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Certified Practising Valuers &
Property Consultants

VALUATION REPORT



Property Address:	168-170 Anzac Parade, Kensington NSW 2033
Property Type:	Commercial Premises
Instructing Party:	Mr. Ben Wong
Client:	Goon Yee Tong Limited
Purpose of Valuation:	Financial Reporting (Internal Accounting) Purposes
Date of Inspection:	28 August 2025
Date of Valuation:	28 August 2025
File Reference:	07421

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ANNEXURES

- A. TITLE CERTIFICATE
- B. COMMERCIAL LEASE

EXECUTIVE SUMMARY

Property Address: 168-170 Anzac Parade, Kensington NSW 2033

Property Type: Commercial Premises

Instructing Party: Mr. Ben Wong

Client: Goon Yee Tong Limited

Purpose of Valuation: Financial Reporting (Internal Accounting) Purposes

Basis of Value: As Is – subject to Existing Occupancy Arrangements

Inspection Date: 28 August 2025

Valuation Date: 28 August 2025

Brief Description: The subject property comprises a single-storey, Colorbond-roofed, brick masonry commercial/retail development, currently utilised as a healthcare equipment retail showroom.

The title details are Lot 1 in Deposited Plan 771581. The land upon which the improvements constructed comprises a regular shaped interior allotment of 1,115 square metres.

The land is zoned E2 Commercial Centre under Randwick Local Environmental Plan 2012 (2013 EPI 36).

As specifically instructed by the instructing party, we have conducted a Market Value Assessment for Financial Reporting (Internal Accounting) Purposes only and should not be relied upon for any other purposes.

Subject to the information and disclaimer contained in this report, the fair market value of the subject property is assessed at:

Adopted Value: **\$12,000,000**
(Twelve Million Dollars) Exclusive GST

Valuer:



Jason J Wang
Certified Practising Valuer
AAPI / API No. 69046

This executive summary is a précis of the content of the following report. It must be read in conjunction with the full valuation report attached. All comments, terms and conditions contained in the attached report relate directly to this Executive Summary.

1.0 INSTRUCTIONS

We have been instructed by Mr. Ben Wong to assess the market value of the property known as 168-170 Anzac Parade, Kensington NSW 2033.

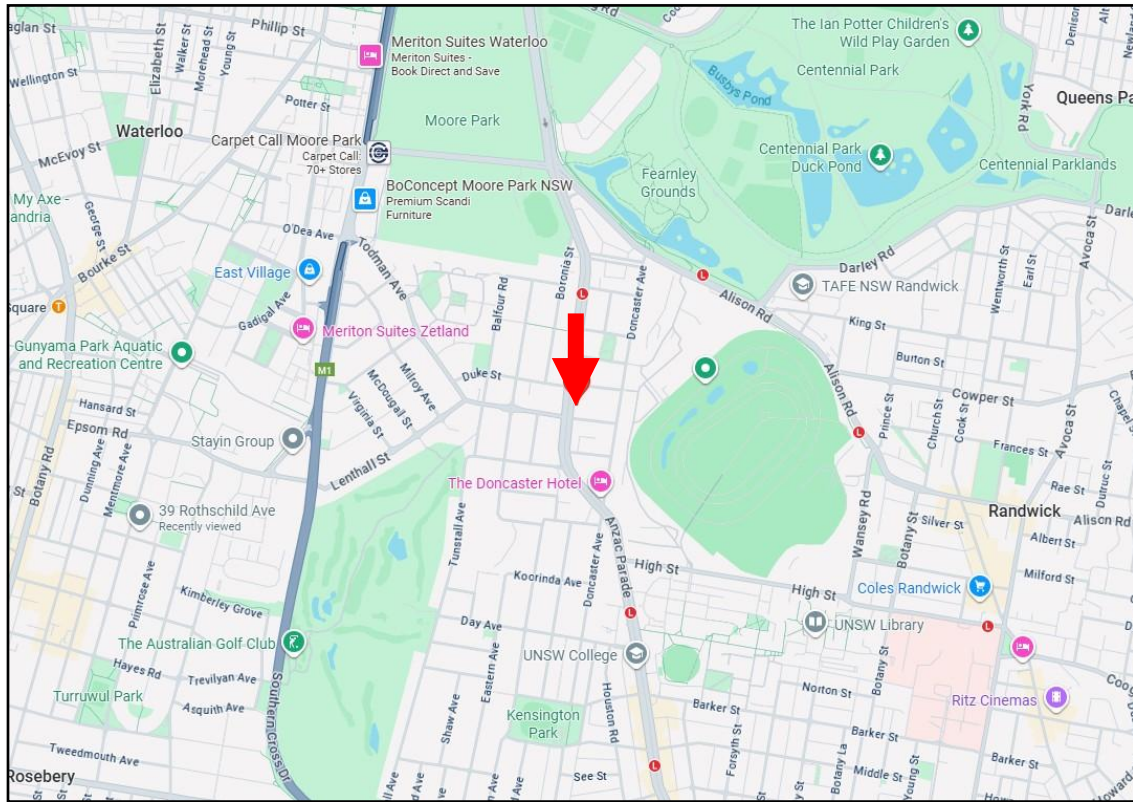
The date of valuation is 28 August 2025, based on our inspection of the subject property as at that date.

