by the Lessor or his agent and delivered to the Lessee personally or sent by post addressed to the Lessee at the demised premises or to the last known address of the Lessee.
- (c) Where the context so admits in the construction of any covenant or proviso or other provision contained or implied in this Lease words importing the singular or plural number or the masculine gender shall be read as also importing and including the plural or singular number and the feminine gender as the case may require, and a covenant, proviso or provision in which more persons than one are by the context deemed to covenant agree or appoint, shall be deemed to bind and extend to such persons and any two of them severally (whenever a corporation shall be a party hereto either as Lessor or Lessee the words "Lessor", "Lessee" or "Persons" whenever herein used shall be deemed to mean and include such corporation, its successors, assigns and transferees) and the word "Lessor or "Guarantor" shall include his executors, administrators and permitted assigns.

DEEMED AGREEMENT UNDER SEAL:

10. That this document shall be deemed an agreement under seal for the granting of such a Lease as is hereby purported to be granted and the covenants and conditions herein contained shall be deemed to bind the parties in the same manner as if THIS DOCUMENT WERE REGISTERED NOTWITHSTANDING THAT IT MAY BE held that no estate passes hereunder PROVIDED that should the Lessee require registration the Lessor will procure the same but any necessary survey and the registration of such Lease and the obtaining of all necessary consents thereto shall be at the cost or expense of the Lessee.

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GUARANTEE

Guarantee
of Lessee's
Obligations:

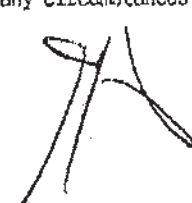
11. The Lessor agrees to grant this Lease at the request (testified by his/her execution hereof of

hereinafter called "The Guarantor/s"). In consideration of the Lessor at the request of the Guarantor/s entering into this Lease the said Guarantor/s do/does hereby guarantee to the Lessor the due and punctual performance by the Lessee of its several obligations and duties on its part to be observed and fulfilled and performed pursuant to the terms of this Lease and in particular but without limiting the generality of the guarantee hereby given IT IS AGREED that:

- (a) In the event of default by the Lessee in payment of any monies due and payable by it pursuant to this Lease then as regards such monies the Guarantor shall be deemed to become a principal debtor to the Lessor and the Guarantor shall forthwith upon the occurrence of such default pay such monies to the Lessor.
- (b) The guarantee hereby granted shall be deemed to extend to all costs, fees, expenses and other monies which the Lessor may incur in enforcing or attempting to enforce against the Lessee the terms of this Lease and the observance and performance by the Lessee of its several obligations and duties or any of them to be observed fulfilled or performed pursuant to this Lease or in the recovery or attempted recovery from the Lessee of any monies which may be payable by the Lessee pursuant to this Lease.
- (c) The guarantee hereby granted shall be deemed to extend to and cover the payment to the Lessor of all monies by way of damages or compensation inter alia for any breach or non-observance (should such breach or non-observance occur) by the Lessee of the terms of this Lease.
- (d) Any payment made to the Lessor and later avoided by any statutory provision shall be deemed not to have discharged the Guarantor's liability hereunder and in the event of any such payment being so avoided the parties hereto are to be restored to the right which each respectively would have had if the payments so avoided had not been made.
- (e) Where there is more than one Guarantor bound by the provisions hereof then such Guarantors shall be liable hereunder both jointly and severally.

It is expressly agreed and declared that it is the intention of the parties that this shall be a continuing guarantee and it shall not be affected or abrogated by the granting of any time credit or any other indulgence whatsoever by the Lessor to the Lessee or to the Guarantor or to any one Guarantor when there is more than one, it also being the intention of the parties and it is hereby so agreed that this guarantee shall be binding and absolute in all and any circumstances.

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12. The Lessee shall on or before the signing hereof pay to the lessors or their agent a deposit of _____ which sum shall be refunded to the Lessee on the termination of this Lease and the vacation of the premises by the Lessee provided that the lessors shall be entitled to deduct from the said sum or apply the same towards the satisfaction of any amount that may be payable to the lessor as a result of any breach of the Lessee of any of the terms conditions and covenants of this Lease.
13. The Lessee shall advise the Lessor and the Managing Agent of the building for the time being of the private address and telephone number of the Lessee or if the Lessee shall be a corporation of the Manager thereof or if there shall be more than one Lessee of each of them. The Lessor and the Managing Agent shall be promptly informed of any change of such address and telephone number.
14. The Lessor reserves the right from time to time to arrange for pest control examination of the premises and if any service is required as a result of such examination then the total cost for such examination and service shall be borne by the Lessee.

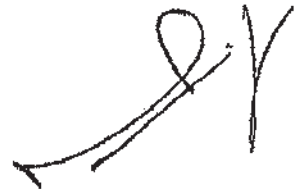
AIR CONDITIONING:

15. The Lessee covenants with the lessor that the following provisions shall apply to the plant and machinery and equipment, for heating cooling or circulating air (herein called "Air Conditioning Plant") installed on the premises:-
- (i) the Lessee shall at all times use and regulate the same to ensure that the air conditioning plant is employed to the best advantage and under conditions from time to time prevailing and shall keep such air conditioning plant in good repair and condition and shall pay all costs of maintaining and operating the same;
- (ii) the lessors shall not be under any liability to the Lessee or to any other person arising from any breakdown of or any inability or failure to operate and maintain the air conditioning plant at any time or times for any reason whatsoever.

BUSINESS CONTROL:

16. The Lessee will not enter into any partnership or arrangement in relation to the business carried out on the subject demise premises or relinquish actual control of the business without the consent in writing of the Lessor.

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LOCK UP:

17. The Lessee will use his best endeavour to protect and keep safe the demised premises and any property contained therein from theft or robbery and shall keep all doors windows and other openings closed and securely fastened when either the Lessors or any responsible employee or agent of the Lessee is not present on the demised premises or the demised premises are not open for business and the Lessee may maintain such security or other services as may be necessary for this purpose.
18. The Lessee will indemnify and hold harmless the Lessors from and against all damages sums of money costs charges expenses actions claims and demands which may be sustained or suffered or recovered or made against the Lessors by any person for any loss damage or injury such person may sustain when using or entering portion of the premises or building whether in the occupation of the Lessors, the Lessee or any other person whether or not such injury arises or has arisen as a result of any act or omission neglect breach or default by the Lessee or any servant agent clerk workman employee or invitee of the Lessee or as a result of the creation of some dangerous thing or state of affairs by the Lessee or by any clerk servant agent workman employee or invitee of the Lessee and whether the existence of such dangerous thing or state of affairs was or ought to have been known to the Lessor or not. It is hereby expressly agreed and declared that the Lessors shall not be liable for any damage the Lessee or its clerks servants licensees invitees workmen employees agents customers or visitors of the Lessee may suffer by reason of any injury or damage to any person or property who or that may be at any time in the premises or building arising from any cause or reason whatsoever but including the overflow of water supply or rain water which may leak into the demised premises or any premises attached to or connected with the same or from any parts of the demised premises or any building attached to or connected with the same or arising from any defects in gas, electric or water supply connection or fittings or appliances used in connection thereof.
19. The Lessee will during the said term well and sufficiently repair maintain and keep the said premises with the appurtenances in good and substantial repair including painting and all fixtures fittings gas electric and otherwise locks and keys and all things thereto belonging or which at any time during the said term shall be erected and made by the Lessors when and where and so often as need be with reasonable wear and tear and damage by fire, not attributable to any act or omission or omission by the Lessee's servants, agents or workmen invitees lightning flood and tempest only excepted. Provided that the Lessee shall take all reasonable measures and precautions to ensure that any damage defect or dilapidation which has been or at any time shall

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be occasioned by reasonable wear and tear shall not give rise to or cause or contribute to any substantial injury to the demised premises. The Lessee will at all times during the continuance of this lease keep and at the expiration or sooner determination of the said term peaceably surrender and yield up unto the Lessors the said premises with the appurtenances and all building erections fixtures erected or made by the Lessors thereon and all the Lessors fixtures and fittings water gas electric light or otherwise locks and keys in good and substantial repair and condition having regard to the condition thereof at the commencement of this Lease; reasonable wear and tear and damage by fire not attributable to any act or omission or commission by the Lessee's agents servants or workmen or invitees, lightning flood and tempest only excepted. Provided that the Lessee shall take all reasonable measures and precautions to ensure that any damage defect or delapidation which has been or at any time shall be occasioned by reasonable wear and tear shall not give rise or cause or contribute to any substantial injury to the demised premises.

20. The Lessors shall be able when and as often as the Lessors shall require and without previous notice at all reasonable times of day by itself or its agents to enter the premises and view the state of repair thereof and to serve upon the Lessee notice in writing of any defect requiring him to repair the same.

In default of the Lessee repairing any defect according to notice or for the purpose of complying with the terms of any present or future legislation affecting the premises and of any notice served on the Lessors or Lessee by the Board of Health, Licensing Inspector or any other competent authority for the carrying out of any repairs or alterations or work which the Lessee may not be bound or if bound may neglect to do and also for the purpose of exercising the powers and authorities of the Lessors under the Lease and the Lessors may enter the premises with or without workman architect and others and may execute the required repairs and additions and in addition to the Lessors other remedies to recover from the Lessee as and by way of over and above the cost of such repairs together with all monies expended on account of any insurances, indemnities or compensation under the Workers' Compensation Act or otherwise howsoever.

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REIMBURSEMENT OF OUTGOINGS:

21. The Lessee will reimburse the Lessors on demand for *Ten and one half* percentum per annum (10-5 %) of each of the annual outgoings as hereinafter specified paid or payable by the Lessors in respect to 190-198 Victoria *Road Marrickville.*

- (i) All federal state or municipal taxes of whatsoever kind or nature whether presently existing or arising in the future including any Land Tax (but excluding income tax payable by the Lessor on its income) assessed or payable in respect of either the improvements or the land, or arising from the Lessors ownership of the subject property.
- (ii) All rates charges assessments licences fees duties impositions fees and levies of whatsoever kind or nature whether presently existing or arising in the future of any public municipal or government body authority or department assessed or payable in respect of either the improvements or the land or arising from the Lessors ownership of the subject property.
- (iii) All insurance premiums payable by the Lessor in respect of the building of which the demised premises form part and the fittings and fixtures in their full insurable reinstatement value against fire flood lightning storm and tempest cyclone malicious damage earthquake and against such other risks as the Lessor may deem necessary or desirable.
- (iv) The cost of ventilation air-conditioning lighting heating and cooling cleaning and maintenance and repair of any parts of the building of which the demised premises form part.
- (v) ~~any Strata Levies payable to the Body Corporate and/or the Strata Plan relating to the premises pursuant to the Strata Titles Act 1973 or any replacement or amendment thereof.~~
- (v) The cost of maintenance of the Sprinkler System installed on the premises.

23. The Lessee will not during the continuance of this lease assign transfer demise or sublet part with or share the possession of or grant any license affecting or mortgage charge or otherwise deal with or dispose of the demised premises or any part thereof or any estate or interest therein or by any act or deed procure the demised premises or any part thereof or any estate or interest to be assigned transferred demise sublet unto share or put into possession of any person or persons licensed mortgaged charged or otherwise dealt with or disposed of unless:-

- (1) The Lessee gives to the Lessor not less than one (1) months notice in writing of its desire to deal with the premises in manner aforesaid;

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(ii) The Lessee is not at the time of giving such notice or thereafter in default in the observance or performance of the covenants and agreements on the Lessee's part herein contained or implied;

(iii) The Lessee proposes to assign transfer sub-lease or grant a license to a person or entity who not less than fourteen (14) days prior to any such assignment transfer sub-lease or grant -

- (aa) proves to the satisfaction of the Lessor that he is a respectable, responsible and solvent person of stature and experience comparable to that of the Lessee and capable of adequately carrying on the business proposed to be carried on by him in the premises;
- (bb) enters into a covenant with the Lessor in the form required by the Lessor that he will duly perform and keep the covenants and agreements on the Lessee's part herein contained;
- (cc) furnishes to the Lessor such guarantee or guarantees of the performance of his obligations under this Lease as the Lessor shall require;
- (dd) pays to the Lessor a reasonable fee to cover administrative expenses and also its proper costs and disbursements of and incidental to the giving of its consent;

and in any case with the prior written consent of the Lessor and subject to the Lessee complying with all the foregoing provisions of this sub-clause such consent shall not be unreasonably withheld.

23. The Lessee shall pay to the Lessor the annual rental of Sixty
thousand dollars (\$60,000.00) payable calendar monthly
in advance to the Lessor or as he may direct by calendar monthly instalments of
Five thousand dollars (\$5,000.00) each.

24. In the event of the introduction or effect of any legislation, regulation or prohibition by any Government or other competent authority prohibiting or restricting the Lessor from recovering from the Lessee reimbursement of the outgoings or any one or part of such outgoings referred to in Clause 21 hereof, the parties hereto agree that, commencing in the year during which such legislation is introduced, at the end of each period of twelve (12) months of the term hereof the rental payable pursuant to this Lease in respect of the said twelve (12) month period having immediately elapsed shall be increased by the amount of the Lessee's share of the outgoings or part of such outgoings referred to in Clause 21 hereof which the Lessor has not received from the Lessee and the Lessee agrees to pay to the Lessor such additional rental within twenty-one (21) days of the written request by the Lessor or the Lessee for payment of same,

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It is hereby expressly agreed and declared that if the Lessee shall desire to take a renewed lease of the demised premises for a further term of FIVE (5) Years from the expiration of the term of this Lease and of such desire shall prior to the expiration of the said term give to the Lessor not less than THREE (3) CALENDAR MONTHS PREVIOUS NOTICE IN WRITING and shall in the meantime duly and punctually pay the rent reserved by this Lease at the time herein appointed for payment and shall duly perform and observe the covenants and agreements by and on the part of the Lessee contained in this Lease up to the expiration of the term hereby granted including covenant to pay rent the Lessor will at the cost of the Lessee demise to the Lessee the said premises hereby demise for a further term of FIVE (5) Years at a rental to be determined by either of the following methods whichever is the greater:-

(i) by increasing the rent as at the expiration of this Lease in the same proportion as the Index Number at the commencement of the term of the renewed Lease increases in relation to the Index Number as at the commencement of the term of this Lease. In this Clause the words "Index Number" shall mean the Consumer Price Index for Sydney published from time to time in the Commonwealth Statisticians Summary of Australian Statistics. In the event that there is any suspension or discontinuance of the Consumer Price Index by the Commonwealth Authorities then "Index Number" shall mean the New South Wales Male Basic Wage applicable in the City of Sydney.

(ii) the mean of the rental as determined as the fair market rental value of the premises by two (2) Real Estate Valuers nominated by the then Secretary of the Real Estate Institute of New South Wales.

PROVIDED ALWAYS that notwithstanding such determination the rental payable by the Lessee in respect of the renewed term shall not be less than the rental for the final year of the term of this Lease. The said Lease shall be otherwise on the same terms and conditions as this Lease with the exception of this Clause.

26. Notwithstanding anything also herein contained the Lessee shall at the Lessee's expense carry out the following work to the premises in a good and workmanlike manner:-

- a. Instal suspended ceiling.
- b. Instal such lighting as may be required by the Lessee.
- c. Instal carpet as required by the Lessee.
- d. Instal reverse cycle air conditioning as required by the Lessee.
- e. Instal sprinkler system as required by Marrickville Municipal Council or any other statutory authority.
- f. Complete or carry out such work necessary to comply with any conditions imposed by Marrickville Municipal Council and its Building and/or Development approvals.

27. The Lessee will reimburse the Lessor on demand for ~~ONE HUNDRED PERCENT (100%)~~ of the cost ~~of maintenance of the Sprinkler System installed in the premises.~~

28. It is agreed that the Suspended Ceiling, Lighting and Sprinkler System installed by the Lessee shall become the property of the Lessor upon termination of this Lease.

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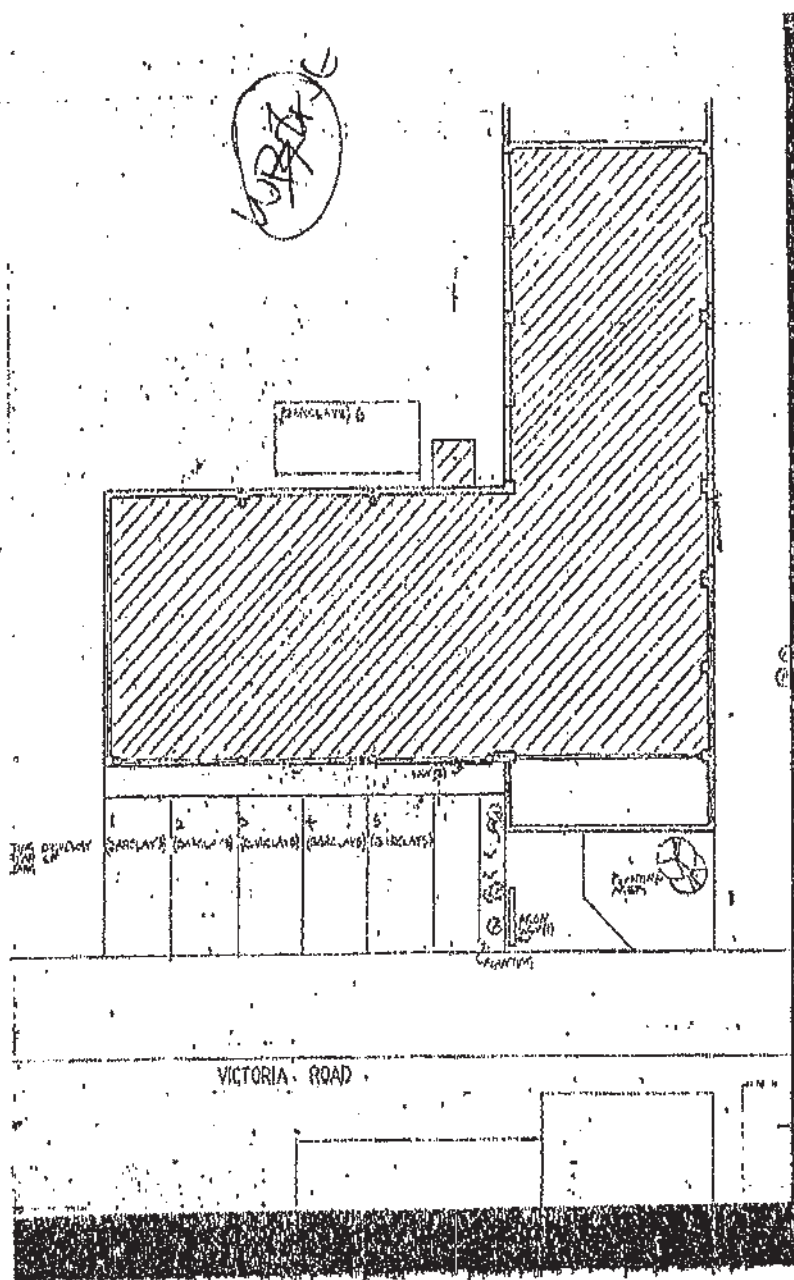
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LOUIS HILL DEALING
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[Handwritten signature]

THIS IS THE ANNEXURE REFERRED TO IN THE LEASE BETWEEN EVANGELOS DANIAS and
DINA DANIAS AND BARCLAYS BANK AUSTRALIA LIMITED DATED
DAY OF 1988,

SIGNED in my presence by EVANGELOS
DANIAS who is personally known to me

Signature of Witness

PETER NELSON
Name of Witness (BLOCK LETTERS)

161 MARRICKVILLE RD MARRICKVILLE
Address and occupation of witness
REAL ESTATE AGENT

Signature of EVANGELOS DANIAS

SIGNED in my presence by DINA DANIAS who
is personally known to me

Signature of Witness

PETER NELSON
Name of Witness (BLOCK LETTERS)

161 MARRICKVILLE RD MARRICKVILLE
Address and occupation of witness
REAL ESTATE AGENT

Signature of DINA DANIAS

SIGNED for and on behalf of BARCLAYS
BANK AUSTRALIA LIMITED
by JAMES WILKIN BARRISTER its duly constituted
Attorney WHO HEREBY DECLARES that at
the time of execution by him of this document
he has no notice of the revocation of the
Power of Attorney Registered No. 711 Book
3740 under the authority of which he has just
executed the within document

Signature of Attorney

Signature of Witness

Name of Witness

SCHEDULE ONE HEREINBEFORE REFERRED TO

The Lessee shall have the benefit of the following right and liberties:

Notes (l) and (m)

The Lessor reserves unto himself the following right and liberties:

Notes (l) and (m)

SCHEDULE TWO HEREINBEFORE REFERRED TO

Notes (m) and (n)

(For continuation of SCHEDULE TWO, see annexure(s) hereto)

Note (g)

OFFICE USE ONLY

FIRST SCHEDULE DIRECTIONS

FIRST SCHEDULE DIRECTIONS				
(A) FOLIO IDENTIFIER	(B) DIRECTION	(C) NAME		
(A) FOLIO IDENTIFIER	(B) DIRECTION	(F) NOTE TYPE	(D) DEALING NUMBER	(E) DETAILS
	ON	L		LEASE TO MODEL ENGINEERING PRODUCTS PTY. LIMITED OF PREMISES KNOWN AS 190-194 VICTORIA ROAD, MARRICKVILLE, WITH OPTION OF RENEWAL . EXPIRES SHOWN HATCHED IN PLAN WITH W795573. WITH OPTION OF RENEWAL EXPIRES 31-7-1991.
	OT Dup		TSR 9926	

CONVEYANCING ACT COVENANTS

2. To the full effect of the covenants next hereinafter shortly noted as the same are set forth in words at length in the second column of Part 2 of the Forth Schedule to the Conveyancing Act 1919-1958:

Rent:

1. That the lessee covenants with the lessor to pay rent.
2. Provided that in the event of war damage, damage by fire, lightning flood or tempest rent shall abate until the premises are restored, provided however that if the whole or any part of the building shall be taken for any public purpose or be destroyed or damaged by fire, flood, lightning, storm, tempest or other disabling cause so as in the opinion of the lessor:

- A. To render the premises during the term substantially unfit for the use and occupation of the lessee,

or

- B. So as to deprive the lessee of substantial use of the premises,

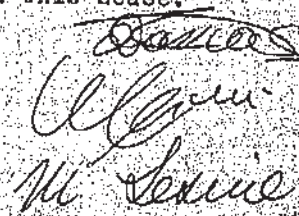
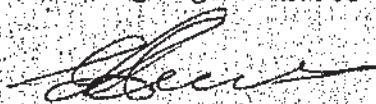
or

- C. So as to render the re-building or re-construction of the said premises in its present form impracticable or undesirable then:

- i. This Lease may be determined without compensation by either the lessor or the lessee by notice in writing to the other of them Subject However in the case of termination of the lessee that the lessor shall have failed to re-build or re-instate the premises within a reasonable time after notice in writing from the lessee;

- ii. Any such termination as aforesaid shall be without prejudice to the rights of either party in respect of any antecedent breach, matter or thing;

- iii. Nothing herein contained or implied shall be deemed to impose any obligation on the lessor to re-build or re-instate or make fit for occupation the premises but any monies expended by the lessor in so doing shall not form any part of the outgoings referred to in this Lease.



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Leave premises in good condition: 5. And to leave the premises in good repair (having regard to the condition thereof at the commencement of this Lease) reasonable wear and tear and damage by fire, lightning, flood and tempest only excepted.

Lessor enter and view: 6. And that the lessor may without notice at all reasonable times of the day enter and view state of repair, and that the lessee will repair according to notice in writing within one calendar month of that in default the lessor may repair at the lessee's expense.

Public Authorities: 7. And that the lessor may enter and carry out requirements of public authorities and repair under the Lease.

Paint/Paper: 10. ~~And to paint and/or paper the demised premises every two (2) years.~~

No Offensive Trade: 17. That the lessee will not carry on any offensive trade.

Quiet Enjoyment: 21. That the Lessor subject as herein provided covenants with the Lessee for quiet enjoyment.

ADDITIONAL COVENANTS BY LESSEE

3. To the following special additional provisions which however shall not (except in so far as the provisions herein-after contained shall expressly negative or modify the same) be held to in anywise limit or abridge any of the provisions of the Conveyancing Act 1919-1958 or the Real Property Act 1900 namely:-

Repair & Cleaning: (a) Notwithstanding the provisions hereinbefore contained the Lessee will at his own expense at all times during the said term hereby granted well and sufficiently repair maintain cleanse empty and amend the demised premises the fixtures therein and all drains sewers closets sanitary arrangements cisterns yards pavements gutters walls and erections and keep both the outside and inside of the said premises in clean and attractive order repair and condition.

Fixtures & fittings undisturbed: (b) That the lessee will at the expiration or sooner determination of the said term surrender and yield up to the lessor and subject to its obligations under Clause 2(6) hereof leave undisturbed all water gas electric light and other fixtures and fittings which are or may hereafter be put into and upon the demised premises by the

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lessor in good order and condition.

Use:

- (c) That the Lessee will not without the consent in writing of the lessor use or occupy the demised premises otherwise than for ENGINEERING FACTORY ^{including Carriage Painting, Welding, Sandblasting, Assembling} and will ensure that the conduct and management of the premises shall at all times be of such standard as to enhance the status of and preserve the premises for the purposes aforesaid and the lessee will during all proper business hours keep the premises open for business and will not in any case use the premises for storage of merchandise for manufacturing or as a sleeping place. The lessee acknowledges that no promise, warranty or undertaking has been given by the lessor in respect of the suitability of the premises or the building for any business to be carried out therein, or as to any necessary approval or consent for the abovementioned use by any relevant Statutory Authority or to fitting finish facilities or amenities of the premises or the building otherwise than as contained in this Lease.

Compliance:

- (d) That the lessee will comply with and relieve the lessor from all liability in respect of the requirements of any notice issued by the Board of Health, the Metropolitan Water Sewerage and Drainage Board and/or any other Statutory Authority or Municipal Authority in relation to all alterations conveniences and/or repairs to the demised premises whether or not of a structural nature or for the use in connection therewith occasioned by reason of the nature of the business carried on by the lessee in the said demised premises, or, the number of persons employed by the lessee therein or using or occupying the same, or, by reason of the nature of the lessee's occupation of the premises AND so far as the same are applicable to the said premises and the business carried on therein by the lessee will observe and conform to the rules and regulations of the Factories and Shops Act or any other Act or Regulation or by-law which may be in force during the said term PROVIDED that all notices received by the lessor from any of the abovementioned authorities shall within a reasonable time after receipt thereof by the lessor be served on the lessee.

- Licences: (e) That the lessee will keep on foot all licences and permits required for the carrying on of any business conducted by the lessee in or upon the demised premises.

[Handwritten signatures]
Daria S
M. Lennie

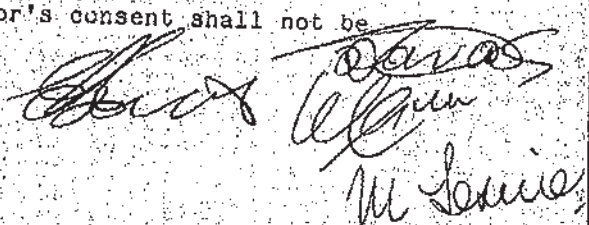
Alterations: (f) (i) The lessee shall not make or cause or suffer to be made any alterations, additions, or improvements to the premises, or install or cause or suffer to be installed therein, or thereon any trade fixtures exterior signs, floor coverings, partitions, interior or exterior lightning, plumbing, fixtures, shades or awnings, or drive nails or screws into the premises or any part thereof, or in any way damage or deface ceilings, walls, partitions, floors, wood, stone, concrete or iron work thereof during the said term, without first obtaining the written approval of the lessor. The lessee shall present to the lessor plans and specifications for such work at the time approval is sought. The lessor shall be entitled to obtain the advice of its architects in respect thereof, and any fees payable by the lessor to such architects shall be paid by the lessee to the lessor on demand:

(ii) Any such work carried out pursuant to sub-paragraph (i) hereof shall be carried out by contractors approved of in writing by the lessor in a proper and workmanlike manner and to a standard in conformity with the requirements of the Builders Licensing Board and to the satisfaction of the lessor, and in carrying out such work the lessee shall ensure that a minimum amount of disturbance and inconvenience shall be caused to any other occupier of the building or adjoining buildings.

(iii) Any such work, installations or additions carried out pursuant hereto with the lessor's consent, shall, if required by the lessor be removed by the lessee at or immediately prior to the expiration of this Lease, but the lessee shall upon removal do no damage to the demised premises and shall re-instate the same to the condition they were in prior to such installation.

Exterior
Signs:

(g) The lessee shall not without first obtaining the written consent of the lessor place construct or erect on the demised premises or post paint or otherwise affix thereto any displays advertising hoardings posters signs devices or other advertising media. Such advertising media shall strictly relate to the lessee's said business upon the demised premises, but the lessor's consent shall not be unreasonably withheld.



-5-

- Prohibition (h) That the lessee will not use the premises for any
noxious noisy or offensive purpose or do any act
offensive use: matter or thing whatsoever which shall or may be or
grow to the annoyance nuisance grievance damage or
disturbance of the occupiers or owners of neighbouring
property or any other tenants of the lessor.

That the lessee will not permit any noxious or offensive
odours or smells to be created on the leased premises and
will not do or permit to be done anything whereby the
leased premises or any part thereof may be damaged or
strained or the walls or floors thereof caused to sag
or deflect from their right lines.

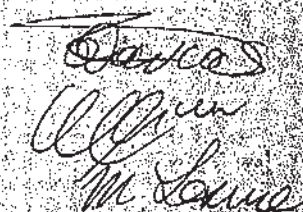
- Insurance: (i) That the lessee will upon the execution hereof effect and
at all times maintain with an Insurance company to be
nominated by the lessor, the following policies of
insurance and if not nominated with the Government
Insurance Office of N.S.W.:

- (1) In the joint name of the lessor and the lessee
against breakage loss or damage to any plate glass
in the demised premises through any cause whatsoever
and to the full insurable value thereof.
- (ii) In respect of Public Risk for an amount of ^{Five}
~~(\$5,000,000.00)~~
million dollars ~~(31,000,000.00)~~

The lessee shall supply the lessor with the policies so
effected.

Increase
Insurance
Premium:

- (j) That if at any time during the currency of the term
hereby granted the fire insurance premiums or any of
them payable in respect of the demised premises shall
be increased beyond the annual amount rates at the
commencement of the said term by reason of the nature
of the business carried on or proposed to be carried on
by the lessee on the demised premises or by reason of
any alterations made by the lessee whether or not approved
by the lessor the lessee will upon demand pay to the
lessor from the time the whole amount by which such
increased premiums shall exceed the annual amount of rates
as aforesaid AND FURTHER that the lessee will in no way
whatever invalidate any policy or policies of insurance
on the demised premises. Provided that if the lessee
invalidates any such policy he will be responsible for
any loss to the lessor as a result.


M. Lane

Acts or Goods (k)
not permitted:

That the lessee shall not wilfully or knowingly do manufacture or permit anything to be done or bring deposit keep store or permit in the premises any goods materials or substance which may conflict with the laws relating to fires or with the by-laws or regulations of the Board of Fire Commissioners of New South Wales or such like authority or with any Acts or Regulations affecting the water supply or sewerage or the Board of Health or with the Factories Act or present or future laws or ordinances or regulations affecting the Shire within which the demised premises are or may be situated or which may increase or contribute to the increase of the yearly premium payable on any policy of insurance against fire now or at any time hereafter to be effected by the lessor PROVIDED HOWEVER that nothing herein contained shall impose upon the lessee any responsibility or liability to effect or carry out any work of a structural nature.

Heating:

(1) The lessee shall not use such methods of heating which shall conflict with the requirements of the Underwriters of the Fire Association of New South Wales. The method of heating the demised premises used by the lessee shall be first approved by the Lessor.

Lessee to
Indemnify
Lessor for
negligence
fire damage etc.,

(m) The Lessee will and does hereby indemnify the Lessor from and against all actions claims demands losses damages costs and expenses for which the Lessor shall or may be or become liable in respect of or arising from:

- (a) The negligent use misuse waste or abuse by the Lessee or any servant agent sub-tenant invitee of or any other person claiming through or under the Lessee of the water gas electricity lightning and other services and facilities of the demised premises or any part of the building.
- (b) Overflow or leakage of water (including rain water) in or from the premises caused or contributed to by any act or omission on the part of the Lessee his servants agents sub-tenants invitees or other persons as aforesaid;
- (c) Loss damage or injury from any cause whatsoever to property or person caused or contributed to by the use of the premises by the Lessee or any servant agent sub-tenant invitee or other person aforesaid;

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- (d) Loss damage or injury from any cause whatsoever to property or person within or without the premises or the building occasioned or contributed to by any act omission neglect breach or default of the Lessee or any servant agent sub-tenant invitee or other person as aforesaid.

No Encumbrances:

- (n) That the lessee will not mortgage lien or in any way charge or encumber his interest in this lease without the written consent of the lessor first had and obtained.

Legal costs: (o) That the lessee will on demand pay the lessor's solicitors' costs charges and expenses of and incidental to the preparation and completion of this Lease, including stamp duty, mortgagee's solicitors' costs and fees and registration fee payable to obtain a certified copy of the Lease.

No Auction Sale:

- (p) That the lessee will not carry on or permit or cause to be carried on or be party or privy to any sale or sales by auction on the demised premises or any part thereof *without the prior consent of the lessor.*

Not to Assign or Sublet:

- (q) That the lessee will not assign or sublet or part with possession of the demised premises or any part thereof without consent in writing no fine to be taken, such consent not to be unreasonably withheld.

Light Fittings:

- (r) That the lessee shall keep and maintain all light fittings in proper working order and condition and replace all tubes and parts thereof needful for the effective operation and use thereof.

Overloading: (s) That the lessee shall not do permit or suffer to be done upon the said premises anything in the nature of overloading the floors thereof whereby the said premises or any part thereof or the said building or any part thereof may be strained or the walls or floors caused to sag or deflect from the right line or so as to damage the said premises or the said building or any part thereof respectively and shall not bring any iron safe or heavy machinery or goods into the said premises without the consent of the lessor first had and obtained, in writing.

[Handwritten signatures]
M. Louis

Notice of
Sale or Re-
Letting:

- (t) That the lessee will at any time during three months prior to the expiration of this Lease or any continuation thereof or during the period of any holding over hereunder permit the lessor to affix and exhibit any notice in or about the demised premises indicating the premises to be available for sale or lease and shall permit access to the lessor its agents or prospective purchaser or lessees.

Electrical
Fixtures:

- (u) The lessee shall at his own expense install all electrical fixtures and fittings wiring and other things (if any) necessary for the installation of the electric light and power in the leased premises and all such fixtures and fittings and wiring and other things installed by the lessee shall at the termination of this lease be and become the property of the lessor ~~THE LESSEE~~ provided that any such installations shall not be made without the written consent of the lessor's first had and obtained and provided that any such installation shall be approved and passed by the Fire Underwriters Association of New South Wales, The Sydney and Local County Council and such other Public Authority as shall be necessary.

Payment of
Charges:

- (v) The lessee covenants to pay the proper authorities all charges for the telephone used and for electricity and gas consumed on the premises and for all excess water (if separately metered) in accordance with accounts rendered and if the lessee makes default in the payment thereof it shall be optional for the lessor to pay the same and in addition to the lessor's other remedies it shall be lawful for the lessor to recover the amount so paid as if same was overdue rent hereunder.

Tenants
Fixtures:

- (w) ~~Notwithstanding any respective contributions of the Lessor and Lessee to the cost of the shopfront the said shopfront is part of the premises and shall remain the property of the Lessor and shall not be removed or altered without the prior consent in writing of the Lessor, nor shall any compensation be payable to the Lessee in respect of same in the event of the determination or expiration of the said Lease. Subject thereto and as hereinafter provided all other fixtures plant machinery utensils shelving counters safes and other~~

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W.A.

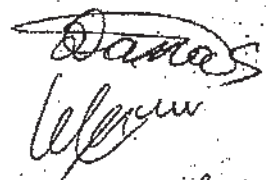
in Service

material or articles brought on to the premises by the Lessee shall be trade or tenant's fixtures and subject to tenant rights and the Lessee may at or prior to the expiration or sooner determination of the Lease take remove and carry away the same from the premises but the Lessee shall in such removal do no damage to the premises and shall forthwith make good any damage which he may occasion thereto. The Lessee's obligations to observe or perform this covenant shall survive the expiration or other termination of this Lease.

Any trade or tenant's fixtures not removed at or prior to the expiration or sooner determination of the Lease shall be deemed to form part of the freehold property.

Lessee to (x) The Lessee agrees to occupy use and keep the premises
assume at the risk of the Lessee and hereby releases to the
Public full extent permitted by law the Lessor and its agents
Risk: servants, contractors and employees except to the extent
of any negligence on their part from all claims and
demands of every kind resulting from any accident damage
or injury occurring therein and the Lessee expressly
agrees that the Lessor shall have no responsibility or
liability for any loss of or damage to stock-in-trade
fittings fixtures signs or personal property of the
Lessee or loss of profits by the Lessee.