This valuation is to be relied upon by Goon Yee Tong Limited for Financial Reporting (Internal Accounting) Purposes only and should not be relied upon for any other purposes.

2.0 LOCATION

2.01 Physical Location

The subject property is prominently located at the eastern side of Anzac Parade between Bowral Street to the north and Todman Avenue to the south at Kensington NSW 2033. Kensington forms an established residential and commercial locality situated approximately five (5) kilometres to the south of the Sydney Central Business District. A location plan is scanned below:



(Courtesy of maps.google.com.au)

2.02 Surrounding Development

Surrounding development comprises of a mixed nature and incorporates older style two (2) storey retail and residential buildings fronting Anzac Parade together with a number of multi storey mixed use developments which have been completed over recent years or currently under construction.

2.03 Proximity to Amenities and Services

The subject property is situated in close proximity to Royal Randwick Racecourse, Moore Park Golf Course, Centennial Park, Moore Park, the University of New South Wales Kensington Campus, Prince of Wales Hospital, Sydney Children's Hospital and the Royal Hospital for Women. Good access to the junction of Anzac Parade and Alison Road connecting onto other major connecting roads. Major bus routes run along Anzac Parade, with a light rail station right at the doorstep.

3.0 TITLE DETAILS

3.01 Legal Description/Title Reference

The subject property is legally described as Lot 1 in Deposited Plan 771581 at Kensington, Local Government Area Randwick, Parish of Alexandria and County of Cumberland.

3.02 Registered Proprietor and Basis of Possession

The First Schedule of Certificates of Title (Folio 1/771581) indicates the registered proprietor as:

Goon Yee Tong Limited (CN AK76987)

3.03 Encumbrances

The Second Schedule of Folio Identifier 1/771581 has two (2) notifications recorded on titles which refer to:

1. DP771581 Easement to drain sewage 1 wide appurtenant to the land above described
2. 7964779 Lease to Australian postal corporation of 168-170 Anzac Pde, Kensington. Expires:18/12/2005.
Option of renewal: 5 years with a further option of 5 years.
AC148029 Variation of lease 7964779
AG484123 Variation of lease 7964779 Expiry date now 18/12/2015
AK499458 Variation of lease 7964779 Expiry date now 18/12/2020

3.04 Title Search

We have relied on a copy of the Certificate of Title issued on 9 June 2016, provided by the Instructing Party. Should any notations have been placed on title since the date of search we reserve the right to reconsider our valuation herein.

This valuation has been prepared on the understanding that no notations, encumbrances, easements, rights of way or encroachments exist by or on the subject property other than those details herein. We have not sighted boundaries markers and for the purposes of this valuation, have assumed that all improvements have been erected within the legal confines of the site and that no adjoining improvements encroach onto the boundaries.

The leases registered on title have expired and therefore we have disregarded this for the purpose of this assessment.

Full copies of the Certificates of Title are annexed hereto at **Appendix A**.

4.0 SITE DESCRIPTION

4.01 Dimensions and Area

The parent site is regular in configuration, having frontage to Anzac Parade, a tar-sealed, kerbed, and guttered roadway to the west. The subject land comprises a regular shaped interior allotment with dimensions of 30.18 / 30.18 X 36.93 / 36.98 metres. The area of the site is 1,115 square metres. An aerial map is replicated below:



4.02 Topography and Aspect

The site appeared reasonably level from our visual inspection. The subject land has aspect to the west with no views.

4.03 Roads and Access

Anzac Parade at this location comprises bitumen sealed roadways with concrete kerbing and guttering, and concrete paved pedestrian pathways. Anzac Parade is a major north-south arterial road carrying moderate to high traffic volumes, along with light rail services.

Access to the building is provided via two non-slip, tile-paved stairways fitted with handrails on both sides from the front entrance. In addition, disability access is provided through a hardstand ramp together with handrails to provide convenient entry for those requiring mobility assistance.

Vehicle access to the property from Anzac Parade is provided via a powder-coated green metal swing gate, with an entrance width of approximately 4.4 metres. The rear of the property comprises a line-marked hardstand area, accommodating parking facilities for approximately 12 to 15 vehicles.

4.04 Services

It appears the usual utility services are connected to the subject property including water, sewerage, gas, electricity and telephone.

4.05 Site Defects

Our inspection of the subject property has not indicated any obvious site defects and the same have been assumed in preparing our assessment herein.

4.06 Site Identification

We have positively identified the subject property from our physical inspection and the street address.

5.0 TOWN PLANNING

5.01 Zoning

The land is zoned E2 Commercial Centre under Randwick Local Environmental Plan 2012 (2013 EPI 36).

We confirm we have obtained the zoning information from the website of the NSW Government Planning Portal. Verification of the planning aspects can be confirmed by application to the Council for the issue of a Section 10.7(2) Certificate under the Environmental Planning and Assessment Act 1979.

5.02 Land Uses

The Land Use Table of the E2 Commercial Centre Zone has been extracted from the Randwick Local Environmental Plan 2012 (2013 EPI 36), is replicated as follows.

1 Objectives of zone

- To strengthen the role of the commercial centre as the centre of business, retail, community and cultural activity.
- To encourage investment in commercial development that generates employment opportunities and economic growth.
- To encourage development that has a high level of accessibility and amenity, particularly for pedestrians.
- To enable residential development only if it is consistent with the Council's strategic planning for residential development in the area.
- To ensure that new development provides diverse and active street frontages to attract pedestrian traffic and to contribute to vibrant, diverse and functional streets and public spaces.
- To facilitate a high standard of urban design and pedestrian amenity that contributes to achieving a sense of place for the local community.
- To minimise the impact of development and protect the amenity of residents in the zone and in the adjoining and nearby residential zones.
- To facilitate a safe public domain.
- To support a diverse, safe and inclusive day and night-time economy.

2 Permitted without consent

Home occupations

3 Permitted with consent

Amusement centres; Artisan food and drink industries; Backpackers' accommodation; Boarding houses; Centre-based child care facilities; Commercial premises; Community facilities; Creative industries; Dwelling houses; Entertainment facilities; Function centres; Group homes; High technology industries; Home industries; Hostels; Hotel or motel accommodation; Information and education facilities; Local distribution premises; Medical centres; Mortuaries; Oyster aquaculture; Passenger transport facilities; Places of public worship; Recreation areas; Recreation facilities (indoor); Recreation facilities (outdoor); Registered clubs; Residential flat buildings; Respite day care centres; Restricted premises; Shop top housing; Tank-based aquaculture; Vehicle repair stations; Veterinary hospitals; Any other development not specified in item 2 or 4

4 Prohibited

Agriculture; Air transport facilities; Airstrips; Animal boarding or training establishments; Biosolids treatment facilities; Boat building and repair facilities; Boat launching ramps; Boat sheds; Camping grounds; Caravan parks; Cemeteries; Charter and tourism boating facilities; Correctional centres; Crematoria; Depots; Eco-tourist facilities; Environmental facilities; Extractive industries; Farm buildings; Forestry; Freight transport facilities; Heavy industrial storage establishments; Helipads; Highway service centres; Home occupations (sex services); Industrial retail outlets; Industrial training facilities; Industries; Jetties; Marinas; Mooring pens; Moorings; Open cut mining; Port facilities; Recreation facilities (major); Residential accommodation; Resource recovery

facilities; Rural industries; Sewage treatment plants; Sex services premises; Storage premises; Transport depots; Truck depots; Vehicle body repair workshops; Warehouse or distribution centres; Waste disposal facilities; Water recreation structures; Water recycling facilities; Water supply systems; Wharf or boating facilities; Wholesale supplies