Lessor not (y) Notwithstanding any implications or rule of law to the
liable for contrary the Lessor shall not be liable for any damages
damages: or loss the Lessee may suffer by any act, default or
neglect of the Lessor, or any other person in carrying
out the powers authorities and provisions herein
contained or otherwise with respect to the premises or
the building or by reason of the Lessor neglecting to
do something to the premises or to the building and
which as between the Lessor and the Lessee it might be
legally liable to do unless the Lessee has given the
Lessor written notice to do such thing and the Lessor
has without reasonable cause failed within a reasonable
time thereafter to take proper steps to comply therewith.



COVENANTS BY THE LESSOR

4. The Lessor covenants and agrees with the lessee as follows:-

Lessee's
Fixtures:

That the lessee may on the expiration of this Lease provided that the lessee shall have paid all rental and other monies payable by the lessee hereunder remove and carry away from the said premises all fixtures fittings plant and machinery utensils shelving counters safes or other articles upon the said premises in the nature of trade or tenant's fixtures brought upon the said premises by the lessee but the lessee shall in such removal do no damage to the said premises and shall re-instate all floor coverings walls ceilings and the like and repair any damage thereto caused by the installation placement and maintenance upon the premises of the fixtures fittings and other articles as hereinbefore specified and shall forthwith make good to the satisfaction of the lessor or its authorised agent any damage which the lessee may occasion thereto and notwithstanding the provision relating to wear and tear in the Covenant 3(a) hereof the lessee shall in all cases deliver up the premises with all surfaces in a clean and freshly painted condition.

VARIATION OF RENT AND INCREASE IN OUTGOINGS

Rent:

~~5(a) In the event that the term of this demise exceeds three years then at the discretion of the lessor the annual rental may be re-appraised at the expiration of the third year and each year which is a multiple thereof to an amount which shall be the then current market rent as agreed upon by the Lessor and lessee or in the event of failure to agree as determined by an independent valuer to be appointed by the President of the Real Estate Institute of New South Wales.~~

(b) Notwithstanding anything hereinbefore contained the annual rental hereinbefore specified and the instalments by which such rental is payable shall be increased in the same proportion that the Index Number at the commencement of any one year of the term period bears to the Index Number as at the commencement of the term. Each year shall be calculated from the date of commencement of this Lease and subsequent annual anniversaries thereof. In this clause the words "Index Number" shall mean the Consumer Price Index published from time to time in

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M. Lewis

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the Commonwealth Statisticians Summary of Australian Statistics. In the event that there is any suspension or discontinuance of the Consumer Price Index by the Commonwealth Authorities then "Index Number" shall mean the New South Wales Male Basic Wage applicable in the City of Sydney. If the system or practice of the determination of the New South Wales Male Basic Wage applicable in the City of Sydney shall cease, then, "Index Number" shall mean such Index published at the date hereof and at the times of variation of the rental in the said Commonwealth Statisticians Summary of Australian Statistics which reflects fluctuations of the cost of living in Sydney and which the parties may mutually agree upon and if they are unable to agree then such variation of rental shall be by reference to such Index or in such amount as may be determined by the President at the relevant time of the Real Estate Institute of New South Wales or some person nominated by him whose decision shall be conclusive and binding.

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(c) ~~For any one or more years of the term (other than the initial year thereof) the lessor at its discretion may by notice in writing to the lessee elect not to require the rental in that year to be varied as provided in sub-paragraph (b) hereof. Should the lessor so elect then in respect of the year the subject of that election the annual rental shall be an amount equal to One hundred and ^{ten}~~eight~~ per centum ^(110%)~~(108%)~~ of the rent payable in the immediately preceding year and the lessee covenants to pay such rent accordingly by equal monthly instalments in advance.~~

ADJOINING PREMISES

6. It is hereby agreed and declared by and between the said lessor and the said lessee that in the event of any building or buildings being erected on any property adjoining the said premises in such manner that the light now obtained from any window or windows in the demised premises be shut off then the lessor will not be held responsible to the lessee nor will the matter be a subject for compensation or reduction of rent. *THE LESSOR WILL ADVISE THE LESSEE PRIOR TO ERRECTING ANY SUCH BUILDING ON ADJOINING LAND TO THE DEMISED PREMISES OF ANY USE WHICH WOULD AFFECT THE LESSEES USE OF THE DEMISED PREMISES. THE LESSOR SHALL IN NO WAY OBSTRUCT THE LESSEES ACCESS TO THE DEMISED PREMISES BY REASON OF SUCH ERECTION OR ADDITION.*

David S. [Signature]
W. Laurie [Signature]

LESSEE'S DEFAULT

7(a) If the rent hereby reserved or any part thereof shall be unpaid for the space of ^{THIRTY ONE} fourteen days after any of the days on which the same ought to have been paid although no formal demand shall have been made therefor, or

(b) If any lessee being a company shall pass an effective resolution to wind up (other than for the purpose of reconstruction) or shall be ordered by the Court to be wound up, or if any steps whatever be taken for the winding up whether compulsorily or otherwise,

(c) If the Lessee or any future assignee of the Lessee being a person or persons of his, her for their estate or estates shall be declared bankrupt or if he, she or they shall compound with or assign his, her or their estate or estates for the benefit of his her or their creditors, or if he, she or they shall suffer execution to be levied upon the demised premises on the term hereby created,

(d) In the case of the breach or non-observance or non-performance of any of the covenants conditions provisoes or agreements herein contained or implied and on the Lessee to be performed and observed,

THEN and in any such case it shall be lawful for the Lessor at any time thereafter and whilst such neglect or default continues and without further notice or demand to enter (forcibly if necessary) into and upon the demised premises or any part thereof in the name of the whole and to repossess the same as of his former estate and expel the Lessee and those claiming under him and remove his effects from off the demised premises without being taken or deemed guilty of any manner of trespass or wrong but without prejudice to any action or right of action or any remedy of the Lessor in respect of any breach of the Lessee's covenants herein contained or implied: and that thereupon this lease shall if the Lessor so elects determine case and be at an end and the Lessee shall be and remain liable for the rent to the date of such entry at the rate hereinbefore reserved.

[Handwritten signatures]
Charles
James
M. Lesine

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- (e) Notwithstanding anything herein contained upon the Lessor becoming entitled to re-enter or determine this lease the residue of the said term for the time being unexpired shall at the option of the Lessor immediately upon Notice of the exercise of such option being given to the Lessee be reduced to one ^{MONTH} week and thereafter the tenancy hereby created shall be and remain a tenancy from ^{MONTH} week to ^{MONTH} week at a ^{MONTHLY} weekly rent equal to one ^{MONTHS} weeks proportion of the rent hereby reserved commencing from the date of service of such notice and shall be determinable by one ^{MONTHS} weeks notice to quit terminating any day of the ^{MONTH} week.
- (f) The Lessor may, but shall not be obliged to, remedy at any time without notice any default by the Lessee under this Lease and whenever the Lessor so elects all costs and expenses incurred by the Lessor (including legal costs and expenses) in remedying a default shall so constitute a liquidated debt and shall be paid by the Lessee to the Lessor on demand.
- (g) If the rent hereby reserved or any part thereof or any other monies payable by the Lessee to the Lessor hereunder shall not be paid on the day upon which the same shall become due (whether any formal or legal demand therefor shall have been made or not) then the Lessee shall pay to the Lessor interest at the rate of (15%) fifteen per centum per annum to the date on which such monies are paid to or recovered by the lessor as the case may be. The lessor shall be entitled to recover such interest from the lessee as if such interest was rent in arrears. Nothing contained in this clause shall be deemed to restrict limit or prejudice any right power or remedy of the lessor in respect of such monies.
- (h) That upon the lessor becoming entitled to re-enter the premises pursuant to any provision of this Lease the lessee shall forthwith remove from the premises all goods (which expression where hereinafter used shall include personal property of every description) which may be thereon or therein and in default of the lessee effecting such removal the lessor upon entering into possession of the premises may remove all such goods from the premises to such place or places as the lessor may see fit and shall be deemed to have the authority of the lessee to deposit the same and at the expense of the lessee with a warehouseman selected by the lessor and in doing so the lessor shall not be liable or responsible for loss or damage to or warehousing expenses in respect of the whole or any part of such goods which shall be at the lessee's risk and
- [Signatures]*
M. Lorne

expense at all times and all costs and expenses incurred by the lessor in such removal and deposit shall notwithstanding that this lease shall then have terminated by and be deemed to be a liquidated debt payable by the lessee to the lessor upon demand.

- (1) No consent or waiver expressed or implied by the lessor to or of any breach of any covenant condition or duty of the lessee shall be construed as a consent or waiver to of any other breach of the same or any other covenant condition or duty.

HOLDING OVER

Monthly
Holding
Over.

8. It is hereby FURTHER MUTUALLY AGREED AND DECLARED as follows:

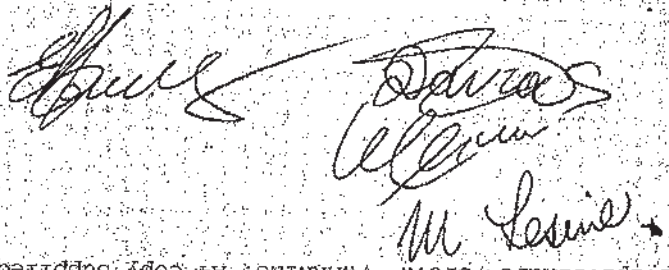
- (a) In the event of the lessee holding over after the expiration or prior determination of the term granted by this demise with the consent of the lessor, the lessee shall become a monthly tenant only of the lessor at a monthly rental being a monthly proportion of the annual rent payable hereunder but varied as provided by Clause 5 hereof and otherwise on the same terms and conditions mutatis mutandis as those herein contained as far as applicable.

NOTICES AND INTERPRETATION

9(a) That the covenants powers and provisions implied in Leases by Sections 84, 85, 133 and 133A of the Conveyancing Act, 1919-1958 shall not apply to and are hereby excluded from this Lease.

- (b) That any demand or notice to be given by the Lessor to the Lessee shall be deemed to be duly made if given in writing signed by the Lessor or his agent and delivered to the Lessee personally or sent by post addressed to the Lessee at the demised premises or to the last known address of the Lessee.

- (c) Where the context so admits in the construction of any covenant or proviso or other provision contained or implied in this lease words importing the singular or plural number or the masculine gender shall be read as also importing and including the plural or singular number and the feminine


The block contains two handwritten signatures. The signature on the left is written in dark ink and appears to be 'G. S. S. S.'. The signature on the right is written in a lighter ink and appears to be 'M. Lessee'.

-15-

gender as the case may require, and a covenant, proviso or provision in which more persons than one are by the context deemed to covenant agree or appoint, shall be deemed to bind and extend to such persons and any two of them severally (whenever a corporation shall be a party hereto either as Lessor or Lessee the words "Lessor", "Lessee" or "person" whenever herein used shall be deemed to mean and include such corporation, its successors, assigns and transferees) and the word "Lessor" or "Guarantor" shall include his executors, administrators and permitted assigns.

DEEMED AGREEMENT UNDER SEAL

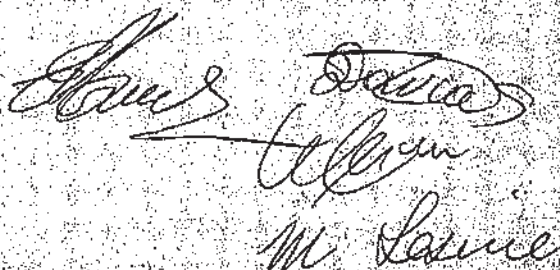
10. That this document shall be deemed an agreement under seal for the granting of such a lease as is hereby purported to be granted and the covenants and conditions herein contained shall be deemed to bind the parties in the same manner as if THIS DOCUMENT WERE REGISTERED NOTWITHSTANDING THAT IT MAY BE held that no estate passed hereunder PROVIDED that should the Lessee require registration the Lessor will procure the same but any necessary survey and the registration of such lease and the obtaining of all necessary consents thereto shall be at the cost or expense of the Lessee.

Guarantee of Lessee's obligations.

GUARANTEE.

11. The Lessor agrees to grant this lease at the request (testified by his/their execution hereof of WARREN LESNIE AND MARIAN LESNIE of 38 Emerson Drive Casne Cove (hereinafter called the Guarantor). In consideration of the Lessor at the request of the Guarantor entering into this lease the said Guarantor does hereby guarantee to the Lessor the due and punctual performance by the Lessee of its several obligations and duties on its part to be observed and fulfilled and performed pursuant to the terms of this lease and in particular but without limiting the generality of the guarantee hereby given IT IS AGREED that:

- (a) In the event of default by the Lessee in payment of any moneys due and payable by it pursuant to this lease then as regards such moneys the Guarantor shall be deemed to become a principal debtor to the Lessor and the Guarantor shall forthwith upon the occurrence of such default pay such moneys to the Lessor.


M. Lesnie

- (b) The guarantee hereby granted shall be deemed to extend to all costs, fees, expenses and other moneys which the Lessor may incur in enforcing or attempting to enforce against the Lessee the terms of this lease and the observance and performance by the Lessee of its several obligations and duties or any of them to be observed fulfilled or performed pursuant to this lease or in the recovery or attempted recovery from the Lessee of any monies which may be payable by the Lessee pursuant to this lease.
- (c) The guarantee hereby granted shall be deemed to extend to and cover the payment to the Lessor of all moneys by way of damages or compensation inter alia for any breach or non-observance (should such breach or non-observance occur) by the Lessee of the terms of this lease.
- (d) Any payment made to the Lessor and later avoided by any statutory provision shall be deemed not to have discharged the Guarantor's liability hereunder and in the event of any such payment being so avoided the parties hereto are to be restored to the right which each respectively would have had if the payments so avoided had not been made.
- (e) Where there is more than one guarantor bound by the provisions hereof then such Guarantors shall be liable hereunder both jointly and severally.

It is expressly agreed and declared that it is the intention of the parties that this shall be a continuing guarantee and it shall not be affected or abrogated by the granting of any time credit or any other indulgence whatever by the Lessor to the Lessee or to the Guarantor or to any one Guarantor when there is more than one, it also being the intention of the parties and it is hereby so agreed that this guarantee shall be binding and absolute in all and any circumstances.

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~~12. The Lessee shall on or before the signing hereof pay to the Lessors or their agent a deposit of \$10,888.23 which sum shall be refunded to the Lessees on the termination of this lease and the vacation of the premises by the Lessees provided that the lessors shall be entitled to deduct from the said sum or apply the same towards the satisfaction of any amount that may be payable to the Lessors as a result of any breach of the Lessee of any of the terms conditions and covenants of this lease.~~

[Signature]
[Signature]
[Signature]

13. The Lessee shall advise the Lessor and the Managing Agent of the building for the time being of the private address and telephone number of the Lessee or if the Lessee shall be a corporation of the Manager thereof or if there shall be more than one Lessee of each of them. The Lessor and the Managing Agent shall be promptly informed of any change of such address and telephone number.

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14. ~~The Lessor reserves the right from time to time to arrange for pest control examination of the premises and if any service is required as a result of such examination then the total cost for such examination and service shall be borne by the Lessee.~~

15. AIR CONDITIONING.

The Lessee covenants with the Lessor that the following provisions shall apply to the plant and machinery and equipment, for heating cooling or circulating air (herein called "air conditioning plant") installed on the premises by the Lessor:-

- (i) the Lessee shall at all times use and regulate the same to ensure that the air conditioning plant is employed to the best advantage and under conditions from time to time prevailing and shall keep such air conditioning plant in good repair and condition and shall pay all costs of maintaining and operating the same;
- (ii) the Lessors shall not be under any liability to the Lessee or to any other person arising from any breakdown of or any inability or failure to operate and maintain the air conditioning plant at any time or times for any reason whatsoever.

16. BUSINESS CONTROL

The Lessee will not enter into any partnership or arrangement in relation to the business carried out on the subject demised premises or relinquish actual control of the business without the consent in writing of the Lessor.

17. LOCK UP.

The Lessee will use his best endeavour to protect and keep safe the demised premises and any property contained therein from theft or robbery and shall keep all doors windows and other openings closed and securely fastened when either the Lessors or any responsible employee or agent of the Lessee is not present on the demised premises or the demised premises are not open for business and the Lessee may maintain such security or other services as may be necessary for this purpose.

[Signature]

[Signature]

M. Service

18. The Lessee will indemnify and hold harmless the Lessors from and against all damages sums of money costs charges expenses actions claims and demands which may be sustained or suffered or recovered or made against the Lessors by any person for any loss damage or injury such person may sustain when using or entering portion of the premises or building whether in the occupation of the Lessors, the Lessee or any other person whether or not such injury arises or has arisen as a result of any act omission neglect breach or default by the Lessee or any servant agent clerk workman employee or invitee of the Lessee or as a result of the creation of some dangerous thing or state of affairs by the Lessee or by any clerk servant agent workman employee or invitee of the Lessee and whether the existence of such dangerous thing or state of affairs was or ought to have been known to the Lessor or not. It is hereby expressly agreed and declared that the Lessors shall not be liable for any damage the Lessee or its clerks servants licensees invitees workmen employees agents customers or visitors of the Lessee may suffer by reason of any injury or damage to any person or property who or that may be at any time in the premises or buildings arising from any cause or reason whatsoever but including the overflow of water supply or rain water which may leak into the demised premises or any premises attached to or connected with the same or from any parts of the demised premises or any building attached to or connected with the same or arising from any defects in gas, electric or water supply connection or any fittings or appliances used in connection thereof.

19. The Lessee will during the said term well and sufficiently repair maintain and keep the said premises with the appurtenances in good and substantial repair including painting and all fixtures fittings gas electric and otherwise locks and keys and all things thereto belonging or which at any time during the said term shall be erected and made by the Lessors when and where and so often as need be with reasonable wear and tear and damage by fire, not attributable to any act or omission or omission by the Lessee s servants, agents or workmen invites lightning flood and tempest only excepted. Provided that the Lessee shall take all reasonable measures and precautions to ensure that any damage defect or delapidation which has been or at any time shall be occasioned by reasonable wear and tear shall not give rise to or cause or contribute to any substantial injury to the demised premises. The Lessee will at all times during the continuance

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Chas

James
Craw

III Sesión

of this Lease keep and at the expiration or sooner determination of the said term peaceably surrender and yield up unto the Lessors the said premises with the appurtenances and all buildings erections fixtures erected or made by the Lessors thereon and all the Lessors fixtures and fittings water gas electric light or otherwise locks and keys in good and substantial repair and condition having regard to the condition thereof at the commencement of the Lease; reasonable wear and tear and damage by fire not attributable to any act or omission or commission by the Lessee's agent servants, or workmen or invitees, lightning flood and tempest only excepted. Provided that the Lessee shall take all reasonable measures and precautions to ensure that any damage defect or delapidation which has been or at any time shall be occasioned by reasonable wear and tear shall not give rise or cause or contribute to any substantial injury to the demised premises.

20. The Lessors shall be able when and as often as the Lessors shall require and ^{upon giving 24 hours} ~~without previous~~ notice at all reasonable times of day by itself or its Agents to enter the premises and view the state of repair thereof and to serve upon the Lessee notice in writing of any defect requiring him to repair the same.

In default of the Lessee repairing any defect according to notice or for the purpose of complying with the terms of any present or future legislation affecting the premises and of any notice served on the Lessors or Lessee by the Board of Health, Licensing Inspector or any other competent authority for the carrying out of any repairs or alterations or work which the Lessee may not be bound or if bound may neglect to do and also for the purpose of exercising the powers and authorities of the Lessors under the Lease the Lessors may enter the premises with or without workmen architect and others and may execute the required repairs and additions and in addition to the Lessors' other remedies to recover from the Lessee as and by way of overdue rent the cost of such repair together with all moneys expended on account of any insurances, indemnities or compensation under the Workers' Compensation Act or otherwise howsoever.

REIMBURSEMENT OF OUTGOINGS

21. ~~The Lessee will reimburse the Lessor on demand for fifty~~ ^{forty five} ~~per cent per annum (50 p.a.) of each of the annual outgoings as hereinafter specified paid or payable by the Lessor:~~

- (1) ~~All federal state or municipal taxes of whatsoever kind or nature whether presently existing or arising~~

P.D.
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Davis
W. Service

in the future including any land tax (but excluding income tax payable by the Lessor on its income) assessed or payable in respect of either the improvements on the land.

(ii) All rates charges assessments licence fees duties impositions fees and levies of whatsoever kind or nature whether presently existing or arising in the future of any public municipal or government body authority or department assessed or payable in respect of either the improvements or the land.

(iii) All insurance premiums payable by the Lessor in respect of the building of which the demised premises form part and the fittings and fixtures in their full insurable reinstatement value against fire flood lightning storm and tempest cyclone malicious damage earthquake and against such other risks as the Lessor may deem necessary or desirable.

(iv) The cost of ventilation air-conditioning/heating and cooling cleaning and maintenance and repair of any parts of the building of which the demised premises form part.

22. The Lessee shall pay to the Lessor the annual rental of One hundred thirty thousand six hundred & sixty six dollars (\$130,666-00) payable calendar monthly in advance to the Lessor or as it may direct by calendar monthly instalments of ten thousand eight hundred & eighty eight dollars & thirty three cents (\$10,888-33) each.

23. It is hereby expressly agreed and declared that if the lessee shall desire to take a renewed lease of the demised premises for a further term of ~~three~~ ^{five} (5) years from the expiration of the term of this lease and of such desire shall prior to the expiration of the said term give to the lessors three (3) calendar months previous notice in writing and shall in the meantime duly and punctually pay the rent reserved by this lease at the time herein appointed for payment and shall duly perform and observe the covenants and agreements by and on the part of the lessee contained in this lease up to the expiration of the term hereby granted including covenant to pay rent the lessors will at the cost of the lessee demise to the lessee the said premises hereby demised for a further term of ~~three~~ ^{five} (5) years at a rental to be determined by either of the following methods whichever is the greater:-

[Signature]

[Signature]
in Sessue

-21-

- (i) By increasing the rent as at the expiration of this lease in the same proportion as the Index Number at the commencement of the term of the renewed lease increases in relation to the Index Number as at the commencement of the term of this lease. In this clause the words "Index Number" shall mean the Consumer Price Index published from time to time in the Commonwealth Statisticians Summary of Australian Statistics. In the event that there is any suspension or discontinuance of the Consumer Price Index by the Commonwealth Authorities then "Index Number" shall mean the New South Wales Male Basic Wage applicable in the City of Sydney.
- (ii) The mean of the rental as determined as the fair market rental value of the premises by two (2) Real Estate Valuers nominated by the then Secretary of the Real Estate Institute of New South Wales.

PROVIDED ALWAYS that notwithstanding such determination the rental payable by the Lessee in respect of the renewed term shall not be less than the rental for the final year of the term of this lease. The said lease shall be otherwise on the same terms and conditions as this lease with the exception of this clause *and clause 29 of this lease.*

✓ 24. Notwithstanding anything else herein contained the Lessee agrees to pay on demand to the Lessors FORTY FIVE (45%) Percentum of all maintenance and monitoring fees paid in respect to the sprinkler system.

Charles *David*
Alvin
W. Lennie

- 22 -

25. If at any time prior to the expiration of this Lease the Lessor shall desire to sell the demised premises or any part thereof, the Lessee (if it shall in the mean time have duly and punctually paid the rent hereby reserved and performed and observed all of the covenants on the part of the Lessee herein contained and implied) shall have the right to purchase the demised premises or such part thereof upon the following conditions:-
- a. the Lessor shall first give notice in writing to the Lessee specifying the demised premises which the Lessor desires to sell (hereinafter called "the demised premises") and with such notice there shall be delivered to the Lessee the form of Contract of Sale containing the terms and conditions upon which the subject premises are offered to the Lessee for sale.
 - b. the Lessee if it desires to purchase the subject premises upon the terms and conditions so offered shall within thirty (30) days after the delivery of such notice cause to be delivered to the Lessors the said form of Contract duly executed by the Lessee together with the deposit or any other moneys required by the terms thereof to be paid upon the execution thereof and thereupon such Contract shall be deemed to be entered into by the parties.
 - c. if the Lessee shall not within the said period of thirty (30) days accept in the manner aforesaid the Lessors offers of sale of the subject premises (as to which time shall be of the essence) or if the Lessee shall at any time within the said period of thirty (30) days signify its irrevocable intention not to accept such offer then the Lessors shall be at liberty to sell the subject premises to any other person or corporation upon terms and conditions not more favourable to the proposed Purchaser than those upon which the same were previously offered to the Lessee.
 - d. upon the expiration of this Lease the Lessor shall be at liberty to sell the demised premises or any part thereof to any person or corporation upon such terms and conditions as it shall think fit.
26. The Lessee agrees to repair any damage it or its agents servants or invitees causes to the common areas during the currency of the term of the Lease normal wear and tear accepted.
27. The Lessee shall not obstruct or interfere with any of the entrances or common areas of the whole of the property owned by the Lessors of which the demised premises form part and the Lessee

[Handwritten signatures]
M Lessee

acknowledges to the Lessor that without limiting the right of the Lessors the common areas shall at all times be subject to the absolute and exclusive control and management of the Lessors.

28. Unless the contrary intention appears common areas means the entrances driveways and other areas of the whole of the property owned by the Lessors of which the demised premises forms part, permitted by the Lessors to be used in general by the occupants of the whole of the property owned by the Lessors and/or not being the subject or any other Lease from the Lessors.

29. Notwithstanding anything else herein contained the annual rental referred to herein shall increase as follows:-

a. from 1st October 1987 in the same proportion that the Index Number as at 30th September 1987 bears to the Index Number as at the 30th September 1986;

b. from 1st October 1988 in the same proportion that the Index Number as at 30th September 1988 bears to the Index Number as at the 30th September 1986.

c. from 1st October 1989 in the same proportion that the Index Number as at 30th September 1989 bears to the Index Number as at 30th September 1986.

d. from 1st October 1990 in the same proportion that the Index Number as at 30th September 1990 bears to the Index Number as at 30th September 1986.

In this clause the words Index Number shall have the same meaning as referred to in Cause 5(b) hereof.

THE COMMON SEAL of MODEL
ENGINEERING PRODUCTS PTY LIMITED
was hereunto affixed pursuant to
authority of the Board previously
given in the presence of:

Secretary

M Leslie

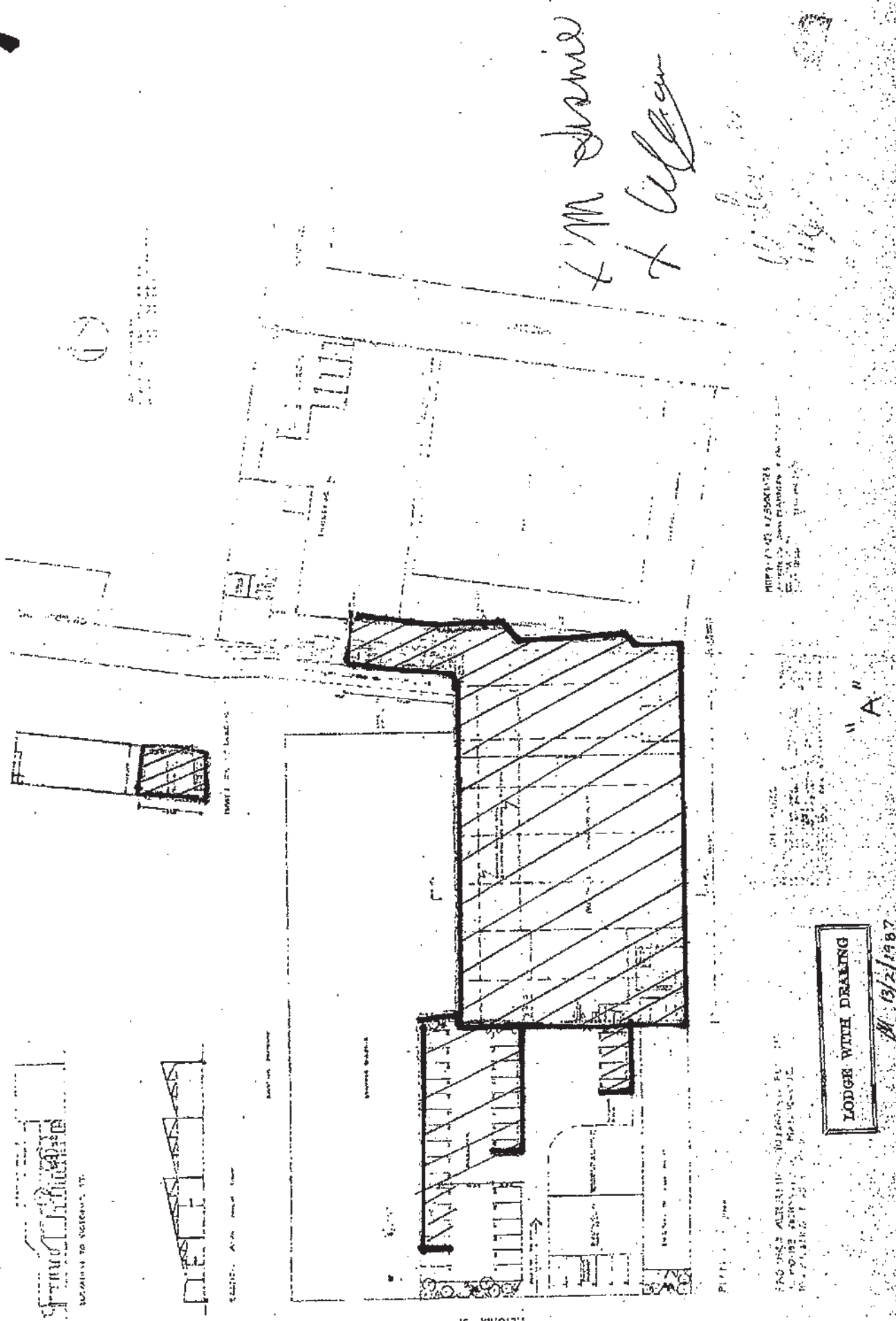


SIGNED by the guarantors WARREN
LESLIE AND MARIAN LESLIE in the
presence of:

AB:BC:2363E

Warren Leslie

M Leslie
Marian Leslie



AP 13



STAMP DUTY



W366247

(3) **TRANSFER**
REAL PROPERTY ACT, 1900

C	1 of 2	X
\$ 33		

R1/2

DESCRIPTION
OF LAND
Note (a)

Torrens Title Reference	If Part Only, Delete Whole and Give Details	Location
Volume 10123 Folio 55 Volume 3600 Folio 97 Identifier 10/701368	WHOLE	At Marrickville

TRANSFEROR
Note (b)

GIUDEL PTY LIMITED

ESTATE
Note (c)

(The abovenamed TRANSFEROR) hereby acknowledges receipt of the consideration of \$ 1,113,450.00
and transfers an estate in fee simple
in the land above described to the TRANSFEE

TRANSFEE
Note (d)

EVANGELOS DANIAS of 18 London Street, Enmore
and DINA DANIAS his wife

OFFICE USE ONLY

JT2

TENANCY
Note (e)

as joint tenants/tenants in common

PRIOR
ENCUMBRANCES
Note (f)

subject to the following PRIOR ENCUMBRANCES 1.
2. 3.

DATE

28/5/86

We hereby certify this dealing to be correct for the purposes of the Real Property Act, 1900.

EXECUTION
Note (g)

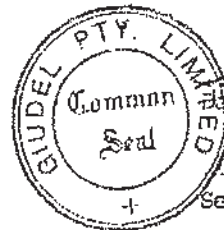
Signed in my presence by the transferor who is personally known to me
THE COMMON SEAL OF GIUDEL PTY LIMITED

Signature of Witness

was hereunto affixed by authority of
its Board of Directors in the
presence of:

Name of Witness (BLOCK LETTERS)

Address and occupation of Witness



[Signature]
Director
[Signature]
Secretary

Signed in my presence by the transferee who is personally known to me

Note (g)

Signature of Witness

Name of Witness (BLOCK LETTERS)

Address and occupation of Witness

[Signature]
Signature of Transferee
(K.J. Wilson) Solicitor for the
Transferee 6.3.86

TO BE COMPLETED
BY LODGING PARTY
Notes (h)
and (i)

LODGED BY: <u>AMFIELD</u>		LOCATION OF DOCUMENTS	
Australia and New Zealand Banking Group Limited Address: 27 Market Street, Sydney, 2001 Phone No. 221-0011		CT	OTHER
DELIVERY BOX 205		☒	☐
Delivery Box Number			Herewith.
			In L.T.O. with
			Produced by
Checked	Passed	REGISTERED	-10
112 JUN 1986		Secondary Directions	<i>[Signature]</i> of land description stamp (LPI-360050197)
Signed	Extra Fee	Delivery Directions	

OFFICE USE ONLY

SECOND SCHEDULE

(See notes on back page hereof)

DOCUMENTS REFERRED TO IN CLAUSE 8 OF DECLARATION

Documents Nos. 1 to 20 and 23 to 28
 hereunder LODGED HERewith
 hereunder WHEREABOUTS UNKNOWN
 hereunder PERMANENTLY LODGED
 Receipt Nos.
 hereunder TO BE LODGED BY:

To be
 completed
 by declarant

Documents Nos. 21 and 22
 Documents Nos.
 Documents Nos.

No.	Date	Nature of document	Parties	Registration		By whom produced
				Book	No.	
1.	8/7/1947	Conveyance	William James McLellan and Maxwell Alan George Walker George Walker to International Resistance Company (Australasia) Pty Limited.	2022	762	2034
2.	28/10/1947	Mortgage	International Resistance Company (Australasia) Pty Limited to the Commonwealth Bank of Australia	2223	468	2034
3.	30/7/1952	Mortgage	International Resistance Company (Australasia) Pty Limited to the Commonwealth Bank of Australia	2223	884	2223
4.	30/7/1952	Mortgage	International Resistance Company (Australasia) Pty Limited to the Commonwealth Bank of Australia	2223	885	2223
5.	24/10/1962	Mortgage	International Resistance Company (Australasia) Pty Limited to the Commonwealth Bank of Australia	2629	977	2629
6.	2/11/1962	Discharge of Mortgage	Commonwealth Bank of Australia to International Resistance Company (Australasia) Pty Limited	2629	975	2629
7.	2/11/1962	Discharge of Mortgage	Commonwealth Bank of Australia to International Resistance Company (Australasia) Pty Limited re document No. 4.	2629	976	2629
8.	11/11/1966	Discharge of Mortgage	Commonwealth Bank of Australia to International Resistance Company (Australasia) Pty Limited re document No. 5.	2919	447	2919
9.	10/11/1966	Discharge of Mortgage	Commonwealth Bank of Australia to International Resistance Company (Australasia) Pty Limited re document No. 2.	2919	450	2919
10.	21/3/1969	Conveyance	I.R.H. Components Pty Limited (formerly International Resistance Company (Australasia) Pty Limited to Gludel Pty Ltd.	2924	541	2924
11.	21/3/1969	Mortgage	Gludel Pty Limited to Commercial Bank of Australia Limited.	2924	542	2924
12.	17/8/1973	Discharge of Mortgage	Commercial Bank of Australia Limited to Gludel Pty Limited	3114	481	3114
13.	4/9/1973	Mortgage	Gludel Pty Limited to Public Trustee	3114	482	3114
14.	19/6/1975	Mortgage	Gludel Pty Limited to Commercial Bank of Australia	3196	922	3196
15.	14/9/1978	Discharge of Mortgage	Commercial Bank of Australia Limited to Gludel Pty Limited re document No. 14.	3335	310	3335
16.	12/10/1981	Discharge of Mortgage	Public Trustee to Gludel Pty Limited re document No. 13.	3461	930	3461
17.	5/9/1941	Conveyance	Joseph Duer to William James McLellan and Maxwell Alan George Walker (Thereafter see documents 2 to 16).	1901	91	1901
(FOR CONTINUATION OF THIS SCHEDULE SEE ANNEXURE "A" HERETO).						

THIRD SCHEDULE

PARCEL NO. 1:

ALL THAT piece of land containing one rood twenty three and one quarter perches being part of lot ten of section three of Chalder's Estate, situate in the Municipality of Marrickville, Parish of Petersham, County of Cumberland and State of New South Wales COMMENCING at a point on the south-eastern building line of Victoria Road bearing twenty four degrees thirty five minutes and distant three hundred and twenty feet eleven and one-half inches from the intersection of the south-eastern building line of Victoria Road with the north-eastern building line of Sydenham Road and bounded thence on the north-west by part of the south-eastern building line of Victoria Road being a line bearing twenty four degrees thirty five minutes for thirty three feet eleven inches and bounded thence on the north-east by a fenced line bearing one hundred and thirty five degrees fifty six minutes for three hundred and forty five feet one and three quarter inches and bounded thence on the south-east by a fenced line bearing two hundred and ninety three degrees forty four minutes thirty seconds for two hundred and three feet three inches and bounded again on the north-west by a fenced line bearing twenty three degrees twenty two minutes for twenty seven feet eleven and one quarter inches and bounded again on the south-west by a fenced line bearing two hundred and ninety three degrees fifty minutes for one hundred and thirty six feet and one-half inches to the point of commencement and known as 196 Victoria Road, Marrickville.