5.03 Additional Planning Controls

We noted that the subject property is located within the "Kensington Town Centre" under the Kensington and Kingsford Planning Strategy (K2K Strategy). This allows additional FSR and HOB controls for the subject property which is listed as below:

FSR Control: 4:1
HOB Control: 31 metres

We advise that this has been considered in our assessment.

5.04 Land Use Conformity

It would seem apparent that the current use of the subject property is conforming to the current planning guidelines.

5.05 Statutory Assessment

Our research has uncovered that the Valuer General's Department assesses the subject property as below for the most recent years provided. As at the date of valuation, the following statutory land valuation was being utilised for the levying of Council Rates and Land Tax:

Base Date	Land Value
1 July 2024	\$6,700,000
1 July 2023	\$6,190,000
1 July 2022	\$5,560,000

6.0 DEVELOPMENT APPLICATION / APPROVALS

- Development Application No: CDC/229/2024
- Approval Description: Alterations and Use as Specialised Retail Premises. AC – CDC No. 31/24.
- Lodged Date: 16 July 2024
- Decision: Approved
- Decision Date: 6 July 2027

7.0 IMPROVEMENTS

7.01 General Description

The property is assumed to have been built in circa 1970's. At the time of inspection, it was in satisfactory condition, largely commensurate with its age and subsequent refurbishments.

The subject property comprises a single-storey, Colourbond-roofed, brick masonry commercial/retail development constructed on concrete footings with a concrete slab base, currently utilised as a healthcare equipment retail showroom.

The improvements are predominantly of Colourbond roofing supported by metal trusses and rafters, with exposed polished timber and panel ceilings. Lighting is by way of twin-batten fluorescent fittings, with climate control provided through a fixed HVAC system.

The internal finishes include predominantly painted plasterboard walls with aluminium-framed glazed and timber door sashes, together with a floor-to-ceiling height glazed shopfront to the street elevation. The floor area comprises carpet finishes throughout the main retail area with ceramic tiles to the wet areas.

It is noted that the floor-to-ceiling internal height of the left wing of the building, where the polished timber ceiling and reception area, is approximately 5.4 metres, while the right wing is approximately 3.5 metres.

7.02 Accommodation

The internal layout generally comprises two open-plan retail/showroom spaces, a customer service counter, office, dining room with kitchenette, separate male and female amenities, a bathroom, a cleaner's room, and a pantry area.

7.03 Total Lettable Area

From our onsite measurements, we estimate the following approximate areas:

Main building floor area:	357 sqm
Storage area:	10 sqm

Total Lettable Area: 367 sqm

It must however be noted that a detailed survey of areas has not been commissioned in this regard; accordingly, we recommend that you obtain a building survey from a qualified surveyor. If such further investigations reveal any inaccuracies in the above area calculations, this valuation will require revision. In such an event we invite you to resubmit the valuation to us together with a building survey for this purpose.

7.04 Other Buildings and Site Improvements

Additional improvements include a metal awning over the footpath, tiled concrete path and stairwell, an accessible concrete path for wheelchair use, a gated concrete driveway, approximately 12 to 15 car spaces, brick and metal storage shed with a roller door, an enclosed lawn courtyard, and mixed boundary fencing.

7.05 Condition & Repair

We have been advised by the instructing party that the subject premises were leased to Australia Post for approximately 15 years. The current tenancy commenced in December 2024, with the tenant undertaking internal alterations and fit-outs to suit their business requirements. Overall, the improvements are in satisfactory condition, with no significant or urgent maintenance issues evident.

We have carried out an inspection of the exposed and readily accessible areas of the improvements. However, the Valuer is not a building construction or structural expert and is therefore unable to certify the structural soundness or compliance of the improvements. Readers of this report should make their own enquiries.