PARCEL NO. 2:

ALL THAT piece of land situate at Marrickville, Parish of Petersham, County of Cumberland and having an area of one rood four teen perches being lot "B" of a subdivision of land in conveyance 3 of the Marrickville Estate COMMENCING at the southernmost corner of the land comprised in Real Property Act Application No. 28286 and bounded thence on part of the north-east by a south-western boundary of that Application being a fenced line bearing two hundred and ninety three degrees forty one minutes two hundred and one feet four and one-half inches to the southernmost corner of the land comprised in Real Property Application No. 24200; again on the north-east by part of the south-western boundary of the last mentioned Application being a fenced line bearing two hundred and ninety four degrees twenty four minutes forty one feet five inches thence on the north-west by the south-eastern boundary of lot A being a line partly fenced bearing two hundred and two degrees fifty three minutes sixty one feet seven and one quarter inches; thence on the south-west by a fenced line bearing one hundred and thirteen degrees fifty five minutes two hundred and thirty five feet six inches; and thence on the south-east by the north-western boundary of the land comprised in Deposited Plan No. 761, being a fenced line bearing twenty nine degrees thirty five minutes sixty two feet six inches to the point of commencement and known as rear 192-194 Victoria Road, Marrickville.

PARCEL NO. 3:

ALL THAT piece of land situate lying and being in the Municipality of Marrickville, Parish of Petersham, County of Cumberland and State of New South Wales being part of Lot 10 section 3 of Chalder's Subdivision of part of the Petersham Estate and containing by admeasurement fourteen and one quarter perches COMMENCING at a point on the south-eastern side of Victoria Road, bearing north-easterly and distant two hundred and ninety three feet from the intersection of that side of that Road with the north-eastern side of Sydenham Road and bounded thence on the south-west by lines being the north-eastern boundary of land included in Real Property Application Number 29850 and in production south-easterly firstly along a fence secondly along the south-western face

of a brick building and finally along a fence all bearing south-easterly in all one hundred and thirty seven feet one and one-half inch thence on the south-east by a line partly along a fence and partly along the north-western face of a wood and iron stable bearing north-easterly twenty seven feet eight and three-quarter inches thence on the north-east by a fenced line bearing north-westerly one hundred and thirty five feet eleven and one-half inches to the south-easterly side of Victoria Road aforesaid and thence on the north-west by part of that side of that Road bearing south-westerly twenty seven feet eight and three-quarter inches to the point of commencement be the said area and several dimensions a little more or less and known as 198 Victoria Road, Marrickville.

PARCEL NO. 4:

ALL THAT piece of land which by virtue of Section 196(12) of the Conveyance Act 1919 as amended is hereby described as Lot A shown on Miscellaneous Plan of Subdivision (Old System) No. 5181 NOW BEING the whole of the land described in Conveyance between I.R.H. COMPONENTS PTY. LIMITED and GUDDEL PTY. LIMITED dated 21 March, 1969 and registered No. 541 Book 2924 and known as 192-194 Victoria Road, Marrickville.

ANNEXURE A.

No.	Date	Nature of document	Parties	Registration No.	By whom produced
18	8/11/1950	Conveyance	Eric William Donald and Frances Philomena Donald to International Resistance Company (Australasia) Pty Limited.	2158	573
19	30/7/1952	Mortgage	International Resistance Company (Australasia) Pty Limited to the Commonwealth Bank of Australia.	2223	883
20	11/11/1962	Discharge of Mortgage	Commonwealth Bank of Australia to International Resistance Company (Australasia) Pty Limited. (Hereafter see documents 2 to 16).	2919	449
21.	9/8/1895	Mortgage	John Samuel Duer to Charlotte Carvose	563	789
22.	10/8/1899	Discharge of Mortgage	Charlotte Carvose to John Samuel Duer re document No. 21.	647	475
23.	1/7/1895	Will	of John Samuel Duer		
24.	22/2/1934	Will	of Mary Duer		
25	23/11/1953	Letters of Administration	to Lucy Colvin re Will of John Samuel Duer		
26	6/10/1955	Conveyance	Lucy Colvin to International Resistance Company (Australasia) Pty Limited.	2351	231
27	2/7/1964	Mortgage	International Resistance Company (Australasia) Pty Limited to the Commonwealth Bank of Australia	2710	985
28	10/11/1966	Discharge of Mortgage	Commonwealth Trading Bank of Australia to International Resistance Company (Australasia) Pty Limited re document No. 27. (Hereafter see documents 2 to 16).	2919	449
29			SEARCH PAPERS		
RE: PARCEL NO. 3 DESCRIBED IN THE THIRD SCHEDULE HERETO. RE: PARCEL NO. 4 DESCRIBED IN THE THIRD SCHEDULE HERETO.					
Docs 1-20 & 23-27 read. See sheet 1. Docs 1 to 20, 23 to 29 and balance to worksheet Balder 8985 all the don do remain 16/1/84 20/1/84					

Upon the issue of the certificate of title the Registrar General will as a general rule destroy those documents which exclusively affect the land in the application (and which accordingly will be totally cancelled pursuant to Section 29 (2), Real Property Act, 1900). However, documents which would otherwise be destroyed may be returned upon request to interested persons. The request (in writing) should specify the documents to be returned and should be made before the processing of the application has been completed.

Destruction of documents lodged with the application

There is available upon request at the Examiners Branch a departmental circular containing directions for the guidance of applicants who claim title by possession.

Applicants based upon possession

The searches obtained when the applicant or a predecessor in title acquired the land in the application will suffice provided that they commence with a good root of title at least thirty years old or with a later deed already accepted by the Registrar General in an earlier application and, in either case, have been brought up to date or to a recent date. In the case of an application based on possession the searches should show not only the devolution of the documentary title (which in most cases will need to be traced from the Crown grant) but also the result of searches against the applicant and his predecessors in possession.

Searches

Upon lodgment the application should be accompanied by:

- * all deeds and other documents evidencing the devolution of title from the abovementioned commencing point;
- * deeds and other documents which relate to the period prior to the selected commencing point should not be scheduled in or lodged with this application but should be retained in case their subsequent production should be required.
- * any abstract(s) of title in the applicant's possession covering the relevant period; and
- * searches showing the result of searches in the general register of deeds, the register of leases, writs and orders, the register of resumptions and the bankruptcy registers.

Documents to be lodged

The applicant will be required to establish (e.g. by searches) that the easement has not been determined by surrender, union of tenements or otherwise.

- * the deed by which the easement was created.
- * the deed by which the grantor of the easement acquired title to the servient tenement; and

Where the applicant claims the benefit of an appurtenant easement the Second Schedule should contain a reference to:

- in the Second Schedule.

Where the applicant claims title by possession the devolution of the documentary title of the person(s) against whom possession is asserted should be shown in the Second Schedule.

Where an applicant claims an estate in fee simple by virtue of a document already accepted by the Registrar General in an earlier application. Clause 8 of the declaration should be suitably amended.

Where the applicant claims title by possession the devolution of the documentary title of the person(s) against whom possession is asserted should be shown in the Second Schedule.

Documents to be scheduled

NOTES

DEPARTMENTAL USE ONLY

DEPARTMENTAL USE ONLY		DEPARTMENTAL USE ONLY	
Lodged by <i>WESTGARTH BALDWIN</i>		PRELIMINARY APPLICATION <i>57890</i>	
Address: <i>39 Watling St, Syd</i>		DEPT 701380	
Tel. No. <i>8985</i> Phone No. <i>233 6500</i>			
TO BE COMPLETED BY LODGING PARTY			



TITLE SEARCH

Computer Folio Certificate issued under
Section 96D of the Real Property Act 1900

No. 00

Search certified to:

29/4/2014 10:31 AM

COMPUTER FOLIO REFERENCE

1/74200

EDITION No. & DATE OF CURRENT CERTIFICATE OF TITLE

12

25/6/2012

Page 1

LAND

LOT 1 IN DEPOSITED PLAN 74200

AT MARRICKVILLE

LOCAL GOVERNMENT AREA MARRICKVILLE

PARISH OF PETERSHAM COUNTY OF CUMBERLAND

TITLE DIAGRAM DP74200

FIRST SCHEDULE

DINA DANIAS

(ND AC124962)

SECOND SCHEDULE (1 NOTIFICATION)

1 RESERVATIONS AND CONDITIONS IN THE CROWN GRANT(S)

NOTATIONS

UNREGISTERED DEALINGS: NIL

*** END OF SEARCH ***

doccopl

PRINTED ON 29/4/2014 00

The Registrar General certifies that at the date and time specified above the person(s) described in the First Schedule was the registered proprietor of an estate in fee simple (or other such estate or interest set out in the Schedule) in the land described, subject to any exceptions, encumbrances, interests, and entries which appear in the Second Schedule.

* ANY ENTRIES PRECEDED BY AN ASTERISK DO NOT APPEAR ON THE CURRENT EDITION OF THE CERTIFICATE OF TITLE
WARNING: THE INFORMATION APPEARING UNDER NOTATIONS HAS NOT BEEN FORMALLY RECORDED IN THE REGISTER.



HISTORICAL TITLE SEARCH

Certificate issued under Section 96G
of the Real Property Act 1900

No. 31

Search certified to: 29/4/2014 10:35AM

Computer Folio Reference: 1/74200

Page 1

First Title(s): SEE PRIOR TITLE(S)

Prior Title(s): VOL 15494 FOL 141

Recorded	Number	Type of Instrument	C.T. Issue
-----	-----	-----	-----
21/8/1988		TITLE AUTOMATION PROJECT	LOT RECORDED FOLIO NOT CREATED
28/12/1988		CONVERTED TO COMPUTER FOLIO	FOLIO CREATED CT NOT ISSUED
13/3/1990	Y881059	DISCHARGE OF MORTGAGE	
13/3/1990	Y881061	MORTGAGE	EDITION 1
* 28/5/1990	Y998701	LEASE ~	EDITION 2
26/6/1992	E562599	MORTGAGE	EDITION 3
* 8/10/1992	E759838	LEASE ~	
* 8/10/1992	E759839	LEASE ~	EDITION 4
9/2/1996	O903530	CAVEAT	
13/8/1997	2924450	WITHDRAWAL OF CAVEAT	
13/8/1997	2924451	DISCHARGE OF MORTGAGE	
13/8/1997	2924452	DISCHARGE OF MORTGAGE	
13/8/1997	2924453	MORTGAGE	EDITION 5
19/9/2000	7098328	DISCHARGE OF MORTGAGE	
19/9/2000	7098331	MORTGAGE	EDITION 6
5/11/2002	9099910	DISCHARGE OF MORTGAGE	
5/11/2002	9099911	MORTGAGE	EDITION 7

END OF PAGE 1 - CONTINUED OVER

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PRINTED ON 29/4/2014 31

The Registrar General certifies that at the date and time specified above the information set out in this search constitutes the historical record of all dealings recorded in or action taken in respect of the mentioned title which is required to be kept by the Registrar General under section 32(7) of the Real Property Act 1900.



Registrar General



HISTORICAL TITLE SEARCH

Certificate issued under Section 96G
of the Real Property Act 1900

No. 31

Search certified to: 29/4/2014 10:35AM

Computer Folio Reference: 1/74200

Page 2

Recorded	Number	Type of Instrument	C.T. Issue
-----	-----	-----	-----
* 10/9/2003	9958265	LEASE	EDITION 8
20/2/2004	AA388075	DISCHARGE OF MORTGAGE	
20/2/2004	AA388080	MORTGAGE	EDITION 9
7/8/2006	AC124962	NOTICE OF DEATH	
7/8/2006	AC288906	CAVEAT	EDITION 10
18/8/2006	AC537927	WITHDRAWAL OF CAVEAT	
22/9/2006	AC618617	VARIATION OF MORTGAGE	EDITION 11
25/6/2012	AH70248	DISCHARGE OF MORTGAGE	EDITION 12

*** END OF SEARCH ***

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PRINTED ON 29/4/2014

31

The Registrar General certifies that at the date and time specified above the information set out in this search constitutes the historical record of all dealings recorded in or action taken in respect of the mentioned title which is required to be kept by the Registrar General under section 32(7) of the Real Property Act 1900.



Registrar General

Form: 07L
Licence: 01-09-031
Licensee: Aust. Forms P/L

LEASE
New South Wales
Real Property Act 1900



9958265Q

PRIVACY NOTE: this information is legally required and will become part of the public record

STAMP DUTY

Office of State Revenue use only

20-08-2002

0001094990-001

LEASE - GENERAL

OUTSTANDING AMOUNT \$ *****1,443,170.00

DUTY \$ *****95,121.20

(A) TORRENS TITLE

Property leased: if appropriate, specify the part or premises

FOLIO IDENTIFIER 10/701368 & 1/74200

190-198 VICTORIA ROAD, MARRICKVILLE NSW 2204

(B) LODGED BY

Delivery
Box

W

Name, Address or DX and Telephone

R.F. BERGAGNIN & CO.

SOLICITORS

413 ENMORE ROAD

MARRICKVILLE NSW 2204

Reference (optional): 5222

CODE

L

(C) LESSOR

EVANGELOS DANIAS AND DINA DANIAS

The lessor leases to the lessee the property referred to above.

(D)

Encumbrances (if applicable): 1. 2. 3.

(E) LESSEE

ELEGANT GLASS COMPANY PTY LIMITED
(ACN 002 261 028)

(F)

TENANCY:

(G) 1. TERM FIVE (5) YEARS

2. COMMENCING DATE 15 FEBRUARY 2002

3. TERMINATING DATE 14 FEBRUARY 2007

4. With an **OPTION TO RENEW** for a period of FIVE (5) YEARS set out in **CLAUSE 6**

~~5. With an **OPTION TO PURCHASE** set out in~~

~~6. Together with and reserving the **RIGHTS** set out in~~

7. Incorporates the provisions or additional material set out in **ANNEXURE(S)** "A" hereto.

~~8. Incorporates the provisions set out in **MEMORANDUM** filed at Land and Property Information New South Wales as~~

~~NO.~~

9. The **RENT** is set out in item/clause of

off
L: 7369060-119
off
L: 4998701
(41)

ct prod by 46x

All handwriting must be in block capitals.

Total Pages (office use only)

Page 1 of 60

[Handwritten signatures and initials]
R. J. Bergagnin

DATE

30 / 08 / 2003
dd mm yyyy

(H) I certify that the lessor, with whom I am personally acquainted or as to whose identity I am otherwise satisfied, signed this lease in my presence.

R. F. Bergamin
Signature of witness:

R. F. BERGAMIN
Name of witness:

413 Enmore Road MARRICKVILLE
Address of witness:

Certified correct for the purposes of the Real Property Act 1900 by the lessor.

[Signature]
Signature of lessor:

[Signature]

Note: where applicable, the lessor must complete the statutory declaration below.

I certify that the lessee, with whom I am personally acquainted or as to whose identity I am otherwise satisfied, signed this lease in my presence.

Certified correct for the purposes of the Real Property Act 1900 by the lessee.

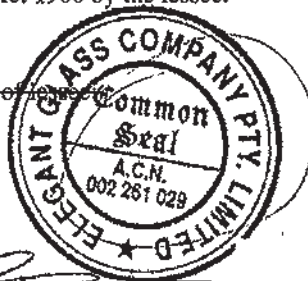
~~Signature of witness:~~ THE COMMON SEAL of ELEGANT GLASS COMPANY PTY LIMITED

~~Name of witness:~~ was hereunto affixed by authority of the Directors in the presence of:

~~Address of witness:~~
[Signature]
Secretary

~~Signature of lessee:~~

Common Seal



[Signature]
Director

(I) STATUTORY DECLARATION

BY ANCHORS PARTIS ONE OF THE LESSORS OF THE PROPERTY LEASED

solemnly and sincerely declare that—

1. The time for the exercise of option to renew/option to purchase in expired lease No. *4998701 (1/10/200)* has ended;

2. The lessee under that lease has not exercised the option. *3. Lease 736 9040 will be purchased by this time, and has been purchased by this time.*

I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths Act 1900.

Made and subscribed at *MARRICKVILLE* in the State of *NEW SOUTH WALES*

on in the presence of—

R. F. Bergamin
Signature of witness:

R. F. BERGAMIN
Name of witness:

413 Enmore Road MARRICKVILLE
Address of witness:

Trustee of The Peace
Qualification of witness

3 September 2003

Signature of Lessor:

[Signature]

MS { **SIGNED** in my presence by the)
Lessors **DINA DANIAS** who ~~are~~)
personally known to me:

R. J. Bergsma

MS { **SIGNED** in my presence by the)
Lessors **EVANGELOS DANIAS**)
who ~~are~~ personally known to me:

R. J. Bergsma

THE COMMON SEAL of)
ELEGANT GLASS COMPANY)
PTY. LIMITED (ACN 002 261)
028) was hereunto affixed by)
authority of the Board of Directors)
in the presence of:



Common Seal

Director

Secretary

SIGNED in my presence by the)
Guarantor **GRAEME OWEN**)
MURRAY who is personally)
known to me:

X Murray

adult witness

SIGNED in my presence by the)
Guarantor **BRIAN THOMAS**)
KINNEAR who is personally)
known to me:

Brian Thomas

adult witness

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RHB

THIS LEASE is made the day of March One thousand nine hundred ninety nine.

BETWEEN

the Lessor described in Item 1 in the Reference Schedule (called "Lessor") of the first part

the Lessee described in Item 2 in the Reference Schedule (called "Lessee") of the second part

AND

the Guarantor described in Item 3 in the Reference Schedule (called "Guarantor") of the third part.

PART 1 — DEFINITIONS AND INTERPRETATION

1 Definitions

1 In this Lease the following expressions have the following meanings:

- (a) "Building" means the building in which the Leased Premises are situated, including
 - (i) the land on which the Building is erected;
 - (ii) land, buildings and structures owned or controlled by the Lessor in conjunction with the Building, which is or may in the future be erected or altered;
 - (iii) Lessor's Fixtures, and the Lessor's chattels, plant, equipment, property and amenities.
- (b) "Business day" means any day which is not Saturday, Sunday or a public holiday.
- (c) "Common Areas of the Building" means those portions of the Building which are designed or are permitted by the Lessor for common use by lessees, their employees, customers and the public, including
 - (i) access and egress roads within the Building, car parking areas, elevators, escalators, ramps, stairways, walkways, pathways, corridors;
 - (ii) entrances, exits, forecourts, foyers, pedestrian malls;
 - (iii) toilets, washrooms, recreational areas, storage areas, loading docks.
- (d) "Latent defects", with reference to the Leased Premises or the Building, means any defects which
 - (i) are attributable to defective
 - (A) preparation or remediation of the site on which the Building is erected;
 - (B) supervision of the construction or any installation;

- (C) design;
- (D) workmanship;
- (E) materials;
- (ii) occurred when the Building was erected or is substantially extended or altered;
- (iii) are not reasonably apparent to a competent professional consultant on a visual inspection of the property; and
- (iv) are not expressly disclosed by the Lessor to the Lessee before entry into this Lease.
- (e) "Lease" means this document and includes the schedules and annexures to this Lease.
- (f) "Leased Premises" means
 - (i) the premises described in Item 4 in the Reference Schedule and includes, with reference to those premises
 - (A) the internal surfaces of external walls and of internal structural walls of the Building;
 - (B) the internal surfaces of the ceiling and of concrete or other floors;
 - (C) the central line of partitions separating the Leased Premises from other adjoining premises;
 - (D) the external surfaces of partitions and doors separating the Leased Premises from Common Areas of the Building or from other premises not intended to be leased;
 - (E) the internal surfaces of glass contained in external windows;
 - (F) all internal partitions, divisions, windows and window frames, doors and door frames, which are fully within the Leased Premises;
 - (G) the external surfaces and finishes on walls, floors, ceilings, partitions, doors and windows included in the Leased Premises, including paint, wallpaper and other materials or substances;
 - (ii) the Lessor's Fixtures and any chattels provided by the Lessor for the Lessee within the Leased Premises at any time during the lease term, including those listed in Item 5 in the Reference Schedule;
 - (iii) pipes and connections to water, sewerage, electricity, gas, telecommunications, air conditioning and other services and supplies, situated within above or under the Leased Premises which connect those services to the Leased Premises.

(g) "Lessee" includes

- (i) when an individual, the Lessee's legal personal representatives;
- (ii) when several individuals, the Lessees jointly and their respective legal personal representatives;
- (iii) the Lessee's assigns;
- (iv) when a company or corporation, its successors and assigns.

(h) "Lessor" includes

- (i) when an individual, the Lessor's legal personal representatives;
 - (ii) when several individuals, the Lessors jointly and their respective legal personal representatives;
 - (iii) the Lessor's assigns;
 - (iv) when a company or corporation, its successors and assigns.
- (i) "Lessor's Fixtures" means all the plant, equipment and chattels which have been or become permanently or securely affixed to the Leased Premises and are the Lessor's property, including the items listed as fixtures in Item 5 in the Reference Schedule.
- (j) "Reference Schedule" means the Reference Schedule in this Lease.
- (k) "Services" means electricity, gas, water, sewerage, telephone, telecommunication, and any other services provided or available to leased premises in the Building or to Common Areas of the Building by public or local or statutory authorities and the pipes, wires, ducting and other means of providing those services to the Building and to leased premises.
- (l) "Structural repairs" means repairs to the structure of the Building, such as the foundations, floors, walls and load bearing columns.

2 Interpretation

Terms

- 2 (1) (a) Words expressed in the singular include the plural and vice versa.
- (b) Words expressed in one gender include the other genders, as is appropriate in the context.
- (c) The reference to "person" includes a corporation.

Statutes

- (2) References to statutes, regulations, ordinances and by-laws when contained in this Lease include amendments, re-enactments or consolidations of any of them.

Covenants implied by statute

- (3) Covenants and powers implied by statute are excluded from this Lease, unless any such covenant or power cannot be excluded by force of statute or is expressly incorporated in this Lease.

Joint and several liability

- (4) (a) In the event of there being two or more lessors or two or more lessees under this Lease (including whilst the Lease or the reversion is held by legal personal representatives, successors or assigns) each of them is jointly and severally liable to perform covenants and obligations under this Lease.
- (b) When there are two or more lessors or lessees, any conduct under or in respect of this Lease, including the exercise of any entitlement or taking any action under this Lease or a provision of this Lease, shall be undertaken by all of the lessors or all of the lessees jointly, unless this Lease expressly provides otherwise.

Severance

- (5) If any provision contained in this Lease is or becomes legally ineffective, under the general law or by force of legislation, the ineffective provision shall be severed from this Lease which otherwise continues to be valid and operative.

Governing law

- (6) This Lease is governed and construed in accordance with the law of the State in Item 6 in the Reference Schedule.

Lease comprises entire agreement

- (7) It is agreed that this Lease contains the whole of the agreement between the Lessor and the Lessee relating to the Leased Premises.

PART 2 — THE SUBJECT MATTER AND TERM OF THIS LEASE

3 Rights and entitlements granted to Lessee

- 3 The Lessor grants to the Lessee for the duration of this Lease exclusive possession of the Leased Premises

4 The term of this Lease

- 4 The Lessor leases the Leased Premises to the Lessee for the term specified in Item 9 in the Reference Schedule.

5 Holding over after expiry of Lease

5 After the expiry of the term of this Lease, when the Lessee remains in occupation of the Leased Premises with the consent of the Lessor this Lease continues as a monthly tenancy

- (a) commencing on the day immediately following the last day of the term of this Lease;
- (b) the rent being payable monthly in advance, comprising the rent payable immediately before the end of this Lease and the Lessee's contributions to operating expenses, calculated and payable from time to time in accordance with this Lease;
- (c) on the terms contained in this Lease, except those terms which are inapplicable to a monthly tenancy;
- (d) the tenancy being terminable by either party on one month's written notice expiring at any time.

6 Option for renewal

Offer of renewal

- (1) The Lessor offers a renewal of this Lease to the Lessee on the terms specified in this clause which the Lessee should accept strictly in accordance with the provisions contained in this clause, otherwise this offer shall lapse.

Binding Lessor's successors and assigns

- (2) This offer and the option bind the Lessor and the Lessor's successors and assigns being the owners for the time being of the Leased Premises.

Parties who may renew

- (3) This offer may be accepted by
 - (a) the Lessee or by the Lessee's successors and assigns being the lessee for the time being of the Leased Premises;
 - (b) in the event of there being two or more persons holding as lessees as joint tenants, upon the death of any of them by their survivors.

Conditions for exercise of option

- (4) The Lessee may only accept this offer and exercise the option if
 - (a) there is no subsisting breach of any lease covenants by the Lessee at the date of serving notice of exercise of this option and also at the date of expiry of this Lease; and

- (b) the Lessee shall have served on the Lessor notice of exercise of this option during a period before the date of expiry of the term of this Lease, as is specified in Item 10 in the Reference Schedule.

Guarantee for Lease for option term

- (5) (a) If this Lease is guaranteed by the Guarantor, then the renewal of this Lease is conditional on the Guarantor under this Lease entering into a guarantee in the form contained in Part 4 of this Lease in respect of the option term.
- (b) If the Guarantor, or any of the Guarantors, under this Lease is unable or unwilling to enter into a guarantee in respect of the option term, the Lessee may provide a guarantee in accordance with para (a) instead of that Guarantor by another person who is an acceptable new Guarantor.
- (c) (i) An acceptable new Guarantor is a person who is respectable and is either:
 - (A) not less sufficiently financial than the Guarantor;
 - or
 - (B) is an adequately financial Guarantor.
- (ii) A person is an adequately financial Guarantor if that person's net assets, after deducting secured and unsecured liabilities, exceed the amount indicated in Item 10 in the Reference Schedule.
- (d) The Lessor will consider the Lessee's request to provide an acceptable new Guarantor for the renewal of this Lease promptly.
- (e) If the Lessee is unable to provide a guarantee in respect of the Lease for the option term either by the Guarantor or by an acceptable new Guarantor, the Lessee has failed to effectively exercise the option for renewal of this Lease and the Lessee is not entitled to a renewal of this Lease for the option term.

Conditions of renewal

- (6) The renewal which the Lessee may accept under this clause is for the renewal of this Lease for the further term of years specified in Item 10 in the Reference Schedule from the day after the date of expiry of the term of this Lease, containing identical covenants to the covenants of this Lease (except this clause) at a rent which shall be calculated in accordance with Clause 9(2).

Payment of rent and operating expenses whilst rent is determined

- (7) (a) After exercise of this option, until the rent for the option term is determined, the Lessee will continue to pay the rent and operating expenses as and when payable under this Lease at the rate at which they are payable during the last year of the lease term.

- (b) Within the number of days indicated in Item 10 in the Reference Schedule after the rent for the option term is determined, the parties will adjust and pay any shortfall or excess in the rent paid from the commencement of the option term up to the last day for rent payment before the rent determination.

Preparation of lease for option term

- (8) (a) After the Lessee has effectively exercised this option and the rent for the option term has been determined, the Lessor's solicitor shall submit for execution a lease or a variation or extension of this Lease incorporating the lease conditions for the option term, which shall be executed promptly by the Lessor and by the Lessee.
- (b) The Lessee shall pay the legal costs and disbursements in accordance with clause 12(2).

PART 3 — LESSEE'S FINANCIAL OBLIGATIONS

7 Rent payments

- 7 The Lessee covenants to pay rent as specified in Item 11 in the Reference Schedule
 - (a) by an initial payment in advance on the date for commencement of rent to the end of that calendar month and then by calendar monthly payments in advance on the first day of each month, each payment being one-twelfth of the annual rent then due as fixed or varied under this Lease;
 - (b) without demand by the Lessor;
 - (c) by cash or cheque, or if required by the Lessor by banker's order on the Lessee's bank, or by depositing or transferring the payments into an account as directed by the Lessor;
 - (d) to, or as directed by, the Lessor, which may be altered by the Lessor by written notice served on the Lessee.

8 Abatement of rent and financial obligations

Abatement of Lessee's financial obligations

- 8 (1) If during the continuance of this Lease the Building or the Leased Premises is wholly or partly damaged or destroyed or is rendered wholly or substantially inaccessible through an event described in clause 8(2), rendering the Leased Premises or any part of it wholly or substantially unfit for the Lessee's use and occupation or inaccessible for a period exceeding seven (7) days, then the Lessee's financial obligations abate in accordance with this clause.

Abating events

- (2) This clause applies in case of fire, lightning, storm, flood, earthquake, explosion, malicious damage, war damage, and any other event beyond the Lessee's control.

Lessee's financial obligations

- (3) Abatement extends to all the Lessee's financial obligations to the Lessor under this Lease, including rent and operating expenses.

Period of abatement

- (4) The period of abatement is from the date of the destruction, damage or inaccessibility until the date when the premises are restored and rendered suitable for the Lessee's use and occupation or accessible.

Effect of abatement

- (5) During and for the period of abatement the Lessee's liability to pay the whole or proportion of the financial obligations under this Lease, as agreed or determined under clause 8(7), calculated on a daily basis, ceases and abates.

Exception to abatement

- (6) The Lessee is not entitled to an abatement of the Lessee's financial obligations under this clause if
- (a) the event resulting in the damage, destruction or inaccessibility is caused or contributed to by the act or negligent omission of the Lessee or the Lessee's employees; or
 - (b) the Lessor fails to recover the benefit of any insurance for loss or damage to the Building or the Leased Premises because of any act or omission of the Lessee or the Lessee's employees.

Determination of abatement

- (7) (a) The parties shall endeavour to agree on the commencement and period of abatement of the Lessee's financial obligations, and if the Lessee is able to have partial use and enjoyment of the Leased Premises, the proportion of the abatement having regard to the nature and extent of the damage to and use of the premises.
- (b) If the parties have any dispute regarding the Lessee's entitlement to an abatement, its period or amount, the dispute shall be determined by a loss assessor
- (i) who is then a member of the Insurance Council of Australia Ltd and is experienced in assessing premises of the nature of the Leased Premises and is nominated by the President for the time being or senior officer of that Council on the application of either party;

- (ii) acting as an expert;
- (iii) who is entitled to accept written submissions and expert reports from either party;
- (iv) whose costs shall be borne equally by the parties;
- (v) whose decision is final and binding on the parties.
- (c) If the loss assessor nominated under paragraph (b) fails to proceed or to determine the dispute, either party may seek the nomination of another loss assessor in accordance with paragraph (b).

8A Goods and services tax (GST)

Interpretation

8A(1) In this clause:

"GST" refers to goods and services tax under A New Tax System (Goods and Services) Act 1999 ("GST Act") and the terms used have the meanings as defined in the GST Act.

Rent and other amounts exclusive of GST

- (2) It is agreed that rent and all other amounts agreed to be paid by the Lessee to the Lessor, being the consideration for the supply expressed in this Lease, are exclusive of GST.

Lessee's obligation to reimburse lessor

- (3) In respect of any liability of the lessor for GST under this Lease, and the renewal or extension of this Lease including for rent, rates, outgoings, or any consideration for any other taxable supply the Lessee covenants to pay to the Lessor, at the same time as any payment is made involving the Lessor in GST liability, the additional amount of GST, together with the payment to which it relates.

Lessor's input tax credits

- (4) The Lessee's liability under (3) is to reimburse the full amount of GST, disregarding and excluding the Lessor's entitlement to input tax credits or other credits or reimbursements for GST.

Tax invoice

- (5) In respect of each payment by the Lessee under (3), the Lessor agrees to deliver to the Lessee, upon request or as required under the GST Act, tax invoices in a form which complies with the GST Act and the regulations, to enable the Lessee to claim input tax credits in respect of the taxable supply.

9 Rent review

Review date

- 9 (1) The annual rent shall be reviewed on the dates shown in Item 12 in the Reference Schedule (each called "the Review Date").

Rent Review

- (2) On the Review Date, the rent until the next Review Date shall be the greater of:
- (a) the rent payable under this Lease in the immediately preceding year plus an increase of three percent (3%); or
 - (b) the rent payable at the commencement of this Lease ("Base Period") multiplied by the fraction $N1/B1$. $N1$ refers to the Consumer Price Index for Sydney (All Groups) published by the Australian Bureau of Statistics ("Index") in respect of the quarter immediately preceding the particular Review Date and $B1$ is the Index in respect of the quarter immediately preceding the Base Period. In the event that at any time during the term of this Lease the Bureau shall update the reference base of the Index, appropriate arithmetical adjustment shall be made to make the updated index number correspond in reference base to the index number at the Review Dates.

Rent payments

- (3) The rent may be determined from a Review Date even if the review is instituted after that Review Date.
- (4) If the rent from a Review Date shall not be determined until after that Review Date:
- (a) The Lessee shall continue to pay the current instalments of rent due until the new rent is determined.
 - (b) When the rent is determined, the Lessee shall pay the additional amount (if any) due for rent from the Review Date to the date when the next monthly instalment of rent is payable on the rent day next succeeding the expiration of thirty (30) days after the date when the Lessee is informed of the rent determination.
 - (c) In addition the Lessee shall pay to the Lessor interest in accordance with clause 14 at a daily rate from the Review Date calculated monthly on the additional amount due each month to the date of payment of rent and interest.

10 Operating expenses

Lessee's liability for operating expenses

- 10 (1) (a) The Lessee shall pay to the Lessor the Lessee's percentage of operating expenses specified in Item 13 in the Reference Schedule for the term of this Lease.
- (b) If at any time during the term of this Lease the total lettable area of the building is altered because of additions or extensions, or any other reason, the Lessee's share of

operating expenses shall be recalculated as at the date when such alteration occurs, having regard to the altered lettable area of the building.

- (c) The amount of operating expenses shall be assessed by the Lessor for each annual period ending on the day in Item 13 in the Reference Schedule (called "annual period").
- (d) For the purpose of assessment of operating expenses, those expenses shall be calculated on an accrual and prepayment basis by the Lessor so that:
 - (i) the Lessor's obligation arises on the date when it is under a legal liability to pay for an operating expense;
 - (ii) when an operating expense relates to a particular annual or other period, the proportion attributed to the annual period shall be included, apportioned on a daily basis, whether payment is required before, during or after the annual period.
- (e) The proportion attributable to parts of an annual period shall be calculated on the basis of the Lessor's assessment of operating expenses for the annual period and is payable by monthly instalments.

Operating expenses

(2) Operating expenses includes:-

(a) Rates and taxes

All rates, taxes, charges and impositions, currently and in the future payable to any Federal, State, local government, statutory or public authority or corporation, in respect of the property, the building or the Leased Premises including:

- (A) municipal, local and other rates and charges payable to a local authority;
- (B) rates and charges for the supply, reticulation or discharge of water (including excess water), sewerage, drainage and removal of waste;
- (C) land tax or any similar tax, at the rate payable if the land on which the Leased Premises is situated was the only land owned by the Lessor;

(b) Insurance

Insurance costs and charges paid by the Lessor in respect of risks to or in connection with the property and the Building and its use, control and management, which the Lessor reasonably considers necessary to cover by insurance.

(c) Fire protection

One hundred percent (100%) of the maintenance cost of fire sprinklers and other fire safety and prevention equipment and monitoring including Wormalds service fee for sprinkler protection.

Payment of Lessee's contribution

- (3) (a) At least thirty (30) days before the commencement of an annual period the Lessor shall if required by the Lessee, provide to the Lessee an itemised estimate of the operating expenses payable during or attributable to the next annual period, and calculations of the Lessee's percentage and the monthly instalments payable by the Lessee.
- (b) When during an annual period some additional rate or tax is charged, the Lessor may reassess the Lessee's contribution and require the Lessee to pay it by monthly instalments during the appropriate annual periods.
- (c) The Lessee's contributions to outgoings are payable monthly together with the rent.
- (d) Within the number of days in Item 13 in the Reference Schedule after the end of an annual period the Lessor shall, if requested, provide to the Lessee an itemised statement of the total operating expenses paid by the Lessor during or attributed to that annual period.
- (e) The Lessor's itemised statement is prima facie evidence of the operating expenses during an annual period.
- (f) Within thirty (30) days after the receipt by the Lessee of an itemised statement, the parties shall adjust the contributions for the previous annual period and pay any balance due from the Lessee or refund for overpayment due from the Lessor.

11 Services

Lessee's liability for services and utilities

- 11 (1) The Lessee will pay throughout this Lease for any electricity, power, fuel, gas, oil, water, telephone, garbage removal, waste disposal, 100% of the annual fire sprinkler charge together with any services or utilities provided by public local or other authorities or suppliers to the Leased Premises, to the supplier of the service or utility.

Installation of meters

- (2) The Lessee will, if required by the Lessor or by an authority supplying a service or utility permit the installation of meters, at the Lessee's expense, required to measure the quantity of the service supplied to the Leased Premises.

12 Costs

Costs of preparation of Lease

- 12 (1) (a) The Lessee shall pay on execution of this Lease the stamp duties and registration fees, and subsequently the costs and stamp duty when upstamping this Lease.
- (b) The Lessee shall pay the Lessor's legal and professional costs and disbursements of and incidental to the negotiation, preparation, execution and registration of this Lease together with the cost of and incidental to obtaining consent of any Mortgagee or Headlessor.

Renewal or extension of lease

- (2) The costs and disbursements of and incidental to any renewal or extension of this Lease shall be paid by the Lessee as is indicated in clause 12(1).

Consents, transactions and default

- (3) The Lessee agrees to pay the Lessor's costs, charges, and expenses which are incurred in connection with or incidental to:
- (a) the obtaining of any consent from the Lessor, and from any headlessor, mortgagee or other person, which is required by the Lessee under this Lease;
- (b) the negotiation and preparation of all documents relating to any consent required by the Lessee, and all costs incurred by the Lessor, and by any other party whose consent is required, whether a consent is given, refused, or the application for consent is withdrawn;
- (c) any breach or default by the Lessee under this Lease;
- (d) the exercise or attempted exercise by the Lessor of any right, power, privilege, authority or remedy, against the Lessee or against any Guarantor, to enforce the Lessee's obligations under this Lease, or to terminate this Lease for the Lessee's breach or default.

Costs on common fund basis

- (4) The Lessor's legal and professional costs and disbursements under clause 12(3) shall be charged and allowed on a common fund basis, to provide full indemnity to the Lessor for costs charges and expenses.

Lessor's internal costs

- (5) The Lessor's costs under clause 12(3) include
- (a) the Lessor's reasonable administrative costs and expenses of considering any application for consent, of considering and managing any breach or default under this Lease and attendances by the Lessor's officers, employees or agents, including attendances on the Lessor's legal advisers and in court;
- (b) the fees of professional consultants incurred by the Lessor.

13 Precluding deduction for set-off or counterclaim

- 13 The Lessee expressly agrees to make all payments due under this Lease, including for rent and operating expenses, punctually on the date when each payment is due and shall not withhold or be entitled to withhold the whole or part of any such payment by way of deduction, set-off or counterclaim, in respect of any claim for damages or for compensation which the Lessee shall make or has made against the Lessor, until after the Lessor's liability for damages or compensation is determined and the amount due to the Lessee is determined or agreed.

14 Lessee's liability for interest on overdue payments

Interest on overdue payments

- 14 (1) In the event of the Lessee being in default for a period of more than fourteen (14) days with the payment of rent, operating expenses, costs or any other liability to or on behalf of the Lessor under this Lease, the Lessee is liable to pay additional interest to the Lessor in accordance with this clause.

Computation of interest

(2) Interest is computed

- (a) from the day immediately following the day on which each liability is due for payment, at a daily rate, until the liability is discharged by payment;
- (b) at the rate of interest indicated in Item 14 in the Reference Schedule;
- (c) in respect of amounts remaining unpaid, the Lessor at its option may capitalise interest calculated up to the end of each calendar month whilst there are outstanding liabilities in accordance with clause 14(1) from the Lessee.

Recovery of interest

- (3) The Lessor may demand the payment of interest and take legal action to recover the amount due at any time after not less than fourteen (14) days notice is given to the Lessee indicating the amount due and its calculation.

15 Measurement of lettable area

Use of BOMA method

- 15 (1) The lettable area of the whole or part of the Leased Premises and of the Building shall be determined in accordance with the "BOMA Method of Measurement", published or used by the Building Owners and Managers Association of Australia Ltd referred to in Item 15 in the Reference Schedule in respect of buildings such as the Building.

Alteration in method

- (2) If the BOMA Method of Measurement is altered during the continuance of this Lease, then subsequent calculations of the lettable area shall be undertaken on the basis of the

altered method of measurement, including for rent review and the calculation of contributions to operating expenses.

Prima facie evidence

- (3) A certificate by a surveyor or architect produced by the Lessor indicating that person's or firm's calculations in accordance with clause 15(1) or (2) is prima facie evidence of the lettable area of premises covered by those calculations.

PART 4 — SECURING THE LESSEE'S OBLIGATIONS

16 Guarantee

Entering into Guarantee

- 16 (1) In consideration of the Lessor agreeing to grant this Lease to the Lessee at the request of the Guarantor the Guarantor enters into this guarantee (called "Guarantee") in favour of the Lessor on the terms specified in this clause.

Scope of guarantee

- (2) (a) The Guarantor agrees to guarantee the payment of rent and the observance and performance of all the Lessee's obligations as specified in this Lease throughout the lease term, including during holding over as periodical tenant after the expiry of the lease term, by the Lessee, its successors and assignees of this Lease.
- (b) This Guarantee covers the whole period whilst the Lessee occupies or is entitled to occupy the Leased Premises under this Lease as the lessee, any renewal, or whilst holding an equitable interest over the Leased Premises under an agreement for lease or as a periodical tenant.
- (c) This Guarantee extends to claims by the Lessor
- (i) for damages for breaches of lease covenants;
 - (ii) for breaches of any essential terms of this Lease;
 - (iii) for repudiation of this Lease;
 - (iv) for the Lessor's loss or damage in the event of the Lessee abandoning or vacating the Leased Premises;
 - (v) in the event of the Lessor electing to re-enter or to terminate this Lease;
 - (vi) for the Lessor's reasonable legal and other expenses of seeking to enforce those obligations against the Lessee and the Guarantor, recovering possession and terminating this Lease, on the basis specified in clause 12;
 - (vii) for loss or damage consequent on disclaimer of this Lease on the Lessee's insolvency, as if this Lease had not been disclaimed.

- (d) This Guarantee is in favour of the Lessor and its successors and assigns being the owner of the Leased Premises from time to time during the continuance of this Guarantee.

Liability of several Guarantors

- (3) When there is more than one Guarantor under this Lease
- (a) the term Guarantor in this clause refers to each of the Guarantors and to all of them;
 - (b) their obligations as Guarantor are joint and several;
 - (c) the Lessor may enforce this Guarantee against all or any of them;
 - (d) any notice or demand may be served on all of them by serving any one of them;
 - (e) this Guarantee remains binding on the other Guarantors, even if
 - (i) any Guarantor fails to execute this Lease or to enter into this Guarantee;
 - (ii) this Guarantee is not binding on any Guarantor;
 - (iii) the Lessor shall release any Guarantor from liability under this Guarantee.

Guarantee not discharged

- (4) This Guarantee is not discharged and the Lessor's rights against the Guarantor are not affected by any of the following
- (a) the granting of any indulgence or extension of time by the Lessor to the Lessee or to the Guarantor;
 - (b) the Lessor's neglect or failure to enforce lease covenants against the Lessee or waiver of any breaches or defaults under this Lease;
 - (c) the total or partial release of liability of the Lessee or of a Guarantor by the Lessor;
 - (d) the entry into any arrangement, composition or compromise relating to this Lease between the Lessor and the Lessee or any other person;
 - (e) the variation of any provision of this Lease between the Lessor and the Lessee without the Guarantor's consent but only if they are minor and are not prejudicial to the Guarantor;
 - (f) the death or bankruptcy or winding up of the Lessee or the Guarantor;
 - (g) the Lessee's liability under this Lease, or this Lease, being or becoming invalid, illegal, or unenforceable, including through any act, omission or legislation;

(h) the disclaimer of this Lease following the Lessee's insolvency.

17 Security bond

Payment of Bond

- 17 (1) At the commencement of this Lease the Lessee shall pay to the Lessor the sum in Item 16 in the Reference Schedule as a security bond in earnest of performance of the Lessee's obligations under this Lease (called "Bond").

Deposit of Bond

- (2) (a) The Lessor shall deposit the Bond for the duration of this Lease as specified in Item 16 in the Reference Schedule in the Lessor's name to be held by the Lessor as trustee for the Lessee and in accordance with the provisions of this clause.
- (b) The Lessor shall incur no liability to the Lessee for loss of the Bond through failure of the financial institution in which it is deposited.
- (c) Interest earned on the Bond shall be added to the amount held as the Bond and credited to the Lessee.

Consequences of default

- (3) In the event of the Lessee defaulting in the payment of rent or any financial obligation to the Lessor or in performing some other obligation under this Lease, the Lessor is entitled to
- (a) appropriate the whole or part of the Bond and interest accrued on it in satisfying the outstanding obligation and for compensation for breach of covenant; or
- (b) to forfeit the Bond and the accrued interest.

Appropriation of Bond

- (4) If the Bond is forfeited or appropriated under clause 17(3), the Lessor shall notify the Lessee that the Bond and interest are applied in full or in partial satisfaction of the Lessor's claim and shall itemise the Lessor's claim, giving credit for the Bond and for interest.

Lessor not limited to Bond

- (5) The Lessor is entitled to recover rent and damages from the Lessee without being limited to the Bond, but if any further claim is made against the Lessee, the Lessor shall credit the Lessee with the Bond and interest.

Lessor's conduct not waiver of breach

- (6) The Lessor's conduct in forfeiting the Bond or in appropriating the whole or part of the Bond, or in failing to do so, does not constitute waiver of the Lessee's breach or default or preclude the Lessor from exercising any of its rights or remedies.

Reinstatement or increase of Bond

- (7) The Lessee shall reinstate or increase the amount of the Bond within 14 days after service of notice by the Lessor on the Lessee requiring the Lessee to do so and indicating the amount required to be paid and its calculation:
- (a) when the whole or part of the Bond has been appropriated under para (3);
 - (b) when the rent is increased on rent review or the exercise of an option to renew, to ensure that the Bond shall equal the sum in Item 16 in the Reference Schedule and the accrued interest.

Assignment of Lease

- (8) In the event of an assignment of this Lease the Bond shall be held on behalf of the assignee and the Bond and interest shall be deemed to have been assigned to the assignee and held in accordance with this clause.

Sale of Leased Property

- (9) (a) In the event of a sale of the Leased Property subject to this Lease, control over the Bond and accrued interest shall be vested in the purchaser as trustee for the Lessee.
- ~~(b) The rights and obligations of the Lessor under this clause endure in favour of and against the purchaser as assignee of the reversion.~~
- (c) After the Bond has vested in the purchaser, the Lessor's liability to the Lessee for repayment of the Bond is extinguished.

Responsibility for Bond

- (10) The owner of the reversion at the expiry or termination of the Lease, whether being the purchaser of the reversion or a mortgagee from the Lessor who has entered into possession, assumes personal liability to the Lessee and to any assignee of the Lease for repayment of the Bond, whether or not that owner has acquired control over the Bond.

Repayment of Bond

- (11) Lessor shall repay to the Lessee the Bond and accrued interest on expiry or termination of this Lease, unless the Bond and accrued interest have been forfeited or appropriated in accordance with this clause.

Bank guarantee

- (12) The Lessee may, with the consent of the Lessor, provide a bank guarantee in satisfaction of the requirement in paragraph (1) to provide a Bond.

PART 5 — USE OF LEASED PREMISES AND BUILDING

18 Use of Leased Premises

- 18 (1) The Lessee will not use or permit the Leased Premises to be used for any other purpose than that stated in Item 17 in the Reference Schedule.

19 Warranties and representations

No warranty of suitability or adequacy

- 19 (1) Regarding the present or future suitability or adequacy, for the Lessee's intended use or the business intended to be conducted by the Lessee, of the Leased Premises, the Building or the fixtures, fittings, furnishings, plant, machinery, equipment, services and facilities provided by the Lessor
- (a) the Lessee acknowledges that no promise, representation or warranty was given by or on behalf of the Lessor to or on behalf of the Lessee;
 - (b) the Lessor makes no warranty;
 - (c) any warranties implied under the general law or by statute are excluded under this Lease and negated to the extent permitted by law.

Lessee's responsibility for approvals

- (2) (a) The Lessee has satisfied itself, before entering into this Lease, regarding the need for the availability and existence of all approvals, consents and licences required for use of the Leased Premises by the Lessee for its business and for the intended and permitted use of the Leased Premises.
- (b) The Lessee has full responsibility, at its expense, to ensure that all approvals, consents and licences required by the Lessee for the conduct of the business and use of the Leased Premises are obtained and maintained throughout the term of this Lease and that all their conditions are observed.

20 Lessee's obligation to trade

Requiring lessee to continue trading

- 20 (1) The Lessee covenants to keep the Leased Premises open for business and to conduct the Lessee's business throughout the term of this Lease during the hours in Item 18 in the Reference Schedule, except
- (a) when the Lessee is prevented from trading in the Leased Premises in circumstances beyond the Lessee's control;
 - (b) when the business is closed for annual holidays.

Extended hours

- (2) The Lessee may trade in the Leased Premises outside the hours specified in clause 20(1), but only in accordance with any restrictions on trading hours applying generally or specifically to the Leased Premises or to the particular use of the premises.

Closure of building

- (3) The Building shall remain closed during the hours specified in Item 18 in the Reference Schedule and the Lessee shall not trade at the Leased Premises during any of those hours.

21 Signs

Sign on exterior of Leased Premises

21 (1) The Lessee shall:

- (a) not without the Lessor's prior written consent affix, display or exhibit (whether of a permanent or semi permanent nature) any sign, notice, advertisement, decoration, light, name, awning, canopy or material advertising its merchandise or services provided by the Lessee on the inside or outside of the Leased Premises or the Building.
- (b) maintain any such sign, notice, advertisement, decoration, light, name, awning, canopy or material advertising its merchandise or services as may be approved, in good condition and repair.

Failure to maintain sign

- (2) If the Lessee fails to comply with clause 21(1)(b) the Lessor may cause the removal of those items and the Lessee must repair any damage caused by the removal or becoming apparent on their removal, in a workmanlike manner, so as to restore the Leased Premises or the Building to the condition before fixing etc.

Sign on directory board or at main entrance

(3) In relation to any directory board:

- (a) The Lessee shall not without the Lessor's prior written consent enter the Lessee's name and /or description and/or other distinctive mark on any directory board;
- (b) The Lessor may provide consent in accordance with paragraph (a):
 - (i) on such conditions as the Lessor may impose, in its discretion, without being required to consent;
 - (ii) including on the condition that such name and/or description is of the style, colour, format, lettering and number of lines as provided by the Lessor.

- (c) If the Lessor provides consent in accordance with paragraph (a), the entering of a name and/or description and/or other distinctive mark shall be carried out by the Lessor at the cost of the Lessee.,

22 Alterations

No alterations to premises

22 (1) The Lessee shall not

- (a) make or permit to be made any alterations or additions in or to the Leased Premises;
- (b) install, or make any additions or alterations to, any electrical, gas, water, plumbing and other services, fixtures, or appliances, or any other equipment or appliances for heating, cooling, ventilating or air conditioning the Leased Premises;
- (c) mark, paint, damage, deface, drive nails or screws into, any walls, floors, ceilings, partitions, or any wood, stone or metal surface of the Leased Premises or the Building, except in accordance with clause 22(2).

Minor alterations

- (2) The Lessee is permitted to drive screws or nails into the walls or floors of the Leased Premises, without the Lessor's consent, but only in order to affix, using as few nails and screws as are reasonably necessary, decoration, paintings, carpets, and equipment used by the Lessee in its business.

Installing internal partitions

- (3) The Lessee shall not install internal partitions in the Leased Premises or alter or modify the existing partitions without the Lessor's prior written consent.

23 Compliance with regulations

Lessee's obligation

- 23 (1) The Lessee shall at its expense observe and comply with all laws and requirements relating to
 - (a) the Lessee's use and occupation of the Leased Premises for the use permitted in this Lease;
 - (b) the Leased Premises and facilities by reason of the number and the sex of the Lessee's employees and other persons working in or entering the Leased Premises;
 - (c) the fixtures, fittings, machinery, plant and equipment in the Leased Premises;
 - (d) occupational health, safety and environmental matters.

Compliance with notices

- (2) The Lessee shall comply with the notices or requirements of the relevant authorities regarding the matters in clause 23(1), whether given to the Lessor or the Lessee, except to carry out structural alterations to the Leased Premises.

24 Lessee's obligations regarding use of Leased Premises

Prohibitions with reference to use of premises

24 (1) The Lessee shall not, during the term of this Lease:

- (a) Allow the Leased Premises to be used for any illegal, immoral, noxious, dangerous or offensive purpose, activity or occupation.
- (b) Use or permit any part of the Leased Premises to be used as sleeping quarters or for residence.
- (c) Keep any animals in the Leased Premises.
- (d) Hold or permit any auction or public meeting in the Leased Premises.
- (e) Use or permit the use of any sound producing equipment in the Leased Premises at a volume which may be heard outside the premises.
- (f) Use the Leased Premises in a noisy or in any other manner which would cause damage, nuisance or disturbance to the Lessor, to other lessees of the Building, or to the owners or occupiers of adjoining properties.
- (g) Trade or display merchandise outside the Leased Premises.
- (h) Use the Leased Premises in an excessively noisy or noxious or offensive manner.
- (i) Use plant or machinery in the Leased Premises so as to constitute a nuisance or disturbance to the Lessor or to other lessees of the Building, due to noise, vibration, odours or otherwise.
- (j) Use any fireplaces.
- (k) If this Lease includes a residence, not to permit more than one (1) person per bedroom to sleep in that residence.

Mode of conducting Lessee's business

- (2) The Lessee agrees, regarding the conduct of the business in the Leased Premises, throughout the term of this Lease, to conduct the business in an orderly, efficient and reputable manner, consistent with the standard and quality of the Building.

Inflammable substances

- (3) The Lessee shall not bring into, store or use in the Leased Premises any inflammable, dangerous or explosive substances
- (a) such as acetylene, industrial alcohol, burning fluids and chemicals, including in heating or lighting the Leased Premises;
 - (b) unless the sale or use of such substances constitutes proper conduct of the Lessee's business for the permitted use of the Leased Premises and the particular substances are stored and used only whilst taking all necessary safety precautions and in compliance with all fire and safety regulations relating to such substances.

Cleaning and hygiene

- (4) The Lessee agrees to keep the Leased Premises clean and
- (a) to have the floor and the interior of the Leased Premises cleaned as frequently as is specified in Item 20 in the Reference Schedule;
 - (b) to have the surfaces of windows and the shop front cleaned on each business day;
 - (c) to have the fittings, equipment and furnishings cleaned as frequently as required to maintain them in a clean condition;
 - (d) not allow the accumulation of useless property or rubbish in the Leased Premises.

Disposal of rubbish

- (5) (a) The Lessee shall cause all rubbish accumulated in the Leased Premises to be placed daily in suitable containers provided by the Lessor for the Leased Premises and situated in an area in the Building designated by the Lessor.
- (b) The Lessee will ensure that trade waste or wet refuse is removed from the Leased Premises at least once daily as directed by the Lessor to facilities provided by the Lessor.

Use of toilets and drainage

- (6) The Lessee shall
- (a) not use the toilets, sinks, drainage and plumbing in the Leased Premises or in the Building for purposes other than those for which they were designed;
 - (b) not place in any of those facilities rubbish, chemicals, contaminated and other substances, which they are not designed to receive or which would infringe health or environmental regulations;
 - (c) repair any damage caused to any of those facilities by breach of paragraph (a) or (b).

Obstructions by Lessee

(7) The Lessee shall not cover or obstruct

- (a) any windows or skylights which admit air or light into the Building or the Leased Premises;
- (b) any parts of Common Areas of the Building normally used as an entrance to or exit from the Leased Premises or the Building;
- (c) air conditioning ducts or outlets or ventilation ducts.

Public address system, sound and image reproduction

(8) (a) The Lessee shall not, without the Lessor's prior written consent

- (i) affix to any part of the Building or the Leased Premises any radio or television antenna, mast or satellite dish;
 - (ii) use any radio, gramophone, television, amplifier, audio-visual, sound or image reproduction equipment in the Leased Premises or in the Building (except a radio in compliance with clause 24(1)(e)).
- (b) The Lessor may consent to any of the matters prohibited under paragraph (a)
- (i) on such conditions as the Lessor may impose, in its discretion, without being required to consent;
 - (ii) including on the condition that such equipment be situated and used in the Leased Premises so as not to be visible or audible from outside the Leased Premises.
- (c) The Lessor may at any time withdraw its consent if the Lessee fails to comply with the conditions of consent imposed by the Lessor or after the Lessor has received justified complaints from any other lessee regarding the Lessee's use of the equipment.

Infectious illness

- (9) If an infectious illness or disease occurs in the Leased Premises or to some person using the Leased Premises, the Lessee shall promptly
- (a) notify the relevant authorities which are required to be advised by law of that occurrence;
 - (b) provide a copy of the notification to and inform the Lessor;
 - (c) at its expense fumigate and disinfect the Leased Premises, as required by the relevant authorities, and comply with their other requirements in respect of the Leased Premises.

Lessee's obligation not to contaminate land

(10) The Lessee covenants that, during the continuance of this Lease, the Lessee will

- (a) not use or permit to be used or stored at the Leased Premises any radioactive, toxic or hazardous chemicals, wastes or substances, except in concentrations and quantities permitted by the relevant statutory authorities and in accordance with any licences, permits or authorisations required by law and in accordance with the conditions imposed by such authorities or under their permission;
- (b) comply with the demands, notices and requirements of the regulatory authorities in respect of contamination of the Leased Premises caused by the Lessee or by occupiers of the Leased Premises, including notices to remediate the Leased Premises;
- (c) notify the Lessor within seven (7) days after receiving any demand or notice from a regulatory authority in respect of contamination of the Leased Premises;
- (d) indemnify the Lessor against any liability, loss, damage, expense or claim which the Lessor may incur as a consequence of the breach by the Lessee of any obligation under this paragraph, including fines, legal costs, consultants' fees and remediation costs.

25 Overloading and heavy equipment

Weight and location of heavy equipment

- 25 (1) (a) The Lessor is entitled to specify the maximum weight and the proper location of heavy articles (described in Item 21 in the Reference Schedule) which may be brought into and located in the Leased Premises.

Requirement for Lessor's consent

- (b) The Lessee shall not bring into the Leased Premises any heavy equipment, including machinery, plant, safe, furniture or other equipment, unless:
 - (i) it is reasonably necessary for the conduct of the Lessee's business for the permitted use in the Leased Premises;
 - (ii) the Lessee gives at least seven (7) days prior written notice to the Lessor of the intention to bring them into the Leased Premises, a description of the nature, size and weight of each item, and indicating the intended position of each item;
 - (iii) the Lessee has obtained the Lessor's prior consent.

Damages

- (c) The Lessee is liable to the Lessor for any damage caused to the Leased Premises or the Building consequent on the Lessee moving heavy equipment into the Leased Premises without having complied with the provisions of this clause.

Overloading electrical supply

- (2) (a) The Lessee will not install any electrical equipment which will overload the cables, switchboards and other equipment that supplies electricity to the Building or to the Leased Premises.

Lessee's liability

- (b) If any installations by the Lessee result in overloading that equipment, the Lessee is liable
- (i) for the costs of repairing any damage;
 - (ii) for ensuring that the Lessor's equipment is repaired and restored to working order;
 - (iii) if necessary, to disconnect the Lessee's installations or alter or upgrade the electrical supply system at the Lessee's cost, in order that it will suffice for the additional load imposed by the Lessee's installations.

26 Security and keys

Securing premises

26 (1) The Lessee shall

- (a) take reasonable action to secure the Leased Premises against unauthorised entry whilst the premises are unoccupied;
- (b) securely lock and fasten external doors and windows in the Leased Premises whilst the premises are unoccupied.

Lessee's obligations regarding alarm

(2) The Lessee shall

- (a) service, maintain and repair, when required, any intruder alarm installed in the Leased Premises by the Lessee;
- (b) ensure that any intruder alarm installed by the Lessee is not incompatible with, or does not adversely affect the performance of, any intruder alarm installed by the Lessor;
- (c) allow reasonable access to the Leased Premises to persons nominated by the Lessor, for the purpose of testing, servicing, maintaining and repairing any intruder alarm to the Building or the Leased Premises installed by the Lessor.

Lessor to provide keys and access cards

- (3) At the commencement of this Lease the Lessor shall provide to the Lessee at the Lessor's cost keys and access cards reasonably required by the Lessee for entry into the Building, the Leased Premises and use of the elevators, including outside normal business hours.

Lessee's obligations regarding keys and access cards

- (4) The Lessee shall

- (a) not make or allow to be made any duplicate keys or access cards;
- (b) provide keys and access cards only to the Lessee's employees;
- (c) keep a permanent record of who is provided with keys and access cards, including their issue and return, and allow the Lessor to inspect that record on reasonable notice;
- (d) notify the Lessor promptly if any keys or access cards are reported to the Lessee to have been lost, destroyed or stolen;
- (e) pay the Lessor for the cost of supplying any replacement or additional keys or access cards;
- (f) return to the Lessor all keys and access cards obtained from the Lessor on termination of the Lessee's tenancy of the Leased Premises.

27 Common Areas of the Building

Lessor's rights and obligations relating to Common Areas of the Building

- 27 The Lessor has control over the Common Areas of the Building.

28 Lessor's obligations relating to air conditioning, lifts and other Facilities

Meaning of Facilities

- 28 (1) In this clause "Facilities" means the plant and equipment for heating, cooling or circulating air (called "air conditioning"), lifts, elevators and escalators (called "lifts"), fire sprinklers and other fire safety and prevention equipment, and car parking, provided by the Lessor in the Building, and includes the plant, machinery and equipment associated with those Facilities.

Lessee's obligations

- (2) The Lessee will ensure that the Lessee's employees shall comply with the Lessor's reasonable instructions regarding the use of the Facilities, and will not interfere with, or allow anything to be done which might impair the efficient operation of any of the Facilities.

Exemption of Lessor's financial responsibility

(3) The Lessor is exempted from any liability to the Lessee for financial loss or inconvenience, including for damages, abatement of rent or for repudiation, and the Lessee is not entitled to terminate this Lease, because

- (a) any of the Facilities is out of order and is not functioning properly or at all;
- (b) any of the Facilities is temporarily stopped or interrupted pending inspection, repair, maintenance, replacement for any other cause.

PART 6 — REPAIRS, MAINTENANCE AND ALTERATIONS

29 Lessor's repair obligations

Lessor's general obligation

29 (1) The Lessor shall keep the Building in good repair throughout the term of this Lease.

30 Lessee's repair obligations

Lessee's general obligation

30 (1) The Lessee shall keep the Leased Premises and the Lessor's fixtures and chattels situated in the Leased Premises in good repair and working condition throughout this Lease and shall on expiry or termination of this Lease yield up the Leased Premises to the Lessor in the state of repair and condition as is specified in this clause.

Limiting Lessee's repair obligation

- (2) The Lessee is not responsible for
 - (a) latent defects;
 - (b) structural repairs, unless the need for repair occurred
 - (i) through the conduct or negligence of the Lessee or of persons for whose conduct the Lessee is legally liable;
 - (ii) through the Lessee's use and occupation of the Leased Premises or the use of fixtures, plant and machinery in the Leased Premises;
 - (c) the condition of the Leased Premises at the commencement of this Lease;

Lessee's additional specific repair obligations

(3) In addition to the Lessee's obligations under clause 30(1), the Lessee shall throughout the term of this Lease, notwithstanding clause 30(2) (which does not apply to the matters listed in this paragraph), carry out the following repair and maintenance

- (a) promptly repair or replace all broken, cracked or damaged glass in the Leased Premises, with glass of the same or similar gauge and quality, unless the damage was caused by the Lessor or the Lessor's tradespersons;
- (b) promptly repair or replace all damaged, broken or faulty light globes, fluorescent lights, power points, light switches, heating, lighting and electrical appliances, services and wiring in the Leased Premises;
- (c) promptly repair and keep in proper working order and free from blockage plumbing fittings, drains, water pipes, sewerage pipes, toilets and sinks, to the extent to which they are situated in or under the Leased Premises and provide Services or Facilities to the Leased Premises;
- (d) maintain and repair all door and window locks and fittings in the Leased Premises;
- (e) repair any damage or breakage to the Leased Premises, to the Lessor's Fixtures and property in the Leased Premises, and to Services and Facilities in the Leased Premises, caused by lack of care or misuse by the Lessee or by its employees or agents.
- (f) properly maintain gardens, lawns and landscaped areas in and outside the Building in a high class condition;
- (g) keep and maintain the Services to the Building and to the Leased Premises in good working condition and repair.

Carrying out repairs

- (4) When carrying out any repair in accordance with this clause, the Lessee shall ensure that
 - (a) the work is carried out by appropriately licensed and qualified tradespersons;
 - (b) the work is carried out promptly;
 - (c) the work is completed in high class workmanship and with good quality materials;
 - (d) fittings and materials of similar style and quality are used to the items being repaired or replaced;
 - (e) the required consent or approval of any statutory authority is obtained to carry out the work and the conditions of approval are observed;
 - (f) the work is carried out without creating undue noise, nuisance or interference with the use and enjoyment of adjoining or nearby leased premises.

31 Lessee's obligation to redecorate

Obligation to redecorate

- 31 (1) The Lessee shall redecorate the Leased Premises during each period specified in Item 22 in the Reference Schedule and also immediately following serious damage to the Leased Premises, which cannot be adequately rectified by repair and redecoration of only the damaged surfaces.

Quality of redecoration

- (2) (a) The redecoration shall be carried out by qualified tradespersons engaged by the Lessee, in high class workmanship and with good quality materials.
- (b) If the Lessee desires to change the colours, patterns, nature, style and quality of any aspect of the redecoration, including wallpaper or carpet, the Lessee shall submit to the Lessor full details of and patterns for the intended changes, or a detailed proposal for redecoration indicating those changes, for the Lessor's prior written approval, such approval not to be refused unreasonably by the Lessor.

Extent of redecoration

- (3) Redecoration includes
- (a) cleaning and preparing the surfaces of the Leased Premises, including walls, ceilings, floors and partitions, for redecoration;
- (b) painting all painted surfaces with at least two coats of first quality paint, wallpapering, staining, varnishing and polishing all internal surfaces as they were treated previously;
- (c) replacing those floor coverings, floor tiles, window coverings and window blinds which, in the opinion of the Lessor, are sufficiently worn or damaged to require replacement during redecoration;
- (d) upgrading or renewing all internal and external signs etc., at the Leased Premises which, due to deterioration or wear and tear, require replacement, repair or repainting.

Lessee's failure to redecorate

- (4) If the Lessee fails to redecorate the Leased Premises in accordance with this clause, the Lessor may give notice to the Lessee requiring it to commence to redecorate within thirty (30) days, and if the Lessee shall fail to commence to redecorate in accordance with that notice, and proceed efficiently with redecoration, the Lessor may redecorate the Leased Premises and recover from the Lessee the reasonable cost of the redecoration.

32 Lessor's right to inspect Leased Premises

Right of inspection

- 32 (1) The Lessor, or persons authorised by the Lessor, may enter the Leased Premises

- (a) to inspect the condition and state of repair of the Leased Premises, Services and Facilities;
- (b) to ascertain that the Lessee complies with the Lessee's obligations under this Lease.

Prior notice

- (2) The Lessor shall exercise its entitlement under clause 32(1) after giving reasonable prior notice to the Lessee of the intended time of the inspection, except in an emergency when the Lessor has an additional right to enter the Leased Premises and prior notice is not required before entry.

33 Lessor's right to repair Leased Premises

Lessor's right of entry

- 33 (1) The Lessor and persons authorised by the Lessor, including consultants and contractors, may enter the Leased Premises, together with tools, equipment and materials, and remain on the Leased Premises, at and for such reasonable times as is necessary for the purpose of carrying out repairs and other work, in accordance with this clause.

Notice before entry

- (2) Before entering the Leased Premises the Lessor shall give to the Lessee not less than seven (7) days prior written notice of the intended date and time of entry, its purpose and the likely duration of the intended work, except in an emergency, when prior notice before entry is not required.

Nature of repairs

- (3) The Lessor may carry out repairs, including maintenance, installations, alterations, replacement or renewal, in respect of the Building, the Leased Premises, Services and Facilities to or situated in the Leased Premises, in order
 - (a) to undertake work which the Lessor is required or desires to carry out in accordance with this Lease;
 - (b) to comply with the requirements of any authority;
 - (c) to carry out work in conjunction with or to adjoining leased premises or Common Areas of the Building which cannot be reasonably undertaken without access from or through the Leased Premises;
 - (d) to undertake work which the Lessee
 - (i) failed to carry out, in breach of its obligations under this Lease, or following notice from the Lessor;
 - (ii) failed to complete in a workmanlike manner;

- (e) to remove unauthorised work, alterations or signs, undertaken or installed by the Lessee in breach of its obligations under this Lease;
- (f) to restore or rebuild the Leased Premises following damage or destruction.

34 Removal of alterations and fixtures

34 (1) The Lessee shall

- (a) remove
 - (i) any alterations, additions, fixtures, partitions and fittings made or installed by the Lessee in the Leased Premises during this Lease;
 - (ii) all signs and notices etc., erected or affixed by the Lessee to the Leased Premises and to the Building;
 - (iii) all nails and screws inserted by the Lessee into any part of the Leased Premises;
- (b) reinstate
 - (i) the Leased Premises to their condition before any alterations, additions, installations and partitions were made or installed by the Lessee; and
 - (ii) make good, in a proper and workmanlike manner, any damage caused to the Leased Premises by the installations and their removal.

Period of removal

- (2) The Lessee shall comply with the obligations under clause 34(1)
 - (a) before the expiry or termination of this Lease;
 - (b) if this Lease is terminated suddenly or unexpectedly, by forfeiture, destruction or other event, within fourteen (14) days after the termination of this Lease.

Removal of fixtures

- (3) (a) The Lessee is entitled to remove from the Leased Premises all fixtures installed by the Lessee during the lease term (except fixtures which the parties agreed in writing to become the Lessor's property and not removable by the Lessee).
- (b) The Lessee may remove fixtures during the term of this Lease, during any extension of the term of this Lease, during holding over after the expiration of this Lease, and during the term of a new lease granted to the Lessee, notwithstanding the surrender of this Lease, subject to this clause.
- (c) The Lessee (or the Lessee's successors or assigns) must remove fixtures within the number of days in Item 23 in the Reference Schedule after having ceased to occupy the Leased Premises.

- (d) The Lessee covenants to repair any damage caused to the Leased Premises by the removal of fixtures, or becoming apparent on their removal, in a workmanlike manner, so as to restore the Leased Premises to its condition before the installation of those fixtures which are removed.
- (e) Those fixtures which the Lessee does not remove within the period specified in paragraph (c) may at the Lessor's option remain permanently affixed to the Leased Premises and be and remain the property of the Lessor.

Consequences of failure to remove and reinstate

- (4) If the Lessee fails to comply with the obligations under clause 34(1) or (3) within the periods in clause 34(2) or (3)(c)
 - (a) the Lessor may cause the removal, reinstatement and repairs to be carried out, and the Lessee is responsible for and shall reimburse the Lessor for the Lessor's costs and expenses;
 - (b) if the Lessor incurs further loss in reletting the Leased Premises by reason of the Lessee's failure, the Lessor may recover from the Lessee the loss of rent and operating expenses which would have been received from a prospective Lessee.

PART 7 — INSURANCE, INDEMNITIES, DAMAGE AND DESTRUCTION

35 Lessor's insurances

Lessor's obligation to insure

- 35 (1) The Lessor shall effect and maintain throughout the term of this Lease a comprehensive insurance policy
- (a) for the full insurable and replacement value of the Building and the Lessor's plant, equipment, Facilities and property in the Building;
 - (b) against loss or damage by fire, storm, tempest, earthquake, lightning, explosion, and other risks usually covered under a comprehensive insurance policy for fire and related risks.

Replacement of property

- (2) (a) In the event of loss or damage to the Lessor's property covered by the insurance under clause 35(1) the Lessor will promptly replace, repair or reinstate the damaged or destroyed property and utilise the insurance proceeds.
- (b) The Lessor is not required to repair, replace or reinstate the Lessor's property, when the Building has been seriously damaged and is required to be substantially rebuilt or replaced.

36 Lessee's insurances

Lessee's obligations to insure

36 (1) The Lessee shall effect and maintain throughout the term of this Lease the following insurances:

Public Risk

(a) A public risk insurance policy

- (i) in the form of a standard public risk policy or in the form commonly used by the Lessee's insurer and by some other reputable insurers;
- (ii) (A) in the sum in Item 24 in the Reference Schedule in respect of any single event or accident;

(B) or for such higher amount as the Lessor, acting reasonably and prudently, may require, during any year of the term of this Lease after the first year of the term of this Lease;
- (iii) relating to the Lessee's liability for death, personal injuries and property damage arising from the Lessee's occupancy of the Leased Premises and use of the Building, whilst entering, leaving, using and being in the Leased Premises or any portion of the Building, in circumstances in which the Lessee may incur liability for the injury, loss or damage;
- (iv) and extended to include claims, risks and events covered under indemnities provided by the Lessee to the Lessor under this Lease.

Plate glass

(b) For the full replacement value, through breakage or damage from any cause

- (i) of all plate and other glass in windows, doors, shop front, display cases and other fixed glass in the Leased Premises; and
- (ii) of any doors, windows or other frames containing the glass;
- (iii) within or forming part of the Leased Premises.

Lessee's property

(c) A comprehensive insurance policy

- (i) for the full insurable and replacement value of the Lessee's fixtures, fittings, plant, equipment and stock in trade in the Leased Premises;
- (ii) against loss or damage by fire, storm, tempest, earthquake, lightning, explosion, burglary and other risks usually covered under a comprehensive insurance policy for fire and related risks.

Workers' compensation

- (d) A workers' compensation insurance policy, providing unlimited cover in respect of the Lessee's employees for workers' compensation, as required by law and including an extension for common law liability by the Lessee for an amount not less than specified in Item 24 in the Reference Schedule.

Insurer and conditions

Lessor's approval

- (2) (a) The Lessee's insurances shall be effected with one or more insurance companies which are
 - (i) respectable, reputable and financially sound;
 - (ii) approved by the Lessor, and the Lessor's approval shall not be unreasonably withheld.

Joint insurances

- (b) The Lessee's insurances relating to public risk, plate glass and the Lessee's property (in order to cover fixtures)
 - (i) shall be in the joint names of the Lessor and the Lessee;
 - (ii) shall cover the Lessor's and Lessee's interests;
 - (iii) and, if requested by the Lessor, shall include the interest of any mortgagee over the Building.

Payment of premium

- (3) (a) The Lessee shall pay punctually when due the insurance premiums and other moneys payable to effect and maintain the insurances required under this clause.
- (b) If the Lessee fails to pay an insurance premium when due, the Lessor may make such payment, which shall become due and payable by the Lessee to the Lessor, together with interest, within seven (7) days after service of written notice by the Lessor on the Lessee requiring payment.

Replacement of property

- (4) (a) In the event of loss or damage to the Lessor's or Lessee's property which is covered by insurance effected by the Lessee, the Lessee will promptly replace, repair or reinstate the damaged or destroyed property, utilising the proceeds from the insurance.

- (b) (i) The Lessee shall pay any additional costs of replacement, repair or reinstatement not covered by the proceeds from the insurance,
- (ii) unless the Building is seriously damaged or destroyed and is not repaired or reinstated by the Lessor or this Lease is terminated as a consequence of the damage or destruction.
- (c) In the events under paragraph (b)(ii), the proceeds from any insurance effected by the Lessee in respect of damage or loss to the Lessor's property shall be remitted to the Lessor as compensation for its loss.

Evidence of insurance

- (5) The Lessee shall forward to the Lessor within twenty eight (28) days after the insurance is effected or is due for renewal
 - (a) copies of each insurance policy effected in accordance with this clause;
 - (b) evidence of renewal of the insurance and payment by the Lessee of the insurance premium.

Notifications by Lessee

- (6) The Lessee shall promptly give to the Lessor written notice of
 - (a) the Lessee's intention to cancel, replace or alter any insurance effected by the Lessee in accordance with this clause;
 - (b) any notice or correspondence received by the Lessee from an insurer indicating its intention to cancel or materially alter any of those insurances;
 - (c) the occurrence of any fact or event which may not be known to the Lessor and
 - (i) may give rise to a claim against the Lessor or the Lessee, which may be covered by any one of those insurances;
 - (ii) may prejudice the entitlement to claim under any of those insurances; or
 - (iii) should be disclosed to the insurer and may affect its decision to continue to insure the Lessee or the risk.

37 Lessee's conduct relevant to insurance

Compliance with fire safety regulations etc.

- 37 (1) (a) The Lessee agrees to comply with the requirements imposed by the Lessor's insurer for the Building and under fire safety regulations, in respect of the authorised use by the Lessee of the Leased Premises

- (i) with regard to the installation, repair and maintenance of fire alarms, sprinklers, and fire prevention equipment in the Leased Premises, except those provided by the Lessor at or before the commencement of this Lease;
 - (ii) including in respect of partitions and alterations in the Leased Premises;
 - (iii) with regard to securing the Leased Premises or the Building.
- (b) The Lessee is liable to the Lessor for the reasonable cost of installations and equipment, which the Lessor may install in the Leased Premises during this Lease, in order to comply with the requirements under paragraph (a), if the Lessee shall have failed to comply with those obligations in any respect.

Lessee's conduct not to affect adversely Lessor's insurances

- (2) (a) The Lessee shall not do anything
- (i) in the Leased Premises or bring or keep anything in the Leased Premises,
 - (ii) which the Lessor shall have previously advised the Lessee would render the Lessor's insurance in respect of the Building or the Leased Premises, in respect of any risk, prejudicially affected or liable to be avoided by the Lessor's insurer,
 - (iii) unless the activity is
 - (A) authorised expressly under this Lease; or
 - (B) authorised by the Lessor in writing or
 - (C) authorised by the Lessor's insurer.
- (b) The Lessee shall, within fourteen (14) days after receiving written notice from the Lessor, pay to the Lessor all additional insurance premiums and stamp duties required to be paid by the Lessor to maintain the Lessor's existing insurances, notwithstanding the Lessee's conduct, which would otherwise constitute breach of paragraph (a).

38 Lessee's indemnities to Lessor

Indemnities

- 38 (1) The Lessee agrees to indemnify the Lessor from and against any liability, loss, damage, expense or claim, which the Lessor may incur, including to a third party, during or after the term of this Lease, in respect of or arising from:

Breach of lease obligations

- (a) Loss, damage or injury to property or person occurring within the Building or the Leased Premises, caused or contributed to by the Lessee's failure (including through the Lessee's agents or employees) to comply with the obligations imposed under this Lease.

Misuse of Services or Facilities

- (b) The negligent use or misuse by the Lessee (and by its agents or employees) of any Services or Facilities in the Building or in the Leased Premises.

Escape of substances

- (c) The overflow, leakage or escape of water, gas, electricity, fire, or other materials or substances in or from the Leased Premises, caused or contributed to by the Lessee's (and its agents' or employees') negligence.

Use of Leased Premises

- (d) Loss, damage or injury to property or person, arising out of use of the Leased Premises.

Faulty installations

- (e) Loss, damage or injury to property or persons, caused or contributed to by the defective installation of plant, fixtures and equipment in the Leased Premises by or on behalf of the Lessee.

Failure to notify

- (f) The Lessee's failure to notify the Lessor regarding any defect in the Facilities or Services in the Leased Premises.

Conditions and limitations

- (2) The indemnities under this clause
 - (a) include penalties, fines, legal and other costs incurred by the Lessor;
 - (b) do not apply when the loss, damage or injury was caused by the wilful or negligent act or omission of the Lessor, its employees or agents.

Leased premises occupied at Lessee's risk

- (3) The Lessee agrees to use and occupy the Leased Premises throughout the term of this Lease at the Lessee's risk as regards loss or damage to the Lessee and the Lessee's property.

Exclusion of Lessor's liability to Lessee

- (4) The Lessor is not liable to the Lessee and is excluded from liability for damage to the Lessee's plant, equipment and other property and for loss of profits whilst the Lessee is using and occupying the Leased Premises, including

- (a) through any defect in the construction or condition of the Building or the Leased Premises;
- (b) through any defect in the construction or operation of Facilities or Services to the Leased Premises;
- (c) through fire, water or any other cause.

PART 8 — ASSIGNMENT AND SUBLETTING

39 Prohibition against assignment, subletting and mortgage over lease

Prohibition of dealings

- 39 (1) During the continuance of this Lease, in respect of whole or part of this Lease or the Leased Premises, the Lessee shall not
- (a) assign, transfer, sublet, deal with, hold on trust, or grant any interest in, this Lease;
 - (b) mortgage, charge or encumber this Lease;
 - (c) part with possession of whole or any part of the Leased Premises;
 - (d) grant any licence, or share the right of occupation or possession, in respect of the whole or part of the Leased Premises;
 - (e) grant any franchise or concession over the Lessee's business conducted at the Leased Premises which would entitle any other person to use, occupy or trade from whole or part of the Leased Premises.

Consent to assignment

- (2) The Lessee may apply to the Lessor for consent to the assignment of this Lease, which shall not be unreasonably withheld if the following conditions precedent are satisfied:
- (a) the Lessee shall make a written application to the Lessor for consent and furnish complete copies of all written documents entered into between the Lessee and the proposed assignee relating to the Lessee's business and the premises, written personal and business references and financial statements relating to the assignee and any proposed new guarantors;
 - (b) the Lessee shall establish to the reasonable satisfaction of the Lessor that
 - (i) the proposed assignee is respectable, responsible and solvent;
 - (ii) the proposed assignee has adequately performed its obligations as the lessee or former lessee of other business premises;

- (iii) in respect of the business or profession intended to be conducted by the assignee at the Leased Premises the assignee has sufficient financial resources and business experience to be capable of adequately complying with the Lessee's obligations under this Lease and of efficiently conducting the assignee's business at the Leased Premises;
- (c) the Lessee shall have paid to the Lessor all moneys due under this Lease up to the date of the assignment (and, in respect of any liability which can not be accurately determined, will secure it to the Lessor's reasonable satisfaction at the date of the assignment);
- (d) there are no unremedied breaches of the Lessee's obligations under this Lease at the date of the assignment;
- (e) any other consents which are required to the assignment, by headlessors, mortgagees or others, are obtained before the assignment;
- (f) when the assignee is a company, other than a company whose shares are listed on an Australian Stock Exchange, personal guarantees for performance of lease covenants for the duration of the lease term by the assignee be provided, in a form reasonably acceptable to the Lessor and prepared on behalf of the Lessor at the Lessee's expense, by two of the assignee's directors or principal shareholders chosen by the Lessor;
- (g) the execution by the Lessee and the assignee of a transfer of this Lease, which shall be duly stamped and which the assignee or the assignee's solicitor shall undertake to have registered promptly after completion of the assignment;
- (h) the execution of a deed in a form reasonably required by and prepared on behalf of the Lessor, by the Lessor, Lessee, assignee, continuing guarantors and new guarantors, in which
 - (i) the Lessee confirms its liability under this Lease for the balance of the current lease term;
 - (ii) the Lessor is released from liability to the Lessee under this Lease;
 - (iii) the assignee covenants to observe the Lessee's obligations under this Lease during the duration of this Lease;
 - (iv) any continuing guarantors confirm their consent and continuing liability, unless that is adequately covered in their guarantee;
 - (v) new guarantors execute guarantees under this Lease for the assignee;
- (i) the payment by the Lessee to the Lessor of the Lessor's reasonable costs and disbursements in accordance with clause 12(3)-(6).

Change in control of Lessee

- (3) (a) When the Lessee is not a company whose shares are listed on an Australian Stock Exchange, any proposed

(i) transfer in the legal or beneficial interest in shares of the Lessee if a company;

(ii) allotment of shares in the Lessee company; or

(iii) changes in the company's articles of association,

which would have the consequence of altering the effective control of the Lessee company, is considered to be an assignment of this Lease and requires the Lessor's consent in accordance with clause 39(2) as if the parties which would acquire control over the company were assignees of the Lease.

PART 9 — LESSOR'S COVENANTS, OBLIGATIONS AND RESERVATION OF ENTITLEMENTS

40 Lessor's covenant for quiet enjoyment

- 40 The Lessor covenants with the Lessee that whilst the Lessee complies with the financial and other obligations under this Lease, the Lessee may occupy and have the use and enjoyment of the Leased Premises for the term of this Lease without interruption or disturbance from the Lessor and other persons lawfully claiming through or under the Lessor.

41 Miscellaneous reservations

Roof, external walls, advertising

- 41 (1) The Lessor reserves the exclusive entitlement to use the roofs and external walls of the Building, and the entitlement to erect and display and to authorise the erection and display of advertisements and advertising signs above, on or from the roofs or external walls of the Building.

For sale and for lease signs

- (2) The Lessor may install on the external walls of the Building or of the Leased Premises for sale signs if the Building is offered for sale or for lease signs during the last two months of a lease term.

Right to inspect Leased Premises

- (3) (a) The Lessor, its employees, agents and persons authorised by the Lessor, may enter and remain on the Leased Premises for the purpose of inspecting the Leased Premises, with a prospective purchaser or mortgagee of the building or with a prospective lessee of the Leased Premises.

(b) The right to enter and inspect the Leased Premises shall be exercised

(i) during the last two months of the lease term, with prospective lessees;

- (ii) during two hours in any week, to be nominated by the Lessor, with prospective purchasers or mortgagees of the Building.

Passage of Services

- (4) The Lessor reserves the right to maintain Services to the Leased Premises, to any other leased premises in the Building and to the Common Areas of the Building, by having those Services pass through or under the Leased Premises, and to have access to those Services for the purpose of maintenance, repair or replacement, or to provide additional Services for any leased premises or common areas through or under the Leased Premises.

Grant of easements by Lessor

- (5) (a) The Lessor reserves the entitlement to grant easements and enter into arrangements or agreements with owners, lessees and others having interests in land or premises adjoining or near the Building or any government, statutory or local authority for the purposes specified in paragraph (b).
- (b) Such easements, arrangements or agreements may constitute enforceable interests in land benefiting or burdening the Building and other land or benefiting and burdening both the Building and other land, to provide
 - (i) access to or egress from the Building;
 - (ii) support of existing or future structures erected on the Building or on adjoining land;
 - (iii) Services and facilities to the Building or to adjoining or nearby land, including for water, drainage, electricity, gas, telephonic and other telecommunications.
- (c) The Lessor, in order to grant such easements or other entitlements may execute transfers, leases, and other instruments binding on the title to the Building and on the title to this Lease.
- (d) The Lessee covenants to execute any consent or other instrument required to render the entitlement binding on the Lessor and the Lessee.
- (e) The Lessor covenants not to grant or create any entitlements under this clause which would have the consequence of substantially or seriously interfering with the use and enjoyment of the Leased Premises.

Conversion of title

- (6) (a) The Lessor may at any time convert the title to the Building to strata (or similar) title, by obtaining the approval and registration of a subdivision (if required).
- (b) If required, the Lessee will sign consents to that subdivision and conversion.
- (c) In any subdivision the Lessee's entitlement to the Leased Premises will be preserved and the Common Areas of the Building will be retained as common areas.

42 Lessor's entitlement to alter Building or common areas

Work in Building

- 42 (1) The Lessor may carry out any building work in the Building, but without that work substantially altering or interfering with the Leased Premises.

Extent of building work

- (2) The Lessor is entitled to
- (a) repair, renovate or refurbish the Building and/or Common Areas of the Building;
 - (b) alter the Common Areas of the Building, including their size, nature and arrangement;
 - (c) extend or alter the Building;
 - (d) add to and alter the car parking facilities, alter their location and the direction and access to those facilities;
 - (e) alter the access to the Building or to the Leased Premises, including for pedestrians or for vehicles.

PART 10 — DEFAULT AND TERMINATION

43 Lessee's obligation to yield up Leased Premises

- 43 The Lessee agrees, immediately on the expiry or legally effective termination of this Lease, to yield up possession and control over the Leased Premises to the Lessor, in the condition and state of repair as required under this Lease.

44 Essential terms of lease

- 44 (1) It is agreed that the following obligations by the Lessee are essential terms of this Lease:
- (a) the covenant to pay rent throughout the lease term at a date not later than fourteen (14) days after the due date for the payment of each monthly instalment of rent (clause 7);
 - (b) the covenant to pay operating expenses throughout the lease term at a date not later than fourteen (14) days after the due date for the payment of instalments (clause 10);
 - (c) the covenant dealing with the use of the Leased Premises (clause 18);
 - (d) the covenant dealing with insurance (clause 35);
 - (e) the covenant dealing with assignment and subletting (clause 39).

- (2) The presence of this clause 44 shall not mean or be construed that there are no other essential terms.

45 Lessor's entitlements after Lessee vacates during lease term

Lessor's entitlements

- 45 If the Lessee vacates or abandons the Leased Premises during the lease term in breach of the Lessee's obligations under this Lease, the Lessor may

- (a) (i) accept the keys to the Leased Premises from the Lessee;
- (ii) renovate, restore and clean the Leased Premises;
- (iii) change the locks and secure the Leased Premises;
- (iv) permit prospective tenants to inspect the Leased Premises;
- (b) take any action in paragraph (a) without the Lessor's conduct constituting
 - (i) a re-entry or termination of this Lease;
 - (ii) the acceptance of a surrender of this Lease.

46 Power of attorney by Lessee to Lessor

Appointment

- 46 (1) The Lessee appoints the Lessor (and its successors and assigns, being the owner of the property for the time being) the Lessee's attorney with the powers contained in this clause.

Irrevocable power

- (2) This power of attorney is
- (a) irrevocable by the Lessee,
 - (b) granted by the Lessee for valuable consideration (the grant of this Lease by the Lessor), to secure the performance of the Lessee's obligations and the Lessor's proprietary interest over the Leased Premises.

Extent of power

- (3) The Lessor as the Lessee's attorney and in the name and on behalf of the Lessee may
- (a) remove from the Leased Premises, store and sell, any plant, equipment, chattels and other property left on the Leased Premises by the Lessee, after the Lessee has vacated the premises and this Lease is terminated or has expired;

- (b) surrender this Lease, after
 - (i) the Lessor has become entitled to terminate this Lease; and
 - (ii) the Lessee vacates or abandons the Leased Premises; or
 - (iii) the Lessor terminates this Lease by serving notice of termination;
- (c) withdraw any caveat lodged by the Lessee in respect of this Lease, after the Lessor effectively terminates this Lease.

(4) The Lessor may

- (a) act as attorney under this clause during the continuance of this Lease and during the period of the number of months in Item 25 in the Reference Schedule after the termination of this Lease;
- (b) register this Lease (or lease provision) as a power of attorney, at any time including after the termination of this Lease, if that is required for the exercise of any power;
- (c) ratify and confirm any power when exercised under this clause, as attorney and agent for the Lessee.

47 Waiver

Demand and acceptance of rent and other financial obligations

47 After the Lessee is in default or breach under this Lease, including in breach of an essential term of this Lease, the demand or acceptance from the Lessee by the Lessor of arrears or of any late payment of rent, operating expenses, or other financial obligations does not

- (a) preclude the Lessor from exercising any rights or remedies under this Lease, including enforcing or terminating this Lease;
- (b) constitute a waiver of the essentiality of the Lessee's obligation to make those payments;
- (c) waive the Lessee's continuing obligation to make those payments during the lease term.

48 Termination after damage to or destruction of Building

Lessor's entitlement to terminate lease

48 (1) (a) The Lessor may terminate this Lease when the Building is seriously damaged by fire, storm, tempest, earthquake, lightning, explosion, or other similar event, in any of the following circumstances:

- (i) when the Building is required to be demolished and wholly replaced;
- (ii) when the serious damage or destruction extends to more than fifty per cent (50%) of the Building, including the Leased Premises;

- (iii) when the Lessor is not required to repair, replace or reinstate the Building under this Lease;
 - (iv) when the Building cannot be repaired or reinstated by the Lessor, acting reasonably and promptly, within the number of months in Item 26 in the Reference Schedule after the damage;
 - (v) when the Leased Premises are incapable of being used and occupied due to the damage and this Lease expires, with no option for renewal, within two (2) years after the date when the damage occurs.
- (b) In any of the circumstances specified in paragraph (a) the Lessor may give written notice at any time terminating this Lease on one month's notice.

49 Termination of Lease for default

Default

- 49 (1) Each of the following constitutes a default by the Lessee under this Lease
- (a) the failure to pay to the Lessor rent or comply with any other financial obligation under this Lease, including the payment of operating expenses, for a period in excess of fourteen (14) days after the due date for payment, whether a formal demand for payment has or has not been made;
 - (b) the failure to comply with an essential term of this Lease;
 - (c) any serious, persistent and continuing breach by the Lessee of its covenants and obligations under this Lease.

49 Termination after default

- (2) The Lessor may terminate this Lease, after a default by the Lessee in accordance with clause 49(1), and continuance of the default, after the Lessor shall have served a legally effective notice of breach of covenant (if required) by
- (a) re-entering and taking possession of the Leased Premises, using reasonable force to secure possession;
 - (b) serving on the Lessee written notice terminating this Lease;
 - (c) instituting proceedings for possession against the Lessee;
 - (d) taking the actions in both (a) and (b) or in (b) and (c).

50 Lessor's entitlement to damages

Damages for breach or for repudiation

50 (1) (a) In the event that the Lessee's conduct (whether acts or omissions) constitutes

- (i) a repudiation of this Lease (or of the Lessee's obligations under this Lease);
- (ii) a breach of any Lease covenants;
- (iii) a breach of an essential term of this Lease;

the Lessee covenants to compensate the Lessor for the loss or damage suffered by the Lessor as a consequence of the repudiation or breach, whether this Lease is or is not terminated for the repudiation, breach or on any other ground.

- (b) The Lessor's entitlement to damages is in addition to any other remedy or entitlement, including termination of this Lease.
- (c) The Lessor is entitled to recover damages against the Lessee in respect of the repudiation or breach of covenant or essential term for the loss suffered by the Lessor during the term of this Lease, including the periods before and after termination of this Lease.
- (d) The Lessor's entitlement to recover damages is not affected or limited by any of the following:
 - (i) if the Lessee abandons or vacates the Leased Premises;
 - (ii) if the Lessor elects to re-enter or to terminate the Lease;
 - (iii) if the Lessor accepts the Lessee's repudiation;
 - (iv) if the parties' conduct constitutes a surrender by operation of law.

Additional entitlements of Lessor

- (2) The Lessor's entitlement to damages is in addition to
 - (a) the entitlement to recover rent, rates and operating expenses until the date of expiry or termination of this Lease;
 - (b) interest on late payments in accordance with this Lease;
 - (c) costs of any breach or default, including the costs of termination.

51 Removal of Lessee's property

Lessee's obligation to remove property

- 51 (1) (a) The Lessee shall remove all its property, including furniture, plant, equipment and stock in trade, from the Leased Premises, before the expiry or termination of this

Lease or, if it is terminated by the Lessor, within seven (7) days after this Lease is terminated.

- (b) After the Lessor terminates this Lease, the Lessee and its employees and agents may have access to the Leased Premises by arrangement with the Lessor, for the purposes of removing the Lessee's property and cleaning, repairing or restoring the Leased Premises.
- (c) The Lessee shall not cause any damage to the Building or to the Leased Premises whilst removing its property, shall leave the Leased Premises clean and tidy after the removal and shall be liable for the cost of repair of the damage caused by or during the removal.

Lessee's failure to remove property

- (2) (a) If the Lessee fails to remove any of its property from the Leased Premises, the Lessor may
 - (i) have that property removed from the Leased Premises and stored, using reasonable care in removing and storing the property, but being exempted from any liability to the Lessee for loss or damage to any of its property through the negligence of the Lessor, its employees or agents;
 - (ii) sell or otherwise dispose of all or any of the Lessee's property, with or without removing them from the Leased Premises, in the name of and as agent for the Lessee.
- (b) (i) In respect of all or any of the Lessee's property which the Lessee has failed to remove from the Leased Premises, the Lessee is deemed to have abandoned the property and title to it and the Lessor at its option acquires title to that property through abandonment.
- (ii) The Lessor is not obliged to account to the Lessee for the value of any property whose title vests in the Lessor by abandonment.

Lessee's responsibility for damages and costs

- (3) The Lessee is responsible for and indemnifies the Lessor in respect of
 - (a) any loss or damage caused by the Lessee, its employees or agents during the removal of the Lessee's property from the Leased Premises;
 - (b) the costs of removal, storage and sale of any of the Lessee's property.

PART 11 — MISCELLANEOUS

52 Service of notices

Notice

- 52 (1) Any notice, document or demand (called "notice") under this Lease shall be served in accordance with this clause.

Signature of notice

- (2) The notice shall be in writing, signed by the party giving it, or by the party's duly authorised officer (if a corporation), agent or solicitor.

Service of notice

- (3) A notice may be served on a party to this Lease, including their successors, assigns, and guarantors
- (a) by personal delivery to that party or if more persons than one are lessors or lessees to any one of them;
 - (b) by delivering the notice to the Leased Premises and leaving it with an employee of the Lessee;
 - (c) by delivering the notice to the Lessor's business address and leaving it with an employee of the Lessor;
 - (d) by sending it, addressed to the party at that party's address stated in Item 28 in the Reference Schedule, by prepaid security post or certified post;
 - (e) if the Lessor maintains a centre manager's or administrator's office in the Building, by delivering any notice addressed to the Lessor to that office whilst it is open and leaving it with a person working in that office.

Additional or altered address

- (4) Either party may advise the other party of an additional or an altered address for the service of notices, which is within the State in Item 28 in the Reference Schedule and is not a post office box or poste restante.

Time of service

- (5) A notice is considered to have been served
- (a) at the time of delivery;
 - (b) on the third Business day after the day on which it is posted, the first Business day being the day of posting.

53 Lessor's reservations and rights exercisable by successors and by others

- 53 (1) The reservations and rights exercisable by the Lessor over the Building and over the Leased Premises may be exercised by

- (a) successors and assigns of the Lessor whilst being the owner of the Building;
 - (b) persons in whom control over the Building is vested, as head lessee or concurrent lessee;
 - (c) mortgagees in possession in respect of the Building.
- (2) Persons other than the Lessor, when exercising reservations or rights in accordance with clause 53(1), shall comply with any conditions or qualifications imposed under this Lease on the exercise of such entitlements.

54 Notification of changes relating to Lessee

- 54 The Lessee shall promptly advise the Lessor or, if there is a managing agent, that agent, of any changes, during the term of this Lease, in
- (a) the Lessee's telephone number at the Leased Premises;
 - (b) the Lessee's private address and telephone number;
 - (c) if the Lessee is a corporation, the name, private address and telephone number of the manager or other person in charge of the business at the Leased Premises.

55 Right of first refusal

- 55 Where the Lessors decide during the term of this Lease to sell the demised premises, the Lessees shall have the first right of refusal to purchase the demised premises at a price and on such conditions as may be fixed by the Lessors.

56. Development approval

- (1) Within 14 days of the commencement of this Lease the Lessee shall apply to the local council for development approval (and building approval if necessary) ("the application") for approval for the use of the additional caution of the leases premises as stated in Item 17 of the Reference Schedule.
- (2) The Lessee must act promptly, reasonably and diligently in perusing the application and in satisfying the council's requirements.
- (3) The Lessee shall provide to the Lessor a copy of the application within 7 days after lodging it.
- (4) Within 7 days after the Lessee shall have received written correspondence regarding the application and written notification of council's decision on the application, a copy shall be forwarded to the Lessor.
- (5) If the application is refused or not approved within 3 months of commencement of this Lease, either party may terminate this Lease by written notice served on the other party.

- (6) If the Lease is terminated in accordance with sub-clause (5), the Lessee's obligations under this Lease, including the payment of rent and outgoings up until termination continue.

57. Parking

The Lessee shall have the use of 45 car parking spaces on the demised premises.

58. Signs

The Lessee is hereby granted the permission of the Lessors to use the pole sign at the front of the building for advertising provided where the Lessee advertises on the said pole sign the Lessee shall obtain the requisite approval from the Marrickville Municipal Council for the sign/s.

59. Air conditioning

The Lessee will at its own cost and expence obtain a suitable maintenance agreement in respect to the air conditioning unit attached to the ground floor office of the demised premises. The Lessee shall on demand produce the said maintenance agreement for inspection by the Lessors.

REFERENCE SCHEDULE

- Item 1 Lessor: Evangelos DANIAS and Dina DANIAS,
169 Victoria Road, Marrickville NSW 2204
- Item 2 Lessee: Elegant Glass Company Pty. Limited
(ACN 002 261 029), 189 Port Hacking Road,
Miranda.
- Item 3 Guarantor: Graeme Owen Murray, 10 Cranbrook
Place Illawong (Menai) NSW 2234 and Brian
Thomas Kinnear, 26 Valley Way, Gynea Bay
NSW 2227.
- Item 4 Description of Leased Premises: 190-198
(cl 1) Victoria Road, Marrickville NSW 2204.
- Item 5 Inclusions in Leased Premises —
(cl 1 and cl 3(b)) Lessor's Fixtures: Lighting, air conditioning unit
Lessor's chattels: Nil
- Item 6 (cl 2(8)) Law of State governing this Lease: New South
Wales
- Item 7 Deleted
- Item 8 Deleted
- Item 9 (cl 4) Lease term: Five (5) years
Commencement date: 15 February 2002
Last day of lease term: 14 February 2007
- Item 10 (cl 6) Option for renewal —
Period of service of notice of exercise of option
(cl 6(4)(b)): Between 15 August 2006 and 14
November 2006.
- Net assets of adequately financial Guarantor,
exceeding (cl 6(5)(c)): To be advised by Lessor at
the time the Lessee nominates a new Guarantor.
- Term of renewal (cl 6(6)(a)(i)): Five (5) years
commencing on 15 February 2007.
- Period for adjustment of rent (cl 6(7)(b)): 14 days
- Item 11 (cl 7) Rent: Two Hundred and Four Thousand Dollars
(\$204,000.00) per annum, plus GST
(\$20,400.00) payable by equal monthly

instalments of Seventeen Thousand Dollars (\$17,000.00), plus GST (\$1,870.00) on the 15th day of each month.

First payment: On or before the commencement date of the Lease.

Item 12 (cl 9)

Review Dates (cl 9(1)):

Annually from the date of commencement (including the date of commencement of any renewed lease and including any holding over):

15 February 2003

15 February 2004

15 February 2005

15 February 2006

If the Lease is renewed:

15 February 2007

15 February 2008

15 February 2009

15 February 2010

15 February 2011

If the Lessee remains in possession pursuant to a holding over on 15 February in each year.

Item 13 (cl 10)

Percentage of operating expenses (cl 10(1)(a)):
One hundred per cent (100%)

Annual period, for operating expenses, ending on (cl 10(1)(b)): 30 June.

Lessor's itemised statement of total operating expenses, to be given number of days after end of annual period (cl 10(3)(d)): 90 days

Item 14 (cl 14)

Rate of interest (cl 14(2)(b)): twelve percent (12%)

Item 15 (cl 15)

BOMA Method of Measurement, for determination of lettable areas (cl 15(1)): Gross Lettable Area.

Item 16 (cl 17)

~~Amount of Bond (cl 17(1)): An amount equal to three months' rent.~~

Item 17 (cl 18)

Use of Leased Premises for the following purpose (cl 18(1)): Glass manufacture and glass warehousing.

- Item 18 (cl 20) Leased Premises required to be kept open and trading during the following hours (cl 20(1)) —
As required by the Lessee in the conduct and operation of its business.
- Hours when Building is closed (cl 20(3)): Nil
- Item 19 [deleted]
- Item 20 (cl 24) Frequency of cleaning floor and interior of Leased Premises, not less than once each day (cl 24(4)(a)).
- Item 21 (cl 25) Heavy articles (cl 25(1)(a)): To be advised
- Item 22 (cl 31) Redecorating of Leased Premises during each of the following periods (cl 31(1)): Two (2) months prior to the expiration of the Lease term and two (2) months prior to the expiration of the Lease term of any renewed Lease.
- Item 23 (cl 34) Removal of fixtures, not more than 7 days after Lessee ceases to occupy Leased Premises (cl 34(3)(c))
- Item 24 (cl 36) Lessee's insurances —
Amount of initial public risk cover (cl 36(1)(a)(ii)(A)): \$10,000,000.00.
- Extension of workers' compensation for common law liability for amount not less than (cl 36(1)(d)): \$10,000,000.00.
- Item 25 (cl 46) Duration of power of attorney after termination of Lease (cl 46(4)(a)): six (6) months
- Item 26 (cl 48) Lessor's entitlement to terminate Lease, when Building seriously damaged and cannot be repaired or reinstated within following period (cl 48(1)(a)(iv)): four (4) months.
- Item 28 (cl 52) Address for service of notices (cl 52(3)(d)) —
Lessors: 169 Victoria Road, Marrickville NSW 2204
Lessee: 190-198 Victoria Road, Marrickville NSW 2204
Additional or altered address may be notified within (cl 52(4)): State of New South Wales
- Item 29 (cl 27) Deleted.

57

ld / SIGNED in my presence by the)
Lessor DINA DANIAS who are)
personally known to me:

R. T. Beagrum

W / SIGNED in my presence by the)
Lessor EVANGELOS DANIAS)
who are personally known to me:

R. T. Beagrum

THE COMMON SEAL of)
ELEGANT GLASS COMPANY)
PTY. LIMITED (ACN 002 261)
028) was hereunto affixed by)
authority of the Board of Directors)
in the presence of:



Common Seal

Director

secretary

SIGNED in my presence by the)
Guarantor GRAEME OWEN)
MURRAY who is personally)
known to me:

X Murray
secretary who is

SIGNED in my presence by the)
Guarantor BRIAN THOMAS)
KINNEAR who is personally)
known to me:

X Kinnear
secretary who is

CERTIFICATE OF TITLE

NEW SOUTH WALES

PROPERTY ACT, 1900



15494

Vol. 15494 Fol. 141

First Title Old System

Prior Title Vol.3600 Fol.97



19 5 1987

I certify that the person named in the First Schedule is the registered proprietor of an estate in fee simple (or such other estate or interest as is set out below) in the land described subject to the recordings appearing in the Second Schedule and to the provisions of the Real Property Act, 1900.

CANCELLED

Registrar General.



LAND REFERRED TO

SEE AUTO FOLIO

S
Lot 1 in DP74200 at Marrickville in the Municipality of Marrickville Parish of Petersham County of Cumberland.

Title Diagram: DP74200

FIRST SCHEDULE

EVANGELOS DANIAS and DINA DANIAS as Joint Tenants.

N366247

SECOND SCHEDULE

- CRY
WY
L
1. Reservations and conditions in the Crown Grant.
 2. W578612/ Mortgage to Burns Philip Trustee Company Limited.
 3. W795573/ Lease to Model Engineering Products Pty. Limited of premises being known as 190-194 Victoria Road, Marrickville shown in plan with W795573. Expires 31-7-1991. Option of renewal 5 years.

PERSONS ARE CAUTIONED AGAINST ALTERING OR ADDING TO THIS CERTIFICATE OR ANY NOTIFICATION HEREON

(Page 1) Vol. 15494 Fol. 141

NOTE: ENTRIES RULED THROUGH AND AUTHENTICATED BY THE SEAL OF THE REGISTRAR GENERAL ARE CANCELLED

NOTE: ENTRIES RULED THROUGH AND AUTHENTICATED BY THE SEAL OF THE REGISTRAR GENERAL ARE CANCELLED

NOTATIONS AND UNREGISTERED DEALINGS

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PARTICULARS
 SECOND SCHEDULE (continued)
 Registrar General CANCELLATION

CANCELLED
 SEE AUTO FOLIO

FIRST SCHEDULE (continued)
 REGISTERED PROPRIETOR
 Registrar General



TITLE SEARCH

Computer Folio Certificate issued under
Section 96D of the Real Property Act 1900

No. 33

Search certified to:

29/4/2014 10:44 AM

COMPUTER FOLIO REFERENCE	
AUTO CONSOL 10880-76	
EDITION No. & DATE OF CURRENT CERTIFICATE OF TITLE	
10	25/6/2012

Page 1

LAND

LAND DESCRIBED IN SCHEDULE OF PARCELS

LOCAL GOVERNMENT AREA MARRICKVILLE

PARISH OF PETERSHAM COUNTY OF CUMBERLAND

TITLE DIAGRAM DP761

FIRST SCHEDULE

DINA DANIAS

(ND AC124962)

SECOND SCHEDULE (3 NOTIFICATIONS)

- 1 RESERVATIONS AND CONDITIONS IN THE CROWN GRANT(S)
- 2 C944060 EASEMENT FOR STORMWATER DRAINAGE AFFECTING THE PART
OF THE LAND ABOVE DESCRIBED SHOWN SO BURDENED IN PLAN
WITH C944060
- 3 AH70250 MORTGAGE TO NATIONAL AUSTRALIA BANK LIMITED

NOTATIONS

UNREGISTERED DEALINGS: NIL

SCHEDULE OF PARCELS

LOTS 152-156 IN DP761.

*** END OF SEARCH ***

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33

The Registrar General certifies that at the date and time specified above the person(s) described in the First Schedule was the registered proprietor of an estate in fee simple (or other such estate or interest set out in the Schedule) in the land described, subject to any exceptions, encumbrances, interests, and entries which appear in the Second Schedule.

* ANY ENTRIES PRECEDED BY AN ASTERISK DO NOT APPEAR ON THE CURRENT EDITION OF THE CERTIFICATE OF TITLE
WARNING: THE INFORMATION APPEARING UNDER NOTATIONS HAS NOT BEEN FORMALLY RECORDED IN THE REGISTER.



Registrar General

HISTORICAL TITLE SEARCH

Certificate issued under Section 96G
of the Real Property Act 1900

No. 36

Search certified to: 29/4/2014 11:28AM

Computer Folio Reference: 152/761

Page 1

First Title(s): SEE PRIOR TITLE(S)

Prior Title(s): VOL 10880 FOL 76

Recorded	Number	Type of Instrument	C.T. Issue
-----	-----	-----	-----
21/8/1988		TITLE AUTOMATION PROJECT	LOT RECORDED FOLIO NOT CREATED
30/8/1991		CONVERTED TO AUTO CONSOL 10880-76	CONSOL CREATED CT NOT ISSUED

*** END OF SEARCH ***

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The Registrar General certifies that at the date and time specified above the information set out in this search constitutes the historical record of all dealings recorded in or action taken in respect of the mentioned title which is required to be kept by the Registrar General under section 32(7) of the Real Property Act 1900.



Registrar General



HISTORICAL TITLE SEARCH

Certificate issued under Section 98G
of the Real Property Act 1900

No. 35

Search certified to: 29/4/2014 10:36AM

Computer Folio Reference: 153/761

Page 1

First Title(s): SEE PRIOR TITLE(S)

Prior Title(s): VOL 10880 FOL 76

Recorded -----	Number -----	Type of Instrument -----	C.T. Issue -----
21/8/1988		TITLE AUTOMATION PROJECT	LOT RECORDED FOLIO NOT CREATED
30/8/1991		CONVERTED TO AUTO CONSOL 10880-76	CONSOL CREATED CT NOT ISSUED

*** END OF SEARCH ***

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Registrar General



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Land & Property
Information

HISTORICAL TITLE SEARCH

Certificate issued under Section 96G
of the Real Property Act 1900

No. 37

Search certified to: 29/4/2014 10:36AM

Computer Folio Reference: 154/761

Page 1

First Title(s): SEE PRIOR TITLE(S)

Prior Title(s): VOL 10880 FOL 76

Recorded -----	Number -----	Type of Instrument -----	C.T. Issue -----
21/8/1988		TITLE AUTOMATION PROJECT	LOT RECORDED FOLIO NOT CREATED
30/8/1991		CONVERTED TO AUTO CONSOL 10880-76	CONSOL CREATED CT NOT ISSUED

*** END OF SEARCH ***

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HISTORICAL TITLE SEARCH

Certificate issued under Section 96G
of the Real Property Act 1900

No. 39

Search certified to: 29/4/2014 10:36AM

Computer Folio Reference: 155/761

Page 1

First Title(s): SEE PRIOR TITLE(S)

Prior Title(s): VOL 10880 FOL 76

Recorded	Number	Type of Instrument	C.T. Issue
21/8/1988		TITLE AUTOMATION PROJECT	LOT RECORDED FOLIO NOT CREATED
30/8/1991		CONVERTED TO AUTO CONSOL 10880-76	CONSOL CREATED CT NOT ISSUED

*** END OF SEARCH ***

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Certificate issued under Section 96G
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No. 41

Search certified to: 29/4/2014 10:36AM

Computer Folio Reference: 156/761

Page 1

First Title(s): SEE PRIOR TITLE(S)

Prior Title(s): VOL 10880 FOL 76

Recorded	Number	Type of Instrument	C.T. Issue
-----	-----	-----	-----
21/8/1988		TITLE AUTOMATION PROJECT	LOT RECORDED FOLIO NOT CREATED
30/8/1991		CONVERTED TO AUTO CONSOL 10880-76	CONSOL CREATED CT NOT ISSUED

*** END OF SEARCH ***

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HISTORICAL TITLE SEARCH

Certificate issued under Section 96G
of the Real Property Act 1900

No. 04

Search certified to: 29/4/2014 10:42AM

Computer Folio Reference: AUTO CONSOL 10880-76

Page 1

Recorded	Number	Type of Instrument	C.T. Issue
30/8/1991		CONSOL HISTORY RECORD CREATED FOR AUTO CONSOL 10880-76	

PARCELS IN CONSOL ARE:
152-156/761.

23/4/1993	I279690	DETERMINATION OF LEASE	
* 23/4/1993	I279691	TRANSFER	
23/4/1993	I279692	MORTGAGE	EDITION 1
21/1/1997	2775656	DISCHARGE OF MORTGAGE	
21/1/1997	2775657	MORTGAGE	EDITION 2
* 13/5/1997	3057440	LEASE	EDITION 3
19/9/2000	7098329	DISCHARGE OF MORTGAGE	
19/9/2000	7098333	MORTGAGE	EDITION 4
31/8/2001	7899389	CAVEAT	
* 28/9/2001	7986870	LEASE	EDITION 5
5/11/2001	8085290	WITHDRAWAL OF CAVEAT	
3/5/2002	8558793	CAVEAT	
6/9/2002	8933328	WITHDRAWAL OF CAVEAT	
5/11/2002	9099974	DISCHARGE OF MORTGAGE	
5/11/2002	9099975	MORTGAGE	EDITION 6

END OF PAGE 1 - CONTINUED OVER

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The Registrar General certifies that at the date and time specified above the information set out in this search constitutes the historical record of all dealings recorded in or action taken in respect of the mentioned title which is required to be kept by the Registrar General under section 32(7) of the Real Property Act 1900.





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HISTORICAL TITLE SEARCH

Certificate issued under Section 98G
of the Real Property Act 1900

No. 04

Search certified to: 29/4/2014 10:42AM

Computer Folio Reference: AUTO CONSOL 10880-76

Page 2

Recorded	Number	Type of Instrument	C.T. Issue
-----	-----	-----	-----
20/2/2004	AA388076	DISCHARGE OF MORTGAGE	
20/2/2004	AA388080	MORTGAGE	EDITION 7
27/1/2005	AB245482	CAVEAT	
7/8/2006	AC124962	NOTICE OF DEATH	EDITION 8
7/8/2006	AC288905	CAVEAT	
18/8/2006	AC537923	WITHDRAWAL OF CAVEAT	
18/8/2006	AC537936	WITHDRAWAL OF CAVEAT	
22/9/2006	AC618617	VARIATION OF MORTGAGE	EDITION 9
25/6/2012	AH70248	DISCHARGE OF MORTGAGE	
25/6/2012	AH70250	MORTGAGE	EDITION 10

*** END OF SEARCH ***

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Registrar General

97-07L
Licence: 10V/0058/95
Edition: 9804

LEASE
New South Wales
Real Property Act 1900



7986870N

STAMP DUTY

Office of State Revenue (N.S.W. TREASURY)	
CLIENT No 1409240	STAMP No. 213
STAMP DUTY \$1961.50	SIGNATURE
TRANSACTION No.	DATE 5-1-10
ASSASSINATE DETAILS:	

(A) TORRENS TITLE

Property leased: if appropriate, specify the part or premises

Auto Consul 10880-76. Whole, known as 18-26 Faversham Street, Marrickville 2204.

(B) LODGED BY

LTO Box <i>W</i>	Name, Address or DX and Telephone 2 F BERGAGNIN 4 GO 213 Enmore Road MARRICKVILLE 2204 Reference (optional): RFB	CODE L
---------------------	--	------------------

(C) LESSOR

Dina DANIAS and Evangelos DANIAS

The lessor leases to the lessee the property referred to above.

(D) Encumbrances (if applicable): 1. 2775657 2. 3.

(E) LESSEE

Drew Australia Pty. Limited ACN 001 584 523

TENANCY:

- (G) 1. **TERM:** Three (3) years
2. **COMMENCING DATE:** 1 September, 2000
3. **TERMINATING DATE:** 30 August, 2003
4. With an **OPTION TO RENEW** for a period of 3 years set out in
5. ~~With an **OPTION TO PURCHASE** set out in.~~
6. ~~Together with and reserving the **RIGHTS** set out in~~
7. Incorporates the provisions set out in **ANNEXURE A** hereto.
8. ~~Incorporates the provisions set out in **MEMORANDUM** filed in the Land Titles Office as No.~~

OFF: L 3057440

ED

PD

All handwriting must be in block capitals.

A set of notes on this form (97-07L-2)

is available from the Land Titles Office.

Page 1 of 58
number additional pages sequentially

Checked by (LTO use):

CR

7899389

For ☒ Certify this dealing correct for the purposes of the Real Property Act 1900. DATE:

Signed in my presence by the lessor who is personally known to me.

Signature of witness:

Signature of lessor:

Name of witness:

Address of witness:

Where applicable, complete the statutory declaration below

Signed in my presence by the lessee who is personally known to me.

Signature of witness:

Signature of lessee:

Name of witness:

Address of witness:

(I) **STATUTORY DECLARATION**

I solemnly and sincerely declare that-

1. The time for the exercise of option to renew/~~option to purchase~~ in expired lease No. 3057440 has ended;
2. The lessee under that lease has not exercised the option;
3. A variation of lease extending the term has not been entered into.

I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths Act 1900.

Made and subscribed at

in the State of New South Wales on

in the presence of -

Signature of witness:

Signature of lessor:

Name of witness:

Address of witness:

Qualification of witness:

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THIS LEASE is made the day of November Two thousand.

BETWEEN

the Lessor described in Item 1 in the Reference Schedule (called "Lessor") of the first part

the Lessee described in Item 2 in the Reference Schedule (called "Lessee") of the second part

AND

the Guarantor described in Item 3 in the Reference Schedule (called "Guarantor") of the third part.

PART 1 — DEFINITIONS AND INTERPRETATION

1 Definitions

1 In this Lease the following expressions have the following meanings:

- (a) "Building" means all buildings erected on the Leased Premises including Lessor's Fixtures, and the Lessor's chattels, plant, equipment, property and amenities.
- (b) "Business day" means any day which is not Saturday, Sunday or a public holiday.
- (c) "Latent defects", with reference to the Leased Premises or the Building, means any defects which
 - (i) are attributable to defective
 - (A) preparation or remediation of the site on which the Building is erected;
 - (B) supervision of the construction or any installation;
 - (C) design;
 - (D) workmanship;
 - (E) materials;
 - (ii) occurred when the Building was erected or is substantially extended or altered;
 - (iii) are not reasonably apparent to a competent professional consultant on a visual inspection of the property; and
 - (iv) are not expressly disclosed by the Lessor to the Lessee before entry into this Lease.
- (d) "Lease" means this document and includes the schedules and annexures to this Lease.
- (e) "Leased Premises" means the whole of the land referred to in the front panel including the Building,

- (i) the Lessor's Fixtures and any chattels provided by the Lessor for the Lessee within the Leased Premises at any time during the lease term, including those listed in Item 5 in the Reference Schedule;
 - (ii) pipes and connections to water, sewerage, electricity, gas, telecommunications, air conditioning and other services and supplies, situated within above or under the Leased Premises which connect those services to the Leased Premises.
- (f) "Lessee" includes
- (i) when an individual, the Lessee's legal personal representatives;
 - (ii) when several individuals, the Lessees jointly and their respective legal personal representatives;
 - (iii) the Lessee's assigns;
 - (iv) when a company or corporation, its successors and assigns.
- (g) "Lessor" includes
- (i) when an individual, the Lessor's legal personal representatives;
 - (ii) when several individuals, the Lessors jointly and their respective legal personal representatives;
 - (iii) the Lessor's assigns;
 - (iv) when a company or corporation, its successors and assigns.
- (h) "Lessor's Fixtures" means all the plant, equipment and chattels which have been or become permanently or securely affixed to the Leased Premises and are the Lessor's property, including the items listed as fixtures in Item 5 in the Reference Schedule.
- (i) "Reference Schedule" means the Reference Schedule in this Lease.
- (j) "Services" means electricity, gas, water, sewerage, telephone, telecommunication, and any other services provided or available to the by public or local or statutory authorities and the pipes, wires, ducting and other means of providing those services to the Building and to leased premises.
- (k) "Structural repairs" means repairs to the structure of the Building, such as the foundation, floors, walls and load bearing columns.

2 Interpretation

Terms

- 2 (1) (a) Words expressed in the singular include the plural and vice versa.

- (b) Words expressed in one gender include the other genders, as is appropriate in the context.
- (c) The reference to "person" includes a corporation.

Statutes

- (2) References to statutes, regulations, ordinances and by-laws when contained in this Lease include amendments, re-enactments or consolidations of any of them.

Covenants implied by statute

- (3) Covenants and powers implied by statute are excluded from this Lease, unless any such covenant or power cannot be excluded by force of statute or is expressly incorporated in this Lease.

Joint and several liability

- (4) (a) In the event of there being two or more lessors or two or more lessees under this Lease (including whilst the Lease or the reversion is held by legal personal representatives, successors or assigns) each of them is jointly and severally liable to perform covenants and obligations under this Lease.
- (b) When there are two or more lessors or lessees, any conduct under or in respect of this Lease, including the exercise of any entitlement or taking any action under this Lease, or a provision of this Lease, shall be undertaken by all of the lessors or all of the lessees jointly, unless this Lease expressly provides otherwise.

Severance

- (5) If any provision contained in this Lease is or becomes legally ineffective, under the general law or by force of legislation, the ineffective provision shall be severed from this Lease which otherwise continues to be valid and operative.

Governing law

- (6) This Lease is governed and construed in accordance with the law of the State in Item 6 in the Reference Schedule.

Lease comprises entire agreement

- (7) It is agreed that this Lease contains the whole of the agreement between the Lessor and the Lessee relating to the Leased Premises.

PART 2 — THE SUBJECT MATTER AND TERM OF THIS LEASE

3 Rights and entitlements granted to Lessee

- 3 The Lessor grants to the Lessee for the duration of this Lease

- (a) exclusive possession of the Leased Premises;
- (b) use and enjoyment of the Lessor's Fixtures and the chattels listed in Item 5 in the Reference Schedule.

4 The term of this Lease

- 4 The Lessor leases the Leased Premises to the Lessee for the term specified in Item 9 in the Reference Schedule.

5 Holding over after expiry of Lease

- 5 After the expiry of the term of this Lease, when the Lessee remains in occupation of the Leased Premises with the consent of the Lessor this Lease continues as a monthly tenancy

- (a) commencing on the day immediately following the last day of the term of this Lease;
- (b) the rent being payable monthly in advance, comprising the rent payable immediately before the end of this Lease and the Lessee's contributions to operating expenses, calculated and payable from time to time in accordance with this Lease;
- (c) on the terms contained in this Lease, except those terms which are inapplicable to a monthly tenancy;
- (d) the tenancy being terminable by either party on one month's written notice expiring at any time.

6 Option for renewal

Offer of renewal

- (1) The Lessor offers a renewal of this Lease to the Lessee on the terms specified in this clause which the Lessee should accept strictly in accordance with the provisions contained in this clause, otherwise this offer shall lapse.

Binding Lessor's successors and assigns

- (2) This offer and the option bind the Lessor and the Lessor's successors and assigns being the owners for the time being of the Leased Premises.

Parties who may renew

- (3) This offer may be accepted by
 - (a) the Lessee or by the Lessee's successors and assigns being the lessee for the time being of the Leased Premises;
 - (b) in the event of there being two or more persons holding as lessees as joint tenants, upon the death of any of them by their survivors.

Conditions for exercise of option

- (4) The Lessee may only accept this offer and exercise the option if
- (a) there is no material subsisting breach of any lease covenants by the Lessee at the date of serving notice of exercise of this option and also at the date of expiry of this Lease; and
 - (b) the Lessee shall have served on the Lessor notice of exercise of this option during a period before the date of expiry of the term of this Lease, as is specified in Item 10 in the Reference Schedule.

Guarantee for Lease for option term

- (5) (a) If this Lease is guaranteed by the Guarantor or if the Lessor has, in relation to the current Lessee, waived the requirement for a Guarantor, then the renewal of this Lease is conditional on the Guarantor under this Lease entering into a guarantee in the form contained in Part 4 of this Lease in respect of the option term.
- (b) If the Guarantor, or any of the Guarantors, under this Lease is unable or unwilling to enter into a guarantee in respect of the option term, the Lessee may provide a guarantee in accordance with para (a) instead of that Guarantor by another person who is an acceptable new Guarantor.
- (c) (i) An acceptable new Guarantor is a person who is respectable and is either:
- (A) not less sufficiently financial than the Guarantor;
 - or
 - (B) is an adequately financial Guarantor.
- (ii) A person is an adequately financial Guarantor if that person's net assets, after deducting secured and unsecured liabilities, exceed the amount indicated in Item 10 in the Reference Schedule.
- (d) The Lessor will consider the Lessee's request to provide an acceptable new Guarantor for the renewal of this Lease promptly.
- (e) If the Lessee is unable to provide a guarantee in respect of the Lease for the option term either by the Guarantor or by an acceptable new Guarantor, the Lessee has failed to effectively exercise the option for renewal of this Lease and the Lessee is not entitled to a renewal of this Lease for the option term.

Conditions of renewal

- (6) (a) The renewal which the Lessee may accept under this clause is for the renewal of this Lease for the further term of years specified in Item 10 in the Reference Schedule from the day after the date of expiry of the term of this Lease, containing identical covenants to the covenants of this Lease (except this clause)

- (i) at a rent which shall be determined in accordance with paragraph (b) of this clause but which is not less than the rent payable under this Lease immediately before the expiration of the term of this Lease;
 - (ii) and containing such further options for renewal as are specified in Item 10 in the Reference Schedule.
- (b) (i) Within the number of days indicated in Item 10 in the Reference Schedule after the Lessee shall have served notice of exercise of this option, the Lessor shall give written notice to the Lessee of the rent which the Lessor considers to be the current market rent for the option term.
- (ii) The Lessee is entitled to accept the Lessor's assessment of the current market rent for the option term by written notice served on the Lessor within the number of days indicated in Item 10 in the Reference Schedule after the service of the Lessor's notice under paragraph (i) and that amount shall be the rent for the option term.
- (iii) If the Lessee does not accept the Lessor's assessment of the current market rent, then the rent for the option term shall be determined in accordance with paragraph (v) of this clause.
- (iv) If the parties agree on the current market rent after it shall have been referred for determination in accordance with paragraph (v) of this clause, that shall be the rent for the option term and the rent determination shall not be concluded.
- (v) If the parties fail to agree on the current market rent, the rent for the option term shall be determined in accordance with the procedure and on the terms specified in clause 6(9)-(13).

Payment of rent and operating expenses whilst rent is determined

- (7) (a) After exercise of this option, until the rent for the option term is determined, the Lessee will continue to pay the rent and operating expenses as and when payable under this Lease at the rate at which they are payable during the last year of the lease term.
- (b) Within the number of days indicated in Item 10 in the Reference Schedule after the rent for the option term is determined, the parties will adjust and pay any shortfall or excess in the rent paid from the commencement of the option term up to the last day for rent payment before the rent determination.

Preparation of lease for option term

- (8) (a) After the Lessee has effectively exercised this option and the rent for the option term has been determined, the Lessor's solicitor shall submit for execution a lease or a variation or extension of this Lease incorporating the lease conditions for the option term, which shall be executed promptly by the Lessor and by the Lessee.

- (b) The Lessee shall pay the reasonable legal costs and disbursements in accordance with clause 12(2).

Meaning of current market rent

- (9) "Current market rent" means the best annual rent that can be reasonably obtained for the Leased Premises, which is calculated
- (a) on the basis that the premises are available for leasing with vacant possession by a willing lessor to a willing lessee for a term equal to the whole term of this Lease and any additional option for renewal;
 - (b) having regard to the permitted use of the Leased Premises;
 - (c) on the basis of the terms and conditions contained in this Lease (other than the amount of rent reserved in this Lease, but including the provisions for rent review) and including provisions relating to GST with the intention that the impact of GST is not accounted for more than once;
 - (d) on the basis that
 - (i) the Leased Premises are fit for immediate occupation and use by the Lessee;
 - (ii) the Lessee's lease covenants and obligations shall have been fully performed at the Review Date;
 - (e) without taking into account
 - (i) any improvements or fixtures erected or installed at the Lessee's expense;
 - (ii) any goodwill attributable to the Leased Premises through the Lessee's business activity;
 - (iii) that the Lessee has been in occupation of the Leased Premises;
 - (iv) any relocation costs which would be incurred by the Lessee when moving to other premises;
 - (f) having regard to the rental values of comparable premises.

Appointment of nominee

- (10) Either party may apply to the President or principal officer for the time being of the NSW Division of the Australian Institute of Valuers and Land Economists (Inc) (or if it does not exist an association with substantially similar objects) ("the nominator") to nominate a person who is a licensed valuer and
- (a) has practised as a valuer for not less than five years;
 - (b) is a member of the Australian Institute of Valuers and Land Economists (Inc) (or if it does not exist an association with substantially similar objects); and

- (c) is licensed to practise as a valuer of the kind of premises whose rent review is required under this Lease (called "nominee") to determine the current market rent at the Review Date.

Conduct of rent review

- (11)(a) The nominee shall act as an expert and not as an arbitrator.
- (b) Each party may submit to the nominee written valuations and submissions within twenty-one (21) days after the nominee has accepted the nomination to act, but may not make oral submissions or adduce any evidence.
- (c) At the time of making any written submissions or forwarding to the nominee any written valuation, that party shall forward to the other party a copy of all written material submitted to the nominee.
- (d) Within thirty-five (35) days after the nominee has accepted the nomination to act, each party may forward to the nominee written comments on the other party's written valuations and submissions.
- (e) The nominee shall take into consideration any written submissions received within those periods, but is not fettered by them and shall determine the current market rent in accordance with his own judgment.
- (f) The nominee's determination is final and is binding on the parties.
- (g) The nominees shall conclude the determination and shall inform the parties of it within the number of days in Item 12 in the Reference Schedule after having accepted the nomination to act and shall provide detailed written reasons for the determination.

Appointment of another nominee

(12) If the nominee

- (a) fails to accept the nomination to act;
- (b) fails to determine the current market rent within the number of days in Item 12 in the Reference Schedule after accepting the nomination to act;
- (c) becomes incapacitated or dies;
- (d) resigns as the nominee,

then either party may request the nominator to appoint another nominee in accordance with clause 6(10).

Costs of rent determination

- (13) The parties shall bear equally the total costs of the rent determination including the cost of any aborted rent review. Each party shall bear its own costs of legal representation, the fees of any experts and for making valuations for the purpose of written submissions.

PART 3 — LESSEE'S FINANCIAL OBLIGATIONS

7 Rent payments

- 7 The Lessee covenants to pay rent as specified in Item 11 in the Reference Schedule
- (a) by an initial payment in advance on the date for commencement of rent to the end of that calendar month and then by calendar monthly payments in advance on the first day of each month, each payment being one-twelfth of the annual rent then due as fixed or varied under this Lease;
 - (b) without demand by the Lessor;
 - (c) by cash or cheque or by depositing or transferring the payments into an account as directed by the Lessor;
 - (d) to, or as directed by, the Lessor, which may be altered by the Lessor by written notice served on the Lessee.

8 Abatement of rent and financial obligations

Abatement of Lessee's financial obligations

- 8 (1) If during the continuance of this Lease the Building or the Leased Premises is wholly or partly damaged or destroyed or is rendered wholly or substantially inaccessible through an event described in clause 8(2), rendering the Leased Premises or any part of it wholly or substantially unfit for the Lessee's use or occupation or inaccessible for a period exceeding seven (7) days, then the Lessee's financial obligations abate in accordance with this clause.

Abating events

- (2) This clause applies in case of fire, lightning, storm, flood, earthquake, explosion, malicious damage, war damage, and any other event beyond the Lessee's control.

Lessee's financial obligations

- (3) Abatement extends to all the Lessee's financial obligations to the Lessor under this Lease, including rent and operating expenses and any other amounts payable under this Lease.

Period of abatement

- (4) The period of abatement is from the date of the destruction, damage or inaccessibility until the date when the premises are restored and rendered suitable for the Lessee's use and occupation together with access.

Effect of abatement

- (5) During and for the period of abatement the Lessee's liability to pay the whole or proportion of the financial obligations under this Lease, as agreed or determined under clause 8(7), calculated on a daily basis, ceases and abates.

Exception to abatement

- (6) The Lessee is not entitled to an abatement of the Lessee's financial obligations under this clause if
- (a) the event resulting in the damage, destruction or inaccessibility is caused or contributed to by the act or negligent omission of the Lessee or the Lessee's employees; and
 - (b) the Lessor fails to recover the benefit of any insurance for loss or damage to the Building or the Leased Premises because of any act or omission of the Lessee or the Lessee's employees.

Determination of abatement

- (7) (a) The parties shall endeavour to agree on the commencement and period of abatement of the Lessee's financial obligations, and if the Lessee is able to have partial use and enjoyment of the Leased Premises, the proportion of the abatement having regard to the nature and extent of the damage to and use of the premises.
- (b) If the parties have any dispute regarding the Lessee's entitlement to an abatement, its period or amount, the dispute shall be determined by a loss assessor
- (i) who is then a member of the Insurance Council of Australia Ltd and is experienced in assessing premises of the nature of the Leased Premises and is nominated by the President for the time being or senior officer of that Council on the application of either party;
 - (ii) acting as an expert;
 - (iii) who is entitled to accept written submissions and expert reports from either party;
 - (iv) whose costs shall be borne equally by the parties;
 - (v) whose decision is final and binding on the parties.
- (c) If the loss assessor nominated under paragraph (b) fails to proceed or to determine the dispute, either party may seek the nomination of another loss assessor in accordance with paragraph (b).

8A Goods and services tax (GST)

Interpretation

8A(1) In this clause:

"GST" refers to goods and services tax under A New Tax System (Goods and Services) Act 1999 ("GST Act") and the terms used have the meanings as defined in the GST Act.

Rent and other amounts exclusive of GST

- (2) It is agreed that rent and all other amounts agreed to be paid or amounts to be used in the calculation of any amounts to be paid by the Lessee to the Lessor, being the consideration for the supply expressed in this Lease, are exclusive of GST.

Lessee's obligation to reimburse lessor

- (3) In respect of any liability of the lessor for GST under this Lease, and the renewal or extension of this Lease including for rent, rates, outgoings, or any consideration for any other taxable supply the Lessee covenants to pay to the Lessor, at the same time as any payment is made involving the Lessor in GST liability, the additional amount of GST ("GST Amount"), together with the payment to which it relates.

Lessor's input tax credits

- (4) The Lessee's liability under (3) is to reimburse the full amount of GST, disregarding and excluding the Lessor's entitlement to input tax credits or other credits or reimbursements for GST.

Tax invoice

- (5) In respect of each payment by the Lessee under (3), the Lessor agrees to deliver to the Lessee, upon request or as required under the GST Act, tax invoices in a form which complies with the GST Act and the regulations, to enable the Lessee to claim input tax credits in respect of the taxable supply.

Additional matters

- (6) If at any time an adjustment is made as between the Lessor and the relevant taxing authority of an amount paid on account of GST on any supply made to the Lessee under this Lease, a corresponding adjustment must be made as between the Lessor and the Lessee and any payments required to give effect to the adjustment must be made. If the Lessor is entitled to an adjustment by way of refund, the Lessor must apply for the refund if requested to do so by the Lessee.
- (7) Nothing in this clause requires the Lessee to pay any amount on account of a fine, penalty, interest or other amount for which the Lessor is liable, to the extent that the liability arises as a consequence of a default of the Lessor, its employees, agents or any other persons acting for the Lessor.
- (8) The Lessor must do all things reasonably requested by the Lessee, at the Lessee's expense, to enable the Tenant to obtain any input tax credit to which it is entitled.

9 Rent review

Review date

- 9 (1) The annual rent shall be reviewed at the dates in Item 12 in the Reference Schedule (each called "Review Date").

Rent Review

- (2) On each Review Date except the review on the exercise of the option, the rent until the next Review Date shall be the rent payable under this Lease in the immediately preceding year multiplied by the fraction $N1/B1$ where N1 refers to the Consumer Price Index for Sydney (All Groups) ("Index") published by the Australian Bureau of Statistics ("Bureau") in respect of the quarter immediately preceding the particular Review Date and B1 is the Index in respect of the quarter immediately preceding the latter of the commencement date or the last occurring Review Date of the Lease. In the event that at any time during the term of this Lease the Bureau shall update the reference base of the Index appropriate arithmetical adjustment shall be made to make the updated index number correspond in reference base to the index number at the review dates. PROVIDED ALWAYS THAT the rent until the next Review Date shall not be less than the rent payable under this Lease in the immediately preceding year.

Rent payments

- (3) The rent may be determined from a Review Date even if the review is instituted after that Review Date.
- (4) If the rent from a Review Date shall not be determined until after that Review Date:
- (a) The Lessee shall continue to pay the current instalments of rent due until the new rent is determined.
 - (b) When the rent is determined, the Lessee shall pay the additional amount (if any) due for rent from the Review Date to the date when the next monthly instalment of rent is payable on the rent day next succeeding the expiration of thirty (30) days after the date when the Lessee is informed of the rent determination.
 - (c) In addition the Lessee shall pay to the Lessor interest in accordance with clause 14 at a daily rate from the Review Date calculated monthly on the additional amount due each month to the date of payment of rent and interest provided the rent is determined no later than 60 days after the relevant Review Date.

10 Operating expenses

Deleted.

11 Services

Lessee's liability for services and utilities

- 11 (1) The Lessee will pay throughout this Lease for any electricity, power, fuel, gas, oil, water, telephone, garbage removal, waste disposal, and other services or utilities provided by public local or other authorities or suppliers to the Leased Premises and charged separately in respect of the Leased Premises, to the supplier of the service or utility.

Installation of meters

- (2) The Lessee will, if required by the Lessor or by an authority supplying any such service or utility, instal meters required to measure the quantity of the service supplied to the Leased Premises.

12 Costs

Costs of preparation of Lease

- 12 (1) (a) The Lessee shall pay on execution of this Lease the stamp duties and registration fees, and subsequently the costs and stamp duty when upstamping this Lease.
- (b) The Lessee shall pay the Lessor's legal and professional costs and disbursements of and incidental to the negotiation, preparation, execution and registration of this Lease together with the cost of and incidental to obtaining consent of any Mortgagee or Headlessor to a maximum of \$1,200.00.

Renewal or extension of lease

- (2) The reasonable costs and disbursements of and incidental to any renewal or extension of this Lease shall be paid by the Lessee as is indicated in clause 12(1).

Consents, transactions and default

- (3) The Lessee agrees to pay the Lessor's reasonable costs, charges, and expenses which are incurred in connection with or incidental to:
- (a) the obtaining of any consent from the Lessor, and from any headlessor, mortgagee or other person, which is required by the Lessee under this Lease;
 - (b) the negotiation and preparation of all documents relating to any consent required by the Lessee, and all costs incurred by the Lessor, and by any other party whose consent is required, whether a consent is given, refused, or the application for consent is withdrawn;
 - (c) any breach or default by the Lessee under this Lease;
 - (d) the exercise or attempted exercise by the Lessor of any right, power, privilege, authority or remedy, against the Lessee or against any Guarantor, to enforce the Lessee's obligations under this Lease, or to terminate this Lease for the Lessee's breach or default.

Costs on common fund basis

- (4) The Lessor's legal and professional costs and disbursements under clause 12(3) shall be charged and allowed on a common fund basis, to provide full indemnity to the Lessor for costs charges and expenses.

Lessor's internal costs

- (5) The Lessor's costs under clause 12(3) include
- (a) the Lessor's reasonable administrative costs and expenses of considering any application for consent, of considering and managing any breach or default under this Lease and attendances by the Lessor's officers, employees or agents, including attendances on the Lessor's legal advisers and in court;
 - (b) the reasonable fees of professional consultants incurred by the Lessor.

13 Precluding deduction for set-off or counterclaim

- 13 The Lessee expressly agrees to make all payments due under this Lease, including for rent and operating expenses, punctually on the date when each payment is due and shall not withhold or be entitled to withhold the whole or part of any such payment by way of deduction, set-off or counterclaim, in respect of any claim for damages or for compensation which the Lessee shall make or has made against the Lessor, until after the Lessor's liability for damages or compensation is determined and the amount due to the Lessee is determined or agreed.

14 Lessee's liability for interest on overdue payments

Interest on overdue payments

- 14 (1) In the event of the Lessee being in default for a period of more than fourteen (14) days with the payment of rent, operating expenses, costs or any other liability to or on behalf of the Lessor under this Lease, the Lessee is liable to pay additional interest to the Lessor in accordance with this clause.

Computation of interest

- (2) Interest is computed
- (a) from the day immediately following the day on which each liability is due for payment, at a daily rate, until the liability is discharged by payment;
 - (b) at the rate of interest indicated in Item 14 in the Reference Schedule;
 - (c) in respect of amounts remaining unpaid, the Lessor at its option may capitalise interest calculated up to the end of each calendar month whilst there are outstanding liabilities in accordance with clause 14(1) from the Lessee.

Recovery of interest

- (3) The Lessor may demand the payment of interest and take legal action to recover the amount due at any time after not less than fourteen (14) days notice is given to the Lessee indicating the amount due and its calculation.

15 Measurement of lettable area

Use of BOMA method

- 15 (1) The lettable area of the whole or part of the Leased Premises and of the Building shall be determined in accordance with the "BOMA Method of Measurement", published or used by the Building Owners and Managers Association of Australia Ltd referred to in Item 15 in the Reference Schedule in respect of buildings such as the Building.

Alteration in method

- (2) If the BOMA Method of Measurement is altered during the continuance of this Lease, then subsequent calculations of the lettable area shall be undertaken on the basis of the altered method of measurement, including for rent review and the calculation of contributions to operating expenses.

Prima facie evidence

- (3) A certificate by a surveyor or architect produced by the Lessor indicating that person's or firm's calculations in accordance with clause 15(1) or (2) is prima facie evidence of the lettable area of premises covered by those calculations.

PART 4 — SECURING THE LESSEE'S OBLIGATIONS

16 Guarantee

Entering into Guarantee

- 16 (1) In consideration of the Lessor agreeing to grant this Lease to the Lessee at the request of the Guarantor the Guarantor enters into this guarantee (called "Guarantee") in favour of the Lessor on the terms specified in this clause.

Scope of guarantee

- (2) (a) The Guarantor agrees to guarantee the payment of rent and the observance and performance of all the Lessee's obligations as specified in this Lease throughout the lease term, including during holding over as periodical tenant after the expiry of the lease term, by the Lessee, its successors and assignees of this Lease.
- (b) This Guarantee covers the whole period whilst the Lessee occupies or is entitled to occupy the Leased Premises under this Lease as the lessee, any renewal, or whilst holding an equitable interest over the Leased Premises under an agreement for lease or as a periodical tenant.
- (c) This Guarantee extends to claims by the Lessor
- (i) for damages for breaches of lease covenants;

- (ii) for breaches of any essential terms of this Lease;
 - (iii) for repudiation of this Lease;
 - (iv) for the Lessor's loss or damage in the event of the Lessee abandoning or vacating the Leased Premises;
 - (v) in the event of the Lessor electing to re-enter or to terminate this Lease;
 - (vi) for the Lessor's reasonable legal and other expenses of seeking to enforce those obligations against the Lessee and the Guarantor, recovering possession and terminating this Lease, on the basis specified in clause 12;
 - (vii) for loss or damage consequent on disclaimer of this Lease on the Lessee's insolvency, as if this Lease had not been disclaimed.
- (d) This Guarantee is in favour of the Lessor and its successors and assigns being the owner of the Leased Premises from time to time during the continuance of this Guarantee.

Liability of several Guarantors

- (3) When there is more than one Guarantor under this Lease
- (a) the term Guarantor in this clause refers to each of the Guarantors and to all of them;
 - (b) their obligations as Guarantor are joint and several;
 - (c) the Lessor may enforce this Guarantee against all or any of them;
 - (d) any notice or demand may be served on all of them by serving any one of them;
 - (e) this Guarantee remains binding on the other Guarantors, even if
 - (i) any Guarantor fails to execute this Lease or to enter into this Guarantee;
 - (ii) this Guarantee is not binding on any Guarantor;
 - (iii) the Lessor shall release any Guarantor from liability under this Guarantee.

Guarantee not discharged

- (4) This Guarantee is not discharged and the Lessor's rights against the Guarantor are not affected by any of the following
- (a) the granting of any indulgence or extension of time by the Lessor to the Lessee or to the Guarantor;
 - (b) the Lessor's neglect or failure to enforce lease covenants against the Lessee or waiver of any breaches or defaults under this Lease;

- (c) the total or partial release of liability of the Lessee or of a Guarantor by the Lessor;
- (d) the entry into any arrangement, composition or compromise relating to this Lease between the Lessor and the Lessee or any other person;
- (e) the variation of any provision of this Lease between the Lessor and the Lessee without the Guarantor's consent but only if they are minor and are not prejudicial to the Guarantor;
- (f) the death or bankruptcy or winding up of the Lessee or the Guarantor;
- (g) the Lessee's liability under this Lease, or this Lease, being or becoming invalid, illegal, or unenforceable, including through any act, omission or legislation;
- (h) the disclaimer of this Lease following the Lessee's insolvency.

17 Security bond

Payment of Bond

- 17 (1) At the commencement of this Lease the Lessee shall pay to the Lessor the sum in Item 16 in the Reference Schedule as a security bond in earnest of performance of the Lessee's obligations under this Lease (called "Bond").

Deposit of Bond

- (2) (a) The Lessor shall deposit the Bond for the duration of this Lease as specified in Item 16 in the Reference Schedule in the Lessor's name to be held by the Lessor as trustee for the Lessee and in accordance with the provisions of this clause.
- (b) The Lessor shall incur no liability to the Lessee for loss of the Bond through failure of the financial institution in which it is deposited.
- (c) Interest, if any, earned on the Bond shall be added to the amount held as the Bond and credited to the Lessee.

Consequences of default

- (3) In the event of the Lessee defaulting in the payment of rent or any financial obligation to the Lessor or in performing some other obligation under this Lease, the Lessor is entitled to
 - (a) appropriate the whole or part of the Bond and interest accrued on it in satisfying the outstanding obligation and for compensation for breach of covenant; or
 - (b) to forfeit the Bond and the accrued interest.

Appropriation of Bond

- (4) If the Bond is forfeited or appropriated under clause 17(3), the Lessor shall notify the Lessee that the Bond and interest are applied in full or in partial satisfaction of the Lessor's claim and shall itemise the Lessor's claim, giving credit for the Bond and for interest.

Lessor not limited to Bond

- (5) The Lessor is entitled to recover rent and damages from the Lessee without being limited to the Bond, but if any further claim is made against the Lessee, the Lessor shall credit the Lessee with the Bond and interest.

Lessor's conduct not waiver of breach

- (6) The Lessor's conduct in forfeiting the Bond or in appropriating the whole or part of the Bond, or in failing to do so, does not constitute waiver of the Lessee's breach or default or preclude the Lessor from exercising any of its rights or remedies.

Reinstatement or increase of Bond

- (7) The Lessee shall reinstate or increase the amount of the Bond within 14 days after service of notice by the Lessor on the Lessee requiring the Lessee to do so and indicating the amount required to be paid and its calculation:

- (a) when the whole or part of the Bond has been appropriated under para (3);
- (b) when the rent is increased on rent review or the exercise of an option to renew, to ensure that the Bond shall equal the sum in Item 16 in the Reference Schedule and the accrued interest.

Assignment of Lease

- (8) In the event of an assignment of this Lease the Bond shall be held on behalf of the assignee and the Bond and interest shall be deemed to have been assigned to the assignee and held in accordance with this clause.

Sale of Leased Property

- (9) (a) In the event of a sale of the Leased Property subject to this Lease, control over the Bond and accrued interest shall be vested in the purchaser as trustee for the Lessee.
- (b) The rights and obligations of the Lessor under this clause enure in favour of and against the purchaser as assignee of the reversion.
- (c) After the Bond has vested in the purchaser, the Lessor's liability to the Lessee for repayment of the Bond is extinguished.

Responsibility for Bond

- (10) The owner of the reversion at the expiry or termination of the Lease, whether being the purchaser of the reversion or a mortgagee from the Lessor who has entered into

possession, assumes personal liability to the Lessee and to any assignee of the Lease for repayment of the Bond, whether or not that owner has acquired control over the Bond.

Repayment of Bond

- (11) Lessor shall repay to the Lessee the Bond and accrued interest on expiry or termination of this Lease unless the Bond and accrued interest have been forfeited or appropriated in accordance with this clause.

PART 5 — USE OF LEASED PREMISES AND BUILDING

18 Use of Leased Premises

- 18 (1) The Lessee will not use or permit the Leased Premises to be used for any other purpose than that stated in Item 17 in the Reference Schedule.

19 Warranties and representations

No warranty of suitability or adequacy

- 19 (1) Regarding the present or future suitability or adequacy, for the Lessee's intended use or the business intended to be conducted by the Lessee, of the Leased Premises, the Building or the fixtures, fittings, furnishings, plant, machinery, equipment, services and facilities provided by the Lessor
- (a) the Lessee acknowledges that no promise, representation or warranty was given by or on behalf of the Lessor to or on behalf of the Lessee;
 - (b) the Lessor makes no warranty;
 - (c) any warranties implied under the general law or by statute are excluded under this Lease and negated to the extent permitted by law.

Lessee's responsibility for approvals

- (2) (a) The Lessee has satisfied itself, before entering into this Lease, regarding the need for the availability and existence of all approvals, consents and licences required for use of the Leased Premises by the Lessee for its business and for the intended and permitted use of the Leased Premises.
- (b) The Lessee has full responsibility, at its expense, to ensure that all approvals, consents and licences required by the Lessee for the conduct of the business and use of the Leased Premises are obtained and maintained throughout the term of this Lease and that all their conditions are observed.

20 Lessee's obligation to trade

Deleted.

21 Signs

Sign on exterior of Leased Premises

21 (1) The Lessee shall:

- (a) not without the Lessor's prior written consent (which shall not be unreasonably withheld) affix, display or exhibit (whether of a permanent or semi permanent nature) any sign, notice, advertisement, decoration, light, name, awning, canopy or material advertising its merchandise or services provided by the Lessee on the inside or outside of the Leased Premises or the Building.
- (b) maintain any such sign, notice, advertisement, decoration, light, name, awning, canopy or material advertising its merchandise or services as may be approved, in good condition and repair.

Failure to maintain sign

- (2) If the Lessee fails to comply with clause 21(1)(b) the Lessor may cause the removal of those items and the Lessee must repair any damage caused by the removal or becoming apparent on their removal, in a workmanlike manner, so as to restore the Leased Premises or the Building to the condition before fixing etc.

22 Alterations

No alterations to premises

22 (1) The Lessee shall not

- (a) make or permit to be made any alterations or additions in or to the Leased Premises;
- (b) install, or make any additions or alterations to, any electrical, gas, water, plumbing and other services, fixtures, or appliances, or any other equipment or appliances for heating, cooling, ventilating or air conditioning the Leased Premises;
- (c) mark, paint, damage, deface, drive nails or screws into, any walls, floors, ceilings, partitions, or any wood, stone or metal surface of the Leased Premises or the Building, except in accordance with clause 22(2).

Minor alterations

- (2) The Lessee is permitted to drive screws or nails into the walls or floors of the Leased Premises, without the Lessor's consent, but only in order to affix, using as few nails and screws as are reasonably necessary, decoration, paintings, carpets, and equipment used by the Lessee in its business.

Installing internal partitions

- (3) The Lessee shall not install internal partitions in the Leased Premises or alter or modify the existing partitions without the Lessor's prior written consent (which shall not be unreasonably withheld).

23 Compliance with regulations

Lessee's obligation

- 23 (1) The Lessee shall at its expense observe and comply with all laws and requirements relating to
- (a) the Lessee's particular use of the Leased Premises in this Lease;
 - (b) the Leased Premises and facilities by reason of the number and the sex of the Lessee's employees and other persons working in or entering the Leased Premises;
 - (c) the fixtures, fittings, machinery, plant and equipment in the Leased Premises;
 - (d) occupational health, safety and environmental matters arising as a result of the Lessee's particular use of the Leased Premises.

Compliance with notices

- (2) The Lessee shall comply with the notices or requirements of the relevant authorities regarding the matters in clause 23(1), whether given to the Lessor or the Lessee, except to carry out structural alterations to the Leased Premises.

24 Lessee's obligations regarding use of Leased Premises

Prohibitions with reference to use of premises

- 24 (1) The Lessee shall not, during the term of this Lease:
- (a) Allow the Leased Premises to be used for any illegal, immoral, noxious, dangerous or offensive purpose, activity or occupation.
 - (b) Use or permit any part of the Leased Premises to be used as sleeping quarters or for residence.
 - (c) Keep any animals in the Leased Premises.
 - (d) Hold or permit any auction or public meeting in the Leased Premises.
 - (e) Use or permit the use of any sound producing equipment in the Leased Premises at a volume which may be heard outside the premises.
 - (f) Use the Leased Premises in a manner which would cause damage, nuisance or disturbance to the Lessor, to other lessees of the Building, or to the owners or occupiers of adjoining properties.

- (g) Trade or display merchandise outside the Leased Premises.
- (h) Use the Leased Premises in an excessively noisy or noxious or offensive manner.
- (i) Use plant or machinery in the Leased Premises so as to constitute a nuisance or disturbance to the Lessor or to other lessees of the Building, due to noise, vibration, odours or otherwise.
- (j) Use any fireplaces.
- (k) If this Lease includes a residence, not to permit more than one (1) person per bedroom to sleep in that residence.

Mode of conducting Lessee's business

- (2) The Lessee agrees, regarding the conduct of the business in the Leased Premises, throughout the term of this Lease, to conduct the business in an orderly, efficient and reputable manner, consistent with the standard and quality of the Building.

Inflammable substances

- (3) The Lessee shall not bring into, store or use in the Leased Premises any inflammable, dangerous or explosive substances
 - (a) such as acetylene, industrial alcohol, burning fluids and chemicals, including in heating or lighting the Leased Premises;
 - (b) unless the sale or use of such substances constitutes proper conduct of the Lessee's business for the permitted use of the Leased Premises and the particular substances are stored and used only whilst taking all necessary safety precautions and in compliance with all fire and safety regulations relating to such substances.

Cleaning and hygiene

- (4) The Lessee agrees to keep the Leased Premises clean and
 - (a) to have the fittings, equipment and furnishings cleaned as frequently as required to maintain them in a clean condition;
 - (b) not allow the accumulation of useless property or rubbish in the Leased Premises.

Disposal of rubbish

- (5) (a) The Lessee shall cause all rubbish accumulated in the Leased Premises to be placed daily in suitable containers provided by the Lessor for the Leased Premises and situated in an area in the Building designated by the Lessor.

- (b) The Lessee will ensure that trade waste or wet refuse is removed from the Leased Premises at least once daily as directed by the Lessor to facilities provided by the Lessor.

Use of toilets and drainage

- (6) The Lessee shall
 - (a) not use the toilets, sinks, drainage and plumbing in the Leased Premises or in the Building for purposes other than those for which they were designed;
 - (b) not place in any of those facilities rubbish, chemicals, contaminated and other substances, which they are not designed to receive or which would infringe health or environmental regulations;
 - (c) repair any damage caused to any of those facilities by breach of paragraph (a) or (b).

Obstructions by Lessee

- (7) The Lessee shall not cover or obstruct
 - (a) any windows or skylights which admit air or light into the Building or the Leased Premises;
 - (b) any parts of the Building normally used as an entrance to or exit from the Leased Premises or the Building;
 - (c) air conditioning ducts or outlets or ventilation ducts.

Public address system, sound and image reproduction

- (8) (a) The Lessee shall not, without the Lessor's prior written consent
 - (i) affix to any part of the Building or the Leased Premises any radio or television antenna, mast or satellite dish;
 - (ii) use any radio, gramophone, television, amplifier, audio-visual, sound or image reproduction equipment in the Leased Premises or in the Building (except a radio in compliance with clause 24(1)(e)).
- (b) The Lessor may consent to any of the matters prohibited under paragraph (a)
 - (i) on such conditions as the Lessor may impose, in its discretion, without being required to consent;
 - (ii) including on the condition that such equipment be situated and used in the Leased Premises so as not to be visible or audible from outside the Leased Premises.
- (c) The Lessor may at any time withdraw its consent if the Lessee fails to comply with the conditions of consent imposed by the Lessor or after the Lessor has received

justified complaints from any other lessee regarding the Lessee's use of the equipment.

Infectious illness

- (9) If an infectious illness or disease occurs in the Leased Premises or to some person using the Leased Premises, the Lessee shall promptly
- (a) notify the relevant authorities which are required to be advised by law of that occurrence;
 - (b) provide a copy of the notification to and inform the Lessor;
 - (c) at its expense fumigate and disinfect the Leased Premises, as required by the relevant authorities, and comply with their other requirements in respect of the Leased Premises.

Lessee's obligation not to contaminate land

- (10) The Lessee covenants that, during the continuance of this Lease, the Lessee will
- (a) not use or permit to be used or stored at the Leased Premises any radioactive, toxic or hazardous chemicals, wastes or substances, except in concentrations and quantities permitted by the relevant statutory authorities and in accordance with any licences, permits or authorisations required by law and in accordance with the conditions imposed by such authorities or under their permission;
 - (b) comply with the demands, notices and requirements of the regulatory authorities in respect of contamination of the Leased Premises caused by the Lessee including notices to remediate the Leased Premises;
 - (c) notify the Lessor within seven (7) days after receiving any demand or notice from a regulatory authority in respect of contamination of the Leased Premises;
 - (d) indemnify the Lessor against any liability, loss, damage, expense or claim which the Lessor may incur as a consequence of the breach by the Lessee of any obligation under this paragraph, including fines, legal costs, consultants' fees and remediation costs (except to the extent caused or contributed to by the negligent act or omission of the Lessor).

25 Overloading and heavy equipment

Weight and location of heavy equipment

- 25 (1) (a) The Lessor is entitled to specify the maximum weight and the proper location of heavy articles (described in Item 21 in the Reference Schedule) which may be brought into and located in the Leased Premises.

Requirement for Lessor's consent

- (b) The Lessee shall not bring into the Leased Premises any heavy equipment, including machinery, plant, safe, furniture or other equipment, unless
 - (i) it is reasonably necessary for the conduct of the Lessee's business for the permitted use in the Leased Premises;
 - (ii) the Lessee gives at least seven (7) days prior written notice to the Lessor of the intention to bring them into the Leased Premises, a description of the nature, size and weight of each item, and indicating the intended position of each item;
 - (iii) the Lessee has obtained the Lessor's prior consent (which cannot be unreasonably withheld).

Damages

- (c) The Lessee is liable to the Lessor for any damage caused to the Leased Premises or the Building consequent on the Lessee moving heavy equipment into the Leased Premises without having complied with the provisions of this clause.

Overloading electrical supply

- (2) (a) The Lessee will not install any electrical equipment which will overload the cables, switchboards and other equipment that supplies electricity to the Building or to the Leased Premises.

Lessee's liability

- (b) If any installations by the Lessee result in overloading that equipment, the Lessee is liable
 - (i) for the costs of repairing any damage;
 - (ii) for ensuring that the Lessor's equipment is repaired and restored to working order;
 - (iii) if necessary, to disconnect the Lessee's installations or alter or upgrade the electrical supply system at the Lessee's cost, in order that it will suffice for the additional load imposed by the Lessee's installations.

26 Security and keys

Securing premises

26 (1) The Lessee shall

- (a) take reasonable action to secure the Leased Premises against unauthorised entry whilst the premises are unoccupied;
- (b) securely lock and fasten external doors and windows in the Leased Premises whilst the premises are unoccupied.

Lessee's obligations regarding alarm

(2) The Lessee shall

- (a) service, maintain and repair, when required, any intruder alarm installed in the Leased Premises by the Lessee;
- (b) ensure that any intruder alarm installed by the Lessee is not incompatible with, or does not adversely affect the performance of, any intruder alarm installed by the Lessor;
- (c) allow reasonable access to the Leased Premises to persons nominated by the Lessor, for the purpose of testing, servicing, maintaining and repairing any intruder alarm to the Building or the Leased Premises installed by the Lessor.

Lessor to provide keys and access cards

- (3) At the commencement of this Lease the Lessor shall provide to the Lessee at the Lessor's cost keys and access cards reasonably required by the Lessee for entry into the Building, the Leased Premises and use of the elevators, including outside normal business hours.

Lessee's obligations regarding keys and access cards

(4) The Lessee shall

- (a) not make or allow to be made any duplicate keys or access cards;
- (b) provide keys and access cards only to the Lessee's employees;
- (c) keep a permanent record of who is provided with keys and access cards, including their issue and return, and allow the Lessor to inspect that record on reasonable notice;
- (d) notify the Lessor promptly if any keys or access cards are reported to the Lessee to have been lost, destroyed or stolen;
- (e) pay the Lessor for the cost of supplying any replacement or additional keys or access cards;
- (f) return to the Lessor all keys and access cards obtained from the Lessor on termination of the Lessee's tenancy of the Leased Premises.

27 Common Areas of the Building

Deleted

28 Lessor's obligations relating to air conditioning, lifts and other Facilities

Meaning of Facilities

- 28 (1) In this clause "Facilities" means the plant and equipment for heating, cooling or circulating air (called "air conditioning"), lifts, elevators and escalators (called "lifts"), fire sprinklers and other fire safety and prevention equipment, and car parking, provided by the Lessor in the Building, and includes the plant, machinery and equipment associated with those Facilities.

Lessee's obligations

- (2) The Lessee will ensure that the Lessee's employees shall comply with the Lessor's reasonable instructions regarding the use of the Facilities, and will not interfere with, or allow anything to be done which might impair the efficient operation of any of the Facilities.

Exemption of Lessor's financial responsibility

- (3) The Lessor is exempted from any liability to the Lessee for financial loss or inconvenience, including for damages, abatement of rent or for repudiation, and the Lessee is not entitled to terminate this Lease, because
- (a) any of the Facilities is out of order and is not functioning properly or at all;
 - (b) any of the Facilities is temporarily stopped or interrupted pending inspection, repair, maintenance, replacement for any other cause.

PART 6 — REPAIRS, MAINTENANCE AND ALTERATIONS

29 Lessor's repair obligations

Lessor's general obligation

- 29 (1) The Lessor shall keep the Building in good repair throughout the term of this Lease.

30 Lessee's repair obligations

Lessee's general obligation

- 30 (1) The Lessee shall keep the Leased Premises and the Lessor's fixtures and chattels situated in the Leased Premises in good repair and working condition throughout this Lease subject to fair wear and tear and shall on expiry or termination of this Lease yield up the Leased Premises to the Lessor in the state of repair and condition as is specified in this clause.

Limiting Lessee's repair obligation

- (2) The Lessee is not responsible for
- (a) latent defects;
 - (b) structural or capital repairs, unless the need for repair occurred
 - (i) through the conduct or negligence of the Lessee or of persons for whose conduct the Lessee is legally liable;

- (ii) through the Lessee's use and occupation of the Leased Premises or the use of fixtures, plant and machinery in the Leased Premises;
- (c) the condition of the Leased Premises at the commencement of this Lease;
- (d) any damage caused by fire, flood, storm, tempest, earthquake, lightning, explosion or other similar event;

Lessee's additional specific repair obligations

- (3) In addition to the Lessee's obligations under clause 30(1), the Lessee shall throughout the term of this Lease, notwithstanding clause 30(2) (which does not apply to the matters listed in this paragraph except where otherwise stated), carry out the following repair and maintenance
 - (a) promptly repair or replace all broken, cracked or damaged glass in the Leased Premises, with glass of the same or similar gauge and quality, unless the damage was caused by the Lessor or the Lessor's tradespersons;
 - (b) promptly repair or replace all damaged, broken or faulty light globes, fluorescent lights, power points, light switches, heating, lighting and electrical appliances, services and wiring in the Leased Premises;
 - (c) promptly repair and keep in proper working order and free from blockage plumbing fittings, drains, water pipes, sewerage pipes, toilets and sinks, to the extent to which they are situated in or under the Leased Premises and provide Services or Facilities to the Leased Premises;
 - (d) maintain and repair all door and window locks and fittings in the Leased Premises;
 - (e) repair any damage or breakage to the Leased Premises, to the Lessor's Fixtures and property in the Leased Premises, and to Services and Facilities in the Leased Premises, caused by lack of care or misuse by the Lessee or by its employees or agents.
 - (f) properly maintain gardens, lawns and landscaped areas in and outside the Building in a high class condition;
 - (g) subject to Clause 30(2) keep and maintain the Services to the Building and to the Leased Premises in good working condition and repair.

Carrying out repairs

- (4) When carrying out any repair in accordance with this clause, the Lessee shall ensure that
 - (a) the work is carried out by appropriately licensed and qualified tradespersons;
 - (b) the work is carried out promptly;
 - (c) the work is completed in high class workmanship and with good quality materials;

- (d) fittings and materials of similar style and quality are used to the items being repaired or replaced;
- (e) the required consent or approval of any statutory authority is obtained to carry out the work and the conditions of approval are observed;
- (f) the work is carried out without creating undue noise, nuisance or interference with the use and enjoyment of adjoining or nearby leased premises.

31 Lessee's obligation to redecorate

Obligation to redecorate

- 31 (1) The Lessee shall redecorate the Leased Premises during each period specified in Item 22 in the Reference Schedule and also immediately following serious damage to the Leased Premises, which cannot be adequately rectified by repair and redecoration of only the damaged surfaces.

Quality of redecoration

- (2) (a) The redecoration shall be carried out by qualified tradespersons engaged by the Lessee, in high class workmanship and with good quality materials.
- (b) If the Lessee desires to change the colours, patterns, nature, style and quality of any aspect of the redecoration, including wallpaper or carpet, the Lessee shall submit to the Lessor full details of and patterns for the intended changes, or a detailed proposal for redecoration indicating those changes, for the Lessor's prior written approval, such approval not to be refused unreasonably by the Lessor.

Extent of redecoration

- (3) Redecoration includes
- (a) cleaning and preparing the surfaces of the Leased Premises, including walls, ceilings, floors and partitions, for redecoration;
 - (b) painting all painted surfaces with at least two coats of first quality paint, wallpapering, staining, varnishing and polishing all internal surfaces as they were treated previously;
 - (c) replacing those floor coverings, floor tiles, window coverings and window blinds which, in the opinion of the reasonable Lessor, are sufficiently worn or damaged to require replacement during redecoration;

Lessee's failure to redecorate

- (4) If the Lessee fails to redecorate the Leased Premises in accordance with this clause, the Lessor may give notice to the Lessee requiring it to commence to redecorate within thirty (30) days, and if the Lessee shall fail to commence to redecorate in accordance with that

notice, and proceed efficiently with redecoration, the Lessor may redecorate the Leased Premises and recover from the Lessee the reasonable cost of the redecoration.

32 Lessor's right to inspect Leased Premises

Right of inspection

32 (1) The Lessor, or persons authorised by the Lessor, may enter the Leased Premises

- (a) to inspect the condition and state of repair of the Leased Premises, Services and Facilities;
- (b) to ascertain that the Lessee complies with the Lessee's obligations under this Lease.

Prior notice

- (2) The Lessor shall exercise its entitlement under clause 32(1) after giving reasonable prior notice and at reasonable times to the Lessee of the intended time of the inspection, except in an emergency when the Lessor has an additional right to enter the Leased Premises and prior notice is not required before entry.

33 Lessor's right to repair Leased Premises

Lessor's right of entry

- 33 (1) The Lessor and persons authorised by the Lessor, including consultants and contractors, may enter the Leased Premises, together with tools, equipment and materials, and remain on the Leased Premises, at and for such reasonable times as is necessary for the purpose of carrying out repairs and other work, in accordance with this clause.

Notice before entry

- (2) Before entering the Leased Premises the Lessor shall give to the Lessee not less than seven (7) days prior written notice of the intended date and time of entry, its purpose and the likely duration of the intended work, except in an emergency, when prior notice before entry is not required.

Nature of repairs

- (3) The Lessor may carry out repairs, including maintenance, installations, alterations, replacement or renewal, in respect of the Building, the Leased Premises, Services and Facilities to or situated in the Leased Premises on reasonable notice and at reasonable times and in a manner that causes as minimum interference to the Lessee as possible, in order
 - (a) to undertake work which the Lessor is required or desires to carry out in accordance with this Lease;
 - (b) to comply with the requirements of any authority;

- (c) to carry out work in conjunction with or to adjoining leased premises or Common Areas of the Building which cannot be reasonably undertaken without access from or through the Leased Premises;
- (d) to undertake work which the Lessee
 - (i) failed to carry out, in breach of its obligations under this Lease, or following notice from the Lessor;
 - (ii) failed to complete in a workmanlike manner;
- (e) to remove unauthorised work, alterations or signs, undertaken or installed by the Lessee in breach of its obligations under this Lease;
- (f) to restore or rebuild the Leased Premises following damage or destruction.

34 Removal of alterations and fixtures

34 (1) The Lessee shall

- (a) remove
 - (i) any alterations, additions, fixtures, partitions and fittings made or installed by the Lessee in the Leased Premises during this Lease;
 - (ii) all signs and notices etc., erected or affixed by the Lessee to the Leased Premises and to the Building;
 - (iii) all nails and screws inserted by the Lessee into any part of the Leased Premises;
- (b) reinstate
 - (i) the Leased Premises to their condition before any alterations, additions, installations and partitions were made or installed by the Lessee subject to fair wear and tear; and
 - (ii) make good, in a proper and workmanlike manner, any damage caused to the Leased Premises by the installations and their removal subject to fair wear and tear.

Period of removal

- (2) The Lessee shall comply with the obligations under clause 34(1)
 - (a) before the expiry or termination of this Lease;
 - (b) if this Lease is terminated suddenly or unexpectedly, by forfeiture, destruction or other event, within fourteen (14) days after the termination of this Lease.

Removal of fixtures

- (3) (a) The Lessee is entitled to remove from the Leased Premises all fixtures installed by the Lessee during the lease term (except fixtures which the parties agreed in writing to become the Lessor's property and not removable by the Lessee).
- (b) The Lessee may remove fixtures during the term of this Lease, during any extension of the term of this Lease, during holding over after the expiration of this Lease, and during the term of a new lease granted to the Lessee, notwithstanding the surrender of this Lease, subject to this clause.
- (c) The Lessee (or the Lessee's successors or assigns) must remove fixtures within the number of days in Item 23 in the Reference Schedule after having ceased to occupy the Leased Premises.
- (d) The Lessee covenants to repair any damage caused to the Leased Premises by the removal of fixtures, or becoming apparent on their removal, in a workmanlike manner, so as to restore the Leased Premises to its condition before the installation of those fixtures which are removed.
- (e) Those fixtures which the Lessee does not remove within the period specified in paragraph (c) may at the Lessor's option remain permanently affixed to the Leased Premises and be and remain the property of the Lessor.

Consequences of failure to remove and reinstate

- (4) If the Lessee fails to comply with the obligations under clause 34(1) or (3) within the periods in clause 34(2) or (3)(c)
 - (a) the Lessor may cause the removal, reinstatement and repairs to be carried out, and the Lessee is responsible for and shall reimburse the Lessor for the Lessor's costs and expenses;
 - (b) if the Lessor incurs further loss in reletting the Leased Premises by reason of the Lessee's failure, the Lessor may recover from the Lessee the loss of rent and operating expenses which would have been received from a prospective Lessee.

PART 7 — INSURANCE, INDEMNITIES, DAMAGE AND DESTRUCTION

35 Lessor's insurances

Lessor's obligation to insure

- 35 (1) The Lessor shall effect and maintain throughout the term of this Lease a comprehensive insurance policy
 - (a) for the full insurable and replacement value of the Building and the Lessor's plant, equipment, Facilities and property in the Building;
 - (b) against loss or damage by fire, storm, tempest, earthquake, lightning, explosion, and other risks usually covered under a comprehensive insurance policy for fire and related risks.

Replacement of property

- (2) (a) In the event of loss or damage to the Lessor's property covered by the insurance under clause 35(1) the Lessor will promptly replace, repair or reinstate the damaged or destroyed property and utilise the insurance proceeds.
- (b) The Lessor is not required to repair, replace or reinstate the Lessor's property, when the Building has been seriously damaged and is required to be substantially rebuilt or replaced.

36 Lessee's insurances

Lessee's obligations to insure

- 36 (1) The Lessee shall effect and maintain throughout the term of this Lease the following insurances:

Public Risk

- (a) A public risk insurance policy
- (i) in the form of a standard public risk policy or in the form commonly used by the Lessee's insurer and by some other reputable insurers;
- (ii) (A) in the sum in Item 24 in the Reference Schedule in respect of any single event or accident;
- (B) or for such higher amount as the Lessor, acting reasonably and prudently, may require, during any year of the term of this Lease after the first year of the term of this Lease;
- (iii) relating to the Lessee's liability for death, personal injuries and property damage arising from the Lessee's occupancy of the Leased Premises and use of the Building, whilst entering, leaving, using and being in the Leased Premises or any portion of the Building, in circumstances in which the Lessee may incur liability for the injury, loss or damage;
- (iv) and extended to include claims, risks and events covered under indemnities provided by the Lessee to the Lessor under this Lease.

Plate glass

- (b) For the full replacement value, through breakage or damage from any cause
- (i) of all plate and other glass in windows, doors, shop front, display cases and other fixed glass in the Leased Premises; and
- (ii) of any doors, windows or other frames containing the glass;
- (iii) within or forming part of the Leased Premises.

Lessee's property

- (c) A comprehensive insurance policy
 - (i) for the full insurable and replacement value of the Lessee's fixtures, fittings, plant, equipment and stock in trade in the Leased Premises;
 - (ii) against loss or damage by fire, storm, tempest, earthquake, lightning, explosion, burglary and other risks usually covered under a comprehensive insurance policy for fire and related risks.

Workers' compensation

- (d) A workers' compensation insurance policy to the extent required by law.

Other

- (e) Subject to Clause 35, insurance in respect of risks to or in connection with the Leased Premises which the Lessor reasonably considers necessary to cover by insurance.

Insurer and conditions

Lessor's approval

- (2) (a) The Lessee's insurances shall be effected with one or more insurance companies which are
 - (i) respectable, reputable and financially sound;
 - (ii) approved by the Lessor, and the Lessor's approval shall not be unreasonably withheld.

Joint insurances

- (b) The Lessee's insurances relating to public risk, plate glass and the Lessee's property (in order to cover fixtures)
 - (i) shall be in the joint names of the Lessor and the Lessee;
 - (ii) shall cover the Lessor's and Lessee's interests;
 - (iii) and, if requested by the Lessor, shall include the interest of any mortgagee over the Building.

Payment of premium

- (3) (a) The Lessee shall pay punctually when due the insurance premiums and other moneys payable to effect and maintain the insurances required under this clause.

- (b) If the Lessee fails to pay an insurance premium when due, the Lessor may make such payment, which shall become due and payable by the Lessee to the Lessor, together with interest, within seven (7) days after service of written notice by the Lessor on the Lessee requiring payment.

Replacement of property

- (4) (a) In the event of loss or damage to the Lessor's or Lessee's property which is the responsibility of the Lessee under the Lease which is covered by insurance effected by the Lessee, the Lessee will promptly replace, repair or reinstate the damaged or destroyed property, utilising the proceeds from the insurance.
- (b) (i) The Lessee shall pay any additional costs of replacement, repair or reinstatement not covered by the proceeds from the insurance,
 - (ii) unless the Building is seriously damaged or destroyed and is not repaired or reinstated by the Lessor or this Lease is terminated as a consequence of the damage or destruction.
- (c) In the events under paragraph (b)(ii), the proceeds from any insurance effected by the Lessee in respect of damage or loss to the Lessor's property shall be remitted to the Lessor as compensation for its loss.

Evidence of insurance

- (5) The Lessee shall forward to the Lessor within twenty eight (28) days after the insurance is effected or is due for renewal
 - (a) copies of each insurance policy effected in accordance with this clause;
 - (b) evidence of renewal of the insurance and payment by the Lessee of the insurance premium.

Notifications by Lessee

- (6) The Lessee shall promptly give to the Lessor written notice of
 - (a) the Lessee's intention to cancel, replace or alter any insurance effected by the Lessee in accordance with this clause;
 - (b) any notice or correspondence received by the Lessee from an insurer indicating its intention to cancel or materially alter any of those insurances;
 - (c) the occurrence of any fact or event which may not be known to the Lessor and
 - (i) may give rise to a material claim against the Lessor or the Lessee, which may be covered by any one of those insurances and affecting the Leased Premises;
 - (ii) may prejudice the entitlement to claim under any of those insurances and affecting the Leased Premises; or

- (iii) should be disclosed to the insurer and may affect its decision to continue to insure the Lessee or the risk.

37 Lessee's conduct relevant to insurance

Compliance with fire safety regulations etc.

- 37 (1) (a) The Lessee agrees to comply with the reasonable requirements imposed by the Lessor's insurer for the Building and under fire safety regulations, in respect of the authorised use by the Lessee of the Leased Premises which are required due to the specific nature and use of the Leased Premises
- (i) with regard to the installation, repair and maintenance of fire alarms, sprinklers, and fire prevention equipment in the Leased Premises, except those provided by the Lessor at or before the commencement of this Lease; *excluding costs of a structural or capital nature unless required due to the specific nature and use of the Leased Premises*
- (ii) including in respect of partitions and alterations in the Leased Premises;
- (iii) with regard to securing the Leased Premises or the Building.
- (b) The Lessee is liable to the Lessor for the reasonable cost of installations and equipment, which the Lessor may install in the Leased Premises during this Lease, in order to comply with the requirements under paragraph (a), if the Lessee shall have failed to comply with those obligations in any respect.

Lessee's conduct not to affect adversely Lessor's insurances

- (2) (a) The Lessee shall not do anything
- (i) in the Leased Premises or bring or keep anything in the Leased Premises,
- (ii) which the Lessor shall have previously advised the Lessee would render the Lessor's insurance in respect of the Building or the Leased Premises, in respect of any risk, prejudicially affected or liable to be avoided by the Lessor's insurer,
- (iii) unless the activity is
- (A) authorised expressly under this Lease; or
- (B) authorised by the Lessor in writing or
- (C) authorised by the Lessor's insurer.
- (b) The Lessee shall, within fourteen (14) days after receiving written notice from the Lessor, pay to the Lessor all additional insurance premiums and stamp duties required to be paid by the Lessor to maintain the Lessor's existing insurances, notwithstanding the Lessee's conduct, which would otherwise constitute breach of paragraph (a).

38 Lessee's indemnities to Lessor

Indemnities

- 38 (1) The Lessee agrees to indemnify the Lessor from and against any liability, loss, damage, expense or claim, which the Lessor may incur, including to a third party, during or after the term of this Lease, in respect of or arising from:

Breach of lease obligations

- (a) Loss, damage or injury to property or person occurring within the Building or the Leased Premises, to the extent caused or contributed to by the Lessee's failure (including through the Lessee's agents or employees) to comply with the obligations imposed under this Lease.

Misuse of Services or Facilities

- (b) The negligent use or misuse by the Lessee (and by its agents or employees) of any Services or Facilities in the Building or in the Leased Premises.

Escape of substances

- (c) The overflow, leakage or escape of water, gas, electricity, fire, or other materials or substances in or from the Leased Premises, to the extent caused or contributed to by the Lessee's (and its agents' or employees') negligence.

Use of Leased Premises

- (d) Loss, damage or injury to property or person, arising out of use of the Leased Premises by the Lessee.

Faulty installations

- (e) Loss, damage or injury to property or persons to the extent, caused or contributed to by the defective installation of plant, fixtures and equipment in the Leased Premises by or on behalf of the Lessee.

Failure to notify

- (f) The Lessee's failure to notify the Lessor regarding any defect in the Facilities or Services in the Leased Premises.

Conditions and limitations

- (2) The indemnities under this clause

- (a) include penalties, fines, legal and other costs incurred by the Lessor;
- (b) do not apply when to the extent the loss, damage or injury was caused or contributed to by the wilful or negligent act or omission of the Lessor, its employees or agents.

Leased premises occupied at Lessee's risk



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- (3) The Lessee agrees to use and occupy the Leased Premises throughout the term of this Lease at the Lessee's risk as regards loss or damage to the Lessee and the Lessee's property.

Exclusion of Lessor's liability to Lessee

- (4) The Lessor is not liable to the Lessee and is excluded from liability for damage to the Lessee's plant, equipment and other property and for loss of profits which arise from the Lessee's use and occupation of the Leased Premises, including
- (a) through any defect in the construction or condition of the Building or the Leased Premises;
 - (b) through any defect in the construction or operation of Facilities or Services to the Leased Premises;
 - (c) through fire, water or any other cause.

PART 8 — ASSIGNMENT AND SUBLETTING

39 Prohibition against assignment, subletting and mortgage over lease

Prohibition of dealings

- 39 (1) During the continuance of this Lease, in respect of whole or part of this Lease or the Leased Premises, the Lessee shall not
- (a) assign, transfer, sublet, deal with, hold on trust, or grant any interest in, this Lease;
 - (b) mortgage, charge or encumber this Lease;
 - (c) part with possession of whole or any part of the Leased Premises;
 - (d) grant any licence, or share the right of occupation or possession, in respect of the whole or part of the Leased Premises;
 - (e) grant any franchise or concession over the Lessee's business conducted at the Leased Premises which would entitle any other person to use, occupy or trade from whole or part of the Leased Premises.

Consent to assignment

- (2) The Lessee may apply to the Lessor for consent to the assignment of this Lease, which shall not be unreasonably withheld if the following conditions precedent are satisfied:
- (a) the Lessee shall make a written application to the Lessor for consent and furnish complete copies of all written documents entered into between the Lessee and the proposed assignee relating to the Lessee's business and the premises, written personal and business references and financial statements relating to the assignee as may be reasonably required and any proposed new guarantors;

- (b) the Lessee shall establish to the reasonable satisfaction of the Lessor that
- (i) the proposed assignee is respectable, responsible and solvent;
 - (ii) the proposed assignee has adequately performed its obligations as the lessee or former lessee of other business premises;
 - (iii) in respect of the business or profession intended to be conducted by the assignee at the Leased Premises the assignee has sufficient financial resources and business experience to be capable of adequately complying with the Lessee's obligations under this Lease and of efficiently conducting the assignee's business at the Leased Premises;
- (c) the Lessee shall have paid to the Lessor all moneys due under this Lease up to the date of the assignment (and, in respect of any liability which can not be accurately determined, will secure it to the Lessor's reasonable satisfaction at the date of the assignment);
- (d) there are no unremedied breaches of the Lessee's obligations under this Lease at the date of the assignment;
- (e) any other consents which are required to the assignment, by headlessors, mortgagees or others, are obtained before the assignment;
- (f) when the assignee is a company, other than a company whose shares are listed on an Australian Stock Exchange, personal guarantees for performance of lease covenants for the duration of the lease term by the assignee be provided, in a form reasonably acceptable to the Lessor and prepared on behalf of the Lessor at the Lessee's expense, by two of the assignee's directors or principal shareholders chosen by the Lessor;
- (g) the execution by the Lessee and the assignee of a transfer of this Lease, which shall be duly stamped and which the assignee or the assignee's solicitor shall undertake to have registered promptly after completion of the assignment;
- (h) the execution of a deed in a form reasonably required by and prepared on behalf of the Lessor, by the Lessor, Lessee, assignee, continuing guarantors and new guarantors, in which
- (i) the Lessee confirms its liability under this Lease for the balance of the current lease term;
 - (ii) the Lessor is released from liability to the Lessee under this Lease;
 - (iii) the assignee covenants to observe the Lessee's obligations under this Lease during the duration of this Lease;
 - (iv) any continuing guarantors confirm their consent and continuing liability, unless that is adequately covered in their guarantee;

- (v) new guarantors execute guarantees under this Lease for the assignee;
- (i) the payment by the Lessee to the Lessor of the Lessor's reasonable costs and disbursements in accordance with clause 12(3)-(6).

Change in control of Lessee

- (3) (a) When the Lessee is not a company or subsidiary of a company whose shares are listed on an Australian Stock Exchange or other public stock exchange, any proposed

- (i) transfer in the legal or beneficial interest in shares of the Lessee if a company;
- (ii) allotment of shares in the Lessee company; or
- (iii) changes in the company's articles of association,

which would have the consequence of altering the effective control of the Lessee company, is considered to be an assignment of this Lease and requires the Lessor's consent in accordance with clause 39(2) as if the parties which would acquire control over the company were assignees of the Lease.

PART 9 — LESSOR'S COVENANTS, OBLIGATIONS AND RESERVATION OF ENTITLEMENTS

40 Lessor's covenant for quiet enjoyment

- 40 The Lessor covenants with the Lessee that whilst the Lessee complies with the financial and other obligations under this Lease, the Lessee may occupy and have the use and enjoyment of the Leased Premises for the term of this Lease without interruption or disturbance from the Lessor and other persons lawfully claiming through or under the Lessor.

41 Miscellaneous reservations

Roof, external walls, advertising

- 41 (1) Deleted.

For sale and for lease signs

- (2) The Lessor may install on the external walls of the Building or of the Leased Premises for sale signs if the Building is offered for sale or for lease signs during the last two months of a lease term.

Right to inspect Leased Premises

- (3) (a) The Lessor, its employees, agents and persons authorised by the Lessor, may enter and remain on the Leased Premises for the purpose of inspecting the Leased Premises, with a prospective purchaser or mortgagee of the building or with a prospective lessee of the Leased Premises.

- (b) The right to enter and inspect the Leased Premises shall be exercised

- (i) during the last two months of the lease term, with prospective lessees;
- (ii) during two hours in any week, to be nominated by the Lessor, with prospective purchasers or mortgagees of the Building.

Passage of Services

- (4) The Lessor reserves the right to maintain Services to the Leased Premises, to any other leased premises in the Building by having those Services pass through or under the Leased Premises, and to have access to those Services for the purpose of maintenance, repair or replacement, or to provide additional Services through or under the Leased Premises.

Grant of easements by Lessor

- (5) (a) The Lessor reserves the entitlement to grant easements and enter into arrangements or agreements with owners, lessees and others having interests in land or premises adjoining or near the Building or any government, statutory or local authority for the purposes specified in paragraph (b).
- (b) Such easements, arrangements or agreements may constitute enforceable interests in land benefiting or burdening the Building and other land or benefiting and burdening both the Building and other land, to provide
 - (i) access to or egress from the Building;
 - (ii) support of existing or future structures erected on the Building or on adjoining land;
 - (iii) Services and facilities to the Building or to adjoining or nearby land, including for water, drainage, electricity, gas, telephonic and other telecommunications.
- (c) The Lessor, in order to grant such easements or other entitlements may execute transfers, leases, and other instruments binding on the title to the Building and on the title to this Lease.
- (d) The Lessee covenants to execute any consent or other instrument required to render the entitlement binding on the Lessor and the Lessee.
- (e) The Lessor covenants not to grant or create any entitlements under this clause which would have the consequence of substantially or unreasonably interfering with the Lessee's use and enjoyment of the Leased Premises.

Conversion of title

- (6) (a) The Lessor may at any time convert the title to the Building to strata (or similar) title, by obtaining the approval and registration of a subdivision (if required).
- (b) If required, the Lessee will sign consents to that subdivision and conversion.

- (c) In any subdivision the Lessee's entitlement to the Leased Premises will be preserved and the Common Areas of the Building will be retained as common areas.

42 Lessor's entitlement to alter Building or common areas

Work in Building

- 42 (1) The Lessor may carry out any building work in the Building, but without that work substantially altering or unreasonably interfering with the Lessee's use of the Leased Premises, provided that any such building work is carried out in a manner to cause as minimum an inconvenience to the Lessee as possible.

Extent of building work

- (2) Subject to clause 42(1), the Lessor is entitled to
- (a) repair, renovate or refurbish the Building;
 - (b) extend or alter the Building;
 - (d) add to and alter the car parking facilities, alter their location and the direction and access to those facilities;
 - (d) alter the access to the Building.

PART 10 — DEFAULT AND TERMINATION

43 Lessee's obligation to yield up Leased Premises

- 43 The Lessee agrees, immediately on the expiry or legally effective termination of this Lease, to yield up possession and control over the Leased Premises to the Lessor, in the condition and state of repair as required under this Lease.

44 Essential terms of lease

- 44 (1) It is agreed that the following obligations by the Lessee are essential terms of this Lease:
- (a) the covenant to pay rent throughout the lease term at a date not later than fourteen (14) days after the due date for the payment of each monthly instalment of rent (clause 7);
 - (b) the covenant to pay operating expenses throughout the lease term at a date not later than fourteen (14) days after the due date for the payment of instalments (clause 10);
 - (c) the covenant dealing with the use of the Leased Premises (clause 18);
 - (d) the covenant dealing with insurance (clause 35);
 - (e) the covenant dealing with assignment and subletting (clause 39).

- (2) The presence of this clause 44 shall not mean or be construed that there are no other essential terms.

45 Lessor's entitlements after Lessee vacates during lease term

Lessor's entitlements

- 45 If the Lessee vacates or abandons the Leased Premises during the lease term in breach of the Lessee's obligations under this Lease, the Lessor may

- (a) (i) accept the keys to the Leased Premises from the Lessee;
- (ii) renovate, restore and clean the Leased Premises;
- (iii) change the locks and secure the Leased Premises;
- (iv) permit prospective tenants to inspect the Leased Premises;
- (b) take any action in paragraph (a) without the Lessor's conduct constituting
- (i) a re-entry or termination of this Lease;
- (ii) the acceptance of a surrender of this Lease.

46 Power of attorney by Lessee to Lessor

Appointment

- 46 (1) The Lessee appoints the Lessor (and its successors and assigns, being the owner of the property for the time being) the Lessee's attorney with the powers contained in this clause.

Irrevocable power

- (2) This power of attorney is
- (a) irrevocable by the Lessee,
- (b) granted by the Lessee for valuable consideration (the grant of this Lease by the Lessor), to secure the performance of the Lessee's obligations and the Lessor's proprietary interest over the Leased Premises.

Extent of power

- (3) The Lessor as the Lessee's attorney and in the name and on behalf of the Lessee may

- Lessee**
- (a) after the Lessor has abandoned the Premises and the Lease has been validly terminated or has expired, remove from the Leased Premises, store and sell, any plant, equipment, chattels and other property on the Leased and this Lease is terminated or has expired;

- (b) surrender this Lease, after
 - (i) the Lessor has validly terminated this Lease; and
 - (ii) the Lessee vacates or abandons the Leased Premises; or
 - (iii) the Lessor terminates this Lease by serving notice of termination;
 - (c) withdraw any caveat lodged by the Lessee in respect of this Lease, after the Lessor effectively terminates this Lease.
- (4) The Lessor may
- (a) act as attorney under this clause during the continuance of this Lease and during the period of the number of months in Item 25 in the Reference Schedule after the termination of this Lease;
 - (b) register this Lease (or lease provision) as a power of attorney, at any time including after the termination of this Lease, if that is required for the exercise of any power;
 - (c) ratify and confirm any power when exercised under this clause, as attorney and agent for the Lessee.

47 Waiver

Demand and acceptance of rent and other financial obligations

- 47 After the Lessee is in default or breach under this Lease, including in breach of an essential term of this Lease, the demand or acceptance from the Lessee by the Lessor of arrears or of any late payment of rent, rates, taxes, outgoings, operating expenses, or other financial obligations does not
- (a) preclude the Lessor from exercising any rights or remedies under this Lease, including enforcing or terminating this Lease;
 - (b) constitute a waiver of the essentiality of the Lessee's obligation to make those payments;
 - (c) waive the Lessee's continuing obligation to make those payments during the lease term.

48 Termination after damage to or destruction of Building

Lessor's and Lessee's entitlement to terminate lease

- 48 (1) (a) Either party may terminate this Lease when the Building is seriously damaged by fire, storm, tempest, earthquake, lightning, explosion, or other similar event, in any of the following circumstances:
- (i) when the Building is required to be demolished and wholly replaced;
 - (ii) when the serious damage or destruction extends to more than fifty per cent (50%) of the Building, including the Leased Premises;

- (iii) when the Lessor is not required to repair, replace or reinstate the Building under this Lease;
 - (iv) when the Building cannot be repaired or reinstated by the Lessor, acting reasonably and promptly, within the number of months in Item 26 in the Reference Schedule after the damage;
 - (v) when the Leased Premises are incapable of being used and occupied due to the damage and this Lease expires, with no option for renewal, within two (2) years after the date when the damage occurs.
- (b) In any of the circumstances specified in paragraph (a) either party may give written notice at any time terminating this Lease on one month's notice.

49 Termination of Lease for default

Default

- 49 (1) Each of the following constitutes a default by the Lessee under this Lease
- (a) the failure to pay to the Lessor rent or comply with any other financial obligation under this Lease, including the payment of operating expenses, for a period in excess of fourteen (14) days after the due date for payment, whether a formal demand for payment has or has not been made;
 - (b) the failure to comply with an essential term of this Lease;
 - (c) any serious, persistent and continuing breach by the Lessee of its covenants and obligations under this Lease.

49 Termination after default

- (2) The Lessor may terminate this Lease, after a default by the Lessee in accordance with clause 49(1), and continuance of the default, after the Lessor shall have served a legally effective notice of breach of covenant (if required) by
- (a) re-entering and taking possession of the Leased Premises, using reasonable force to secure possession;
 - (b) serving on the Lessee written notice terminating this Lease;
 - (c) instituting proceedings for possession against the Lessee;
 - (d) taking the actions in both (a) and (b) or in (b) and (c).

50 Lessor's entitlement to damages

Damages for breach or for repudiation

- 50 (1) (a) In the event that the Lessee's conduct (whether acts or omissions) constitutes

- (i) a repudiation of this Lease (or of the Lessee's obligations under this Lease);
 - (ii) a breach of any Lease covenants;
 - (iii) a breach of an essential term of this Lease;
- the Lessee covenants to compensate the Lessor for the loss or damage suffered by the Lessor as a consequence of the repudiation or breach, whether this Lease is or is not terminated for the repudiation, breach or on any other ground.
- (b) The Lessor's entitlement to damages is in addition to any other remedy or entitlement, including termination of this Lease.
 - (c) The Lessor is entitled to recover damages against the Lessee in respect of the repudiation or breach of covenant or essential term for the loss suffered by the Lessor during the term of this Lease, including the periods before and after termination of this Lease.
 - (d) The Lessor's entitlement to recover damages is not affected or limited by any of the following:
 - (i) if the Lessee abandons or vacates the Leased Premises;
 - (ii) if the Lessor elects to re-enter or to terminate the Lease;
 - (iii) if the Lessor accepts the Lessee's repudiation;
 - (iv) if the parties' conduct constitutes a surrender by operation of law.

Additional entitlements of Lessor

- (2) Subject to the Lessor mitigating any loss the Lessor's entitlement to damages is in addition to
 - (a) the entitlement to recover rent and operating expenses until the date of expiry or termination of this Lease;
 - (b) interest on late payments in accordance with this Lease;
 - (c) costs of any breach or default, including the costs of termination.

51 Removal of Lessee's property

Lessee's obligation to remove property

- 51 (1) (a) The Lessee shall remove all its property, including furniture, plant, equipment and stock in trade, from the Leased Premises, within seven (7) days after the expiry or termination of this Lease or, if it is terminated by the Lessor, within fourteen (14) days after this Lease is terminated.

- (b) After the Lessor terminates this Lease, the Lessee and its employees and agents may have access to the Leased Premises by arrangement with the Lessor acting reasonably, for the purposes of removing the Lessee's property and cleaning, repairing or restoring the Leased Premises.
- (c) The Lessee shall not cause any damage to the Building or to the Leased Premises whilst removing its property, shall leave the Leased Premises clean and tidy after the removal and shall be liable for the cost of repair of the damage caused by or during the removal.

Lessee's failure to remove property

- (2) (a) If the Lessee fails to remove any of its property from the Leased Premises, the Lessor may
 - (i) have that property removed from the Leased Premises and stored, using reasonable care in removing and storing the property, but being exempted from any liability to the Lessee for loss or damage to any of its property through the negligence of the Lessor, its employees or agents;
 - (ii) sell or otherwise dispose of all or any of the Lessee's property, with or without removing them from the Leased Premises, in the name of and as agent for the Lessee.
- (b) (i) In respect of all or any of the Lessee's property which the Lessee has failed to remove from the Leased Premises, the Lessee is deemed to have abandoned the property and title to it and the Lessor at its option acquires title to that property through abandonment.
- (ii) The Lessor is not obliged to account to the Lessee for the value of any property whose title vests in the Lessor by abandonment.

Lessee's responsibility for damages and costs

- (3) Subject to clause 51(2) the Lessee is responsible for and indemnifies the Lessor in respect of
 - (a) any loss or damage caused by the Lessee, its employees or agents during the removal of the Lessee's property from the Leased Premises;
 - (b) the costs of removal, storage and sale of any of the Lessee's property.

PART 11 — MISCELLANEOUS

52 Service of notices

Notice

- 52 (1) Any notice, document or demand (called "notice") under this Lease shall be served in accordance with this clause.

Signature of notice

- (2) The notice shall be in writing, signed by the party giving it, or by the party's duly authorised officer (if a corporation), agent or solicitor.

Service of notice

- (3) A notice may be served on a party to this Lease, including their successors, assigns, and guarantors
- (a) by personal delivery to that party or if more persons than one are lessors or lessees to any one of them;
 - (b) by delivering the notice to the Leased Premises and leaving it with an employee of the Lessee;
 - (c) by delivering the notice to the Lessor's business address and leaving it with an employee of the Lessor;
 - (d) by sending it, addressed to the party at that party's address stated in Item 28 in the Reference Schedule, by prepaid security post or certified post;

Additional or altered address

- (4) Either party may advise the other party of an additional or an altered address for the service of notices, which is within the State in Item 28 in the Reference Schedule and is not a post office box or poste restante.

Time of service

- (5) A notice is considered to have been served
- (a) at the time of delivery;
 - (b) on the third Business day after the day on which it is posted, the first Business day being the day of posting.

53 Lessor's reservations and rights exercisable by successors and by others

- 53 (1) The reservations and rights exercisable by the Lessor over the Building and over the Leased Premises may be exercised by
- (a) successors and assigns of the Lessor whilst being the owner of the Building;
 - (b) persons in whom control over the Building is vested, as head lessee or concurrent lessee;
 - (c) mortgagees in possession in respect of the Building.

- (2) Persons other than the Lessor, when exercising reservations or rights in accordance with clause 53(1), shall comply with any conditions or qualifications imposed under this Lease on the exercise of such entitlements.

54 Notification of changes relating to Lessee

- 54 The Lessee shall promptly advise the Lessor or, if there is a managing agent, that agent, of any changes, during the term of this Lease, in

- (a) the Lessee's telephone number at the Leased Premises;
- (b) the Lessee's private address and telephone number;
- (c) if the Lessee is a corporation, the name, private address and telephone number of the manager or other person in charge of the business at the Leased Premises.

REFERENCE SCHEDULE

Item 1 (introduction)	Lessor: Evangelos Danias and Dina Danias, C/- 169 Victoria Road, Marrickville 2204.
Item 2 (introduction)	Lessee: Drew Australia Pty. Limited (A.C.N. 001 584 523), Level 26 AMP Centre, 50 Bridge Street, Sydney
Item 3 (introduction)	Guarantor: Directors and secretary but no guarantor required whilst Drew Australia Pty. Limited is Lessee.
Item 4 (cl 1)	Description of Leased Premises: Warehouse and office, 18-26 Faversham Street, Marrickville
Item 5 (cl 1 and cl 3(b))	Inclusions in Leased Premises — Lessor's Fixtures: Lighting. Lessor's chattels: Nil.
Item 6 (cl 2(8))	Law of State governing this Lease: New South Wales
Item 7 (cl 3(o))	Exclusive car spaces for Lessee: Not applicable
Item 8 (cl 3(d))	Details of toilets and washrooms for use by Lessee and Lessee's employees: As are contained in the Leased Premises
Item 9 (cl 4)	Lease term: Three (3) years Commencement date: 1 September, 2000 Last day of lease term: 31 August, 2003
Item 10 (cl 6)	Option for renewal — Period of service of notice of exercise of option (cl 6(4)(b)): Between 1 March, 2003 and 1 June 2003. Net assets of adequately financial Guarantor, exceeding (cl 6(5)(c)): To be advised by Lessor at the time the Lessee nominates a new Guarantor. Term of renewal (cl 6(6)(a)(i)): Three (3) years commencing on 1 September, 2003. Term of any further option(s) for renewal (cl 6(6)(a)(ii)): Nil.

53

Lessor's written notice of current market rent, to be given 56 days after exercise of option (cl 6(6)(b)(i)).

Time for Lessee's acceptance of Lessor's assessment of current market rent: 28 days (cl 6(6)(b)(ii)).

Time for adjustment of rent after rent determination: 14 days (cl 6(7)(b)).

Item 11 (cl 7)

Rent: One hundred and sixty thousand dollars (\$160,000.00) per annum (plus GST), payable by equal monthly instalments of thirteen thousand three hundred and thirty three dollars and thirty three cents (\$13,333.33) on the first day of each month (plus G.S.T).

First payment: On or before the commencement date of the Lease.

Item 12 (cl 9)

Review Dates (cl 9(1)):

Annually from the date of commencement (including the date of commencement of any renewed lease and including any holding over):

1 September, 2001

1 September, 2002

If the Lease is renewed:

1 September, 2003 (market) review under cl. 6

1 September, 2004

1 September, 2005

If the Lessee remains in possession pursuant to a holding over on 1 September in each year.

Service of Lessor's intention for rent review, not before (date; cl 9(2)):

Division of Australian Institute of Valuers and Land Economists (Inc), to nominate valuer (cl 6(10): New South Wales

Time for conclusion of determination of rent review (cl 6(11)(g) and 6(12)(b)): 28 days.

Item 13 (cl 10)

Percentage of operating expenses (cl 10(1)(a)):
Not applicable

- Annual period, for operating expenses, ending on (cl 10(1)(b)): Not applicable
- Lessor's itemised statement of total operating expenses, to be given number of days after end of annual period (cl 10(3)(d)): Not applicable
- Item 14 (cl 14) Rate of interest (cl 14(2)(b)): twelve percent (12%)
- Item 15 (cl 15) BOMA Method of Measurement, for determination of lettable areas (cl 15(1)): Gross Lettable Area.
- Item 16 (cl 17) Amount of Bond (cl 17(1)): An amount equal to three months' rent (plus GST) but not bond is required whilst Drew Australia Pty Ltd is the Lessee.
- Bond to be deposited with (cl 17(2)(9)): An Australian Bank or other financial institution.
- Item 17 (cl 18) Use of Leased Premises for the following purpose (cl 18(1)): Warehouse office and manufacturing
- Item 18 (cl 20) Leased Premises required to be kept open and trading during the following hours (cl 20(1)) —
- Monday to Friday: N/A
Saturday: N/A
Sunday: N/A
- Hours when Building is closed (cl 20(3)):N/A
- Item 19 [deleted]
- Item 20 (cl 24) Frequency of cleaning floor and interior of Leased Premises (cl 24(4)(a)): not applicable
- Item 21 (cl 25) Heavy articles (cl 25(1)(a)): To be advised
- Item 22 (cl 31) Redecorating of Leased Premises during each of the following periods (cl 31(1)): Two (2) months prior to the expiration of the Lease term and two (2) months prior to the expiration of the Lease term of any renewed Lease.
- Item 23 (cl 34) Removal of fixtures, not more than 7 days after Lessee ceases to occupy Leased Premises (cl 34(3)(c))

55

Item 24 (cl 36)

Lessee's insurances —

Amount of initial public risk cover (cl 36(1)(a)(ii)(A)): \$10,000,000.00.

Extension of workers' compensation for common law liability for amount not less than (cl 36(1)(d)): \$10,000,000.00.

Item 25 (cl 46)

Duration of power of attorney after termination of Lease (cl 46(4)(a)): six (6) months

Either party's

~~Lessor's~~ entitlement to terminate Lease, when Building seriously damaged and cannot be repaired or reinstated within following period (cl 48(1)(a)(iv)): four (4) months.

 Item 26 (cl 48)

Item 28 (cl 52)

Address for service of notices (cl 52(3)(d)) —
Lessor: 169 Victoria Road, Marrickville
Lessee: 18-26 Faversham Street, Marrickville

 Additional or altered address may be notified within (cl 52(4)): State of New South Wales

Item 29 (cl 27)

Carparking the exclusive use of customers and the public (cl 27 (4)) - Not applicable

THE COMMON SEAL of)
DREW AUSTRALIA PTY.)
LIMITED (ACN 001 584 523))

was hereunto affixed by)
authority of the Board of)
Directors in the presence of:)



[Signature]

SIGNED in my presence)
by **EVANGELOS DANIAS**)
who is personally known to)
me:

[Signature]
Witness

SIGNED in my presence)
by **DINA DANIAS**)
who is personally known to)
me:

[Signature]
Witness

[Signature]
.....
x *[Signature]*
Director
x *[Signature]*
Director
[Signature]
.....

[Signature]
.....

CONSENT TO LEASE

Annexure to Lease

From: Evangelos Danias and Dina Danias

To: Drew Australia Pty Limited

Dated: 1 September 2000

HSBC Bank Australia Limited (the "Mortgagee") is Mortgagee under Mortgage(s) No.(s) 7098333 (the "Mortgage(s)"). This document forms an annexure to a lease over the mortgaged property (the "Lease").

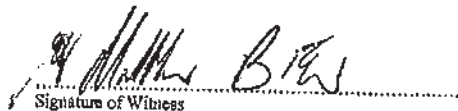
The Mortgagee hereby consents to the Lease on the following terms:

- (a) This consent is without prejudice to the rights, powers and remedies of the Mortgagee under the Mortgage(s) except that so long as the provisions of the Lease are duly observed and performed, then any power or remedy exercisable by the Mortgagee including a power of sale shall be subject to the rights of the Lessee(s) then subsisting under the Lease.
- (b) This consent is given on condition that-
 - (i) the consent of the Mortgagee is procured in all cases where the consent of the Lessor(s) is necessary under the Lease;
 - (ii) the Mortgagee shall not be obliged to perform any covenant or agreement by the Lessor(s) contained in the Lease; and
 - (iii) all rights, powers and remedies of the Lessor(s) under the Lease shall absolutely vest in and be exercisable and enforceable by the Mortgagee immediately upon the Mortgagee giving notice to the Lessee(s) of demand to enter into receipt of the rents and profits of the leased premises.

Signed at Sydney on Monday the 17th day of September 2001

EXECUTED BY HSBC BANK AUSTRALIA LIMITED)
A.B.N. 48 006 434 162 by being signed by its Attorney)
Victoria A. Caelli under Power of Attorney dated 20 July 1999)
a certified copy of which is filed at the New South Wales)
Land Titles Office in Book 4255 No 245 and by her)
execution hereof the said Attorney certifies that she has)
no notice of the revocation of such Power of Attorney and that)
she is the Assistant Manager Credit Administration New South)
Wales in the presence of:)


Signature


Signature of Witness

MATTHEW BRENT FERRO
Name of Witness (BLOCK LETTER)

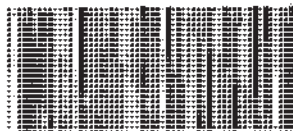
580 GEORGE ST, SYDNEY
Address of Witness

27-07L

LTO Licence Number
10V/0152/95

LEASE

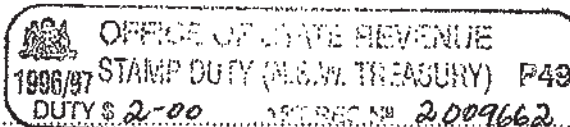
Rent Property Act 1990



3057440 X

Office of State Revenue

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(A) **PROPERTY LEASED**

Show no more than 20 References to Title.
Specify the part or premises if appropriate.

AUTO-CONSOL 10880-76

18-26 Faversham Street Marrickville

(B) **LODGED BY**

L.T.O. Box

Name, Address or DX and Telephone

459V

**I & K LEGALS
DX 941 SYDNEY**

REFERENCE (max. 15 characters): **NC-DANIAS**

(C) **LESSOR**

EVANGELOS DANIAS and DINA DANIAS

(D) The lessor leases to the lessee the property described above subject to the following **ENCUMBRANCES**

1. 2. 3. 4.

(E) **LESSEE**

L

**DREW AUSTRALIA PTY. LIMITED ACN 001 584 523
of 158 Victoria Road Marrickville**

(F) **TENANCY:**

(G) 1. **TERM: Four (4) Years**

2. **COMMENCING DATE: 1 SEPTEMBER 1996**

3. **TERMINATING DATE: 31 AUGUST 2000**

4. With an **OPTION TO RENEW** for a period of **Four (4) Years** set out in **clause 20 hereof**

5. ~~With an OPTION TO PURCHASE set out in~~

6. ~~Together with and reserving the RIGHTS set out in~~

7. Incorporates the provisions set out in **ANNEXURE "A"** hereto.

8. ~~Incorporates the provisions set out in MEMORANDUM No. _____ filed in the Land Titles Office.~~

0395LTO

INSTRUCTIONS FOR FILLING OUT THIS FORM ARE AVAILABLE FROM THE LAND TITLES OFFICE

CHECKED BY (office use only)

45A

[Signature]

(II) DATE 16 SEP 1986

We certify this dealing correct for the purposes of the Real Property Act 1900.

Signed in my presence by the lessor who is personally known to me.

[Signature]
Signature of Witness

Neil Campbell
Name of Witness (BLOCK LETTERS)

Mineral, S. [unclear]
Address of Witness

[Signature]
Signature of Lessor

~~Signed in my presence by the lessee who is personally known to me~~

THE COMMON SEAL OF DREW AUSTRALIA PTY
LIMITED is affixed in the presence of:

[Signature]
Signature of ~~Witness~~ DIRECTOR

X D CUNNINGHAM
Name of Witness (BLOCK LETTERS)
DIRECTOR

[Address]
Address of Witness



X [Signature]
Signature of ~~Lessee~~ DIRECTOR / SECRETARY

X ANTHONY JOHN CORKEAD
NAME OF DIRECTOR / SECRETARY

(I) I solemnly and sincerely declare that the time for the exercise of the Option to Renew/Purchase in expired lease No.
has ended and the lessee under that lease has not exercised the option.

I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths Act, 1900.

Made and subscribed at in the State of on 19.....
in the presence of

[Signature]
Signature of Witness

[Name]
Name of Witness (BLOCK LETTERS)

[Address]
Address and Qualification of Witness

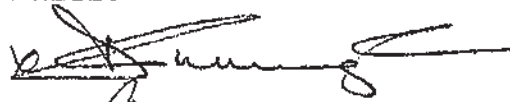
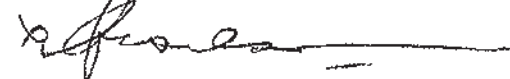
[Signature]
Signature of Lessor

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"A"

- 1(a) That the Lessee covenants with the Lessor to pay rent.
- (b) Provided that in the event of war damage, damage by fire, lightning, flood or tempest rent shall abate until the premises are restored, provided however that if the whole or any part of the building shall be taken for any public purpose or be destroyed or damaged by fire, flood, lightning, storm, tempest or other disabling cause so as;
- A. To render the premises during the term substantially unfit for the use and occupation of the Lessee;
- OR
- B. So as to deprive the Lessee of substantial use of the premises;
- OR
- C. So as to render the re-building or re-construction of the said premises in its present form impracticable or undesirable then:
- i. This Lease may be determined without compensation by either the Lessor or the Lessee by notice in writing to the other of them SUBJECT HOWEVER in the case of termination by the Lessee that the Lessor shall have failed to re-build or re-instate the premises within a reasonable time after notice in writing from the Lessee;
- ii. Any such termination as aforesaid shall be without prejudice to the rights of either party in respect of any antecedent breach, matter or thing;
- iii. Nothing herein contained or implied shall be deemed to impose any obligation on the Lessor to re-build or re-instate or make fit for occupation the premises.

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2. **CONVEYANCING ACT COVENANTS:**

To the full effect of the covenants next hereinafter shortly noted as the same are set forth in words at length in the second column of Part 2 of the Fourth Schedule to the Conveyancing Act, 1919-1958.

LEAVE PREMISES IN GOOD CONDITION:

5. And to leave the premises in good repair (having regard to the condition thereof at the commencement of this Lease) reasonable wear and tear and damage by fire, lightning, flood and tempest only excepted.

LESSOR TO ENTER AND VIEW:

6. And that the Lessor may only with prior reasonable notice at all reasonable times of the day enter and view the state of repair, and that subject to clause 3(a) the Lessee will repair according to notice in writing within one (1) calendar month and that in default the Lessor may repair at the Lessee's expenses.

PUBLIC AUTHORITIES:

7. And that the Lessor may only with prior reasonable notice enter and carry out requirements of public authorities and repairs under the Lease but in doing so shall cause the least possible disturbance to the Lessee's use of the premises.

PAINT AND PAPER:

10. And to paint and/or paper any surfaces previously so treated in the demised premises at the expiration of the term of the Lease or the expiration of any renewal term of the Lease.

NO OFFENSIVE TRADE:

17. Subject to the permitted use that the Lessee will not carry on any offensive trade.

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QUIET ENJOYMENT:

21. That the Lessor subject as herein provided covenants with the Lessee for quiet enjoyment.

ADDITIONAL COVENANTS BY LESSEE:

3. To the following special additional provisions which however shall not (except in so far as the provisions hereinafter contained shall expressly negative or modify the same) be held to anyway limit or abridge any of the provisions of the Conveyancing Act, 1900 namely:

REPAIR AND CLEANING:

(a) Notwithstanding the provisions hereinbefore contained the Lessee will at his own expense at all times during the said term hereby granted well and sufficiently repair, maintain, cleanse and empty the demised premises the fixtures therein and all drains, sewers, closets, sanitary arrangements, cisterns, yards, pavements, gutters, walls and erections and keep both the outside and inside of the said premises in clean and attractive order and repair and condition PROVIDED THAT nothing contained in this Lease shall require the Lessee to carry out repairs or maintenance of a capital or structural nature.

FIXTURES AND FITTINGS UNDISTURBED:

(b) That the Lessee will at the expiration or sooner determination of the said term surrender and yield up to the Lessor and subject to its obligations under Clause 2(6) hereof leave undisturbed all water, gas, electric light and other fixtures and fittings which are or may be hereinafter be put into and upon the demised premises by the Lessor in good order and condition.

USE: (c) That the Lessee will not without the consent in

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- 4 -

writing of the Lessor use or occupy the demised premises otherwise than for **MANUFACTURING, WAREHOUSING, OFFICE, DISTRIBUTION AND ANY OTHER USES PERMITTED UNDER THE RELEVANT ZONING** and will ensure that the conduct and management of the premises shall at all times be of such standard and will during all proper business hours keep the premises open for business and will not in any case use the premises as a sleeping place. The Lessee acknowledges that no promises, warranty or undertaking has been given by the Lessor in respect of the suitability of the premises or the building for any business to be carried out therein, or as to any necessary approval or consent for the abovementioned use by any relevant Statutory Authority or to the fittings finishes facilities or amenities of the premises otherwise than as contained in this Lease. The Lessors, to the best of their knowledge, warrant to the Lessee that the premises are free of asbestos and any contamination of any kind.

COMPLIANCE:

- (d) That the Lessee will comply with and relieve the Lessor from all liability in respect of the requirements of any notice issued by the Board of Health, the Water Board and/or other Statutory Authority or Municipal Authority in relation to all alterations conveniences and/or repairs to the demised premises whether or not of a structural nature or for the use in connection therewith occasioned by reason of the nature of the business carried on by the Lessee in the said demised premises, or, the number of persons employed by the Lessee

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therein or using or occupying the same, or, by reason of the nature of the Lessee's occupation of the premises AND so far as the same are applicable to the said premises and the business carried on therein by the Lessee will observe and conform to the rules and regulations of the Factories and Shops Act or any other Act or Regulation or By-Law (or any By-Law in the event that the premises are a lot or part of a lot in a Strata Plan) which may be in force during the said term PROVIDED that all notices received by the Lessor from any of the abovementioned authorities shall within a reasonable time after receipt thereof by the Lessor be served on the Lessee and FURTHER PROVIDED THAT nothing in this clause shall require the Lessee to carry out works of a structural nature which are not as a direct result of the Lessee's use and occupation of the premises.

LICENCES:

- (e) That the Lessee will keep on foot all licenses and permits required for the carrying on of any business conducted by the Lessee in or upon the demised premises and FURTHER PROVIDED that nothing in this clause shall require the Lessee to carry out works of a capital or structural nature which are not as a direct result of the Lessee's use and occupation of the premises.

ALTERATIONS:

- (f) (i) The Lessee shall not make or cause or suffer to be made any alterations, additions or improvements to the premises, or install or cause or suffer to be installed therein, or thereon any trade fixtures, exterior signs, floor coverings,

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partitions, interior or exterior lighting, plumbing, fixtures, shades or awnings, or drive any nails or screws into the premises or any part thereof, or in any way damage or deface ceilings, walls, partitions, floors, wood, stone, concrete or iron work thereof during the said term, without first obtaining the written approval of the Lessor. The Lessee shall present to the Lessor plans and specifications for such work at the time approval is sought. The Lessor shall be entitled to obtain the advice of its architects in respect thereof, and any reasonable fees payable by the Lessor to such architects shall be paid by the Lessee to the Lessor on demand.

(ii) Any such works carried out pursuant to sub-paragraph (i) hereof shall be carried out by contractors approved in writing by the Lessor in a proper and workmanlike manner and to a standard in conformity with the requirements of the Building Services Corporation and to the satisfaction of the Lessor, and in carrying out such work the Lessee shall ensure that a minimum amount of disturbance and inconvenience shall be caused to any other occupier of the building or adjoining buildings.

(iii) Any such work, installations or additions carried out pursuant hereto with the Lessor's consent, shall, if required by the Lessor be removed by the Lessee at or immediately prior to the expiration of this Lease, but the Lessee shall upon

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removal do no damage to the demised premises and shall reinstate the same to the condition they were in prior to such installation.

EXTERIOR SIGNS:

- (g) The Lessee shall not without first obtaining the written consent of the Lessor place, construct or erect on the demised premises or post or paint or otherwise affix thereto any displays advertising hoardings, posters, signs, devices or other advertising media. Such advertising media shall strictly relate to the Lessee's said business upon the demised premises, but the Lessor's consent shall not be unreasonably withheld.

PROHIBITION NOXIOUS OFFENSIVE USE:

- (h) Subject to the permitted use that the Lessee will not use the premises for any noxious noisy or offensive purpose or do any act matter or thing whatsoever which shall or may be or grow to the annoyance nuisance, grievance, damage or disturbance of the occupiers or owners of neighbouring property or any other tenants of the Lessor. Subject to the permitted use that the Lessee will not permit any noxious or offensive odours or smells to be created on the leased premises and will not do or permit to be done anything whereby the leased premises or any part thereof may be damaged or stained or the walls or floors thereof caused to sag or deflect from their right lines.

INSURANCE:

- (i) That the Lessee will upon the execution hereof effect and at all times maintain with an Insurance Company to be approved by the Lessor, the following policies of Insurance:-

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- (i) in the joint names of the Lessor and Lessee against breakage, loss or damage to any plate glass in the demised premises through any cause whatsoever and to the full insurable value thereof;
- (ii) in respect of Public Risk for an amount of FIVE MILLION DOLLARS (\$5,000,000.00) in the joint names of the Lessor and Lessee.

The Lessee shall supply the Lessor with the Policies so effected.

INCREASE INSURANCE PREMIUM:

- (j) That if at any time during the currency of the term hereby granted the fire insurance premiums or any of them payable in respect of the demised premises shall be increased beyond the annual amount of rates at the commencement of the said term by reason of the nature of the business carried on or proposed to be carried on by the Lessee on the demised premises or by reason of any alterations made by the Lessee whether or not approved by the Lessor the Lessee will upon demand pay to the Lessor the whole amount by which such increased premiums shall exceed the annual amount of rates as aforesaid AND FURTHER that the Lessee will in no way whatsoever invalidate any Policy or Policies of Insurance on the demised premises, provided that if the Lessee invalidates any such Policy he shall be responsible for any loss to the Lessor as a result.

ACTS OR GOODS NOT PERMITTED:

- (k) Subject to the permitted use that the Lessee shall not wilfully or knowingly do manufacture or permit anything to be done or bring deposit keep store or permit in the premises any goods materials or substances which may conflict with

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