Photographs



Front Elevation



Rear Elevation



Shopfront



Gated Driveway



Shop Area



Showroom



Office



Male & Female Amenities



Dining Room



Kitchenette



Storage



Carspaces

8.0 TENANCY DETAILS

8.01 Occupancy / Lease Terms

A copy of the Commercial Lease has been provided to the valuer. The salient lease terms and conditions are as follows:

Lessor:	Goon Yee Tong Limited
Lessee:	Aidacare Pty Ltd
Property Leased:	168-170 Anzac Parade, Kensington NSW 2033
Term:	Three (3) years
Option:	Three (3) years plus three (3) years
Commencing Date:	15 July 2024
Terminating Date:	14 July 2027
Passing Rent:	\$241,500
Rent Reviews:	Annually 5.0%
Next Review:	14 July 2026
Outgoings:	Lessee's Proportion – Not applicable.
Permitted Use:	Display and Sale of Healthcare Equipment
Incentives:	Three (3) months' rent free

The full copies of the Commercial Lease are annexed hereto at Appendix B.

8.02 Outgoings

We have not been provided with the current outgoings in relation to the subject property. In this instance, we have estimated them based on comparable market data, considering the property's location and current use. We have obtained estimates from the relevant local authority, Sydney Water, and Revenue NSW to inform this assessment. Based on this and our benchmarking, we have determined the following outgoings:

OUTGOING SCHEDULE		
	Adopted \$pa	\$psm pa
STATUTORY EXPENSES		
Council Rates	\$40,000	\$109
Water Rates	\$2,042	\$6
Land Tax	\$81,300	\$222
Total Statutory Expenses	\$123,342	\$336
OPERATING EXPENSES		
Insurance Premiums	\$8,000	\$22
Repairs & Maintenance	\$3,000	\$8
Management Fee	\$9,660	\$26
Total Operating Expenses	\$20,660	\$56
TOTAL OUTGOINGS	\$144,002	\$392

The assessed outgoings equate to approximately 60% of our adopted gross income, which is considered exceeding typical market levels for this location and property type. This elevated expense is primarily attributed to high Land Tax applicable to the subject property and its underutilised nature. Should the actual outgoings significantly deviate from this assessment, this report should be returned for review and potential revision.

8.03 Passing Income Summary

Based on our interpretation of the current tenancy arrangements and outgoings, the property's passing income is outlined below:

TENANCY SCHEDULE		Lease Terms and Reviews					Passing Rent						
Tenant	Type	Area (sqm)	Lease Term (yrs)	Comm Date	Expiry Date	Remanining Term (yrs)	Next Rent Review	Next Rent Review Type	Net/Gross	Passing Rent		Gross Passing Rent	
										\$pa	\$rate (psm)	\$pa	\$rate
Aldacare Pty Ltd	Retail	367.0	1.0	15-Jul-24	14-Jul-27	1.9	15-Jul-26	Annual 5%	Gross	241,500.00	658.04	241,500.00	658.04
Total		367.0								241,500.00	658.04	241,500.00	658.04

9.0 RENTAL EVIDENCE

9.01 Retail Rental Evidence

Address	Comm. Date	Area (sqm)	Rental pa (Gross)	Rate (\$/sqm)	Term/Option	Rent Review
Shop 1/936 Anzac Parade, Maroubra NSW 2035	Jan-25	245	\$196,750	\$803	5+3+3	3.00%

Description:

The tenancy comprises a retail shop located on the ground floor of a two storey commercial building of brick construction. Configured to provide an open plan retail/showroom area with internal toilet rooms. Permitted to use as a Post Office. Contains 5 open car spaces with rear lane access.

Comments:

Slightly superior location, smaller lettable area and similar quality improvements with inferior parking provisions. Overall, considered to indicate a lower rate per sqm of lettable area for the subject property.

Part of Ground Floor/595-599 Botany Road, Rosebery NSW 2018	Oct-24	527	\$331,646	\$629	3	4.00%
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Description:

The tenancy comprises a retail/showroom premises located on the ground floor with direct street exposure to Botany Road. Fully air-conditioned and configured to provide an open plan space with high internal clearance and internal amenities. Contains off street open car spaces for multiple vehicles to the front of the building.

Comments:

Superior location, larger lettable area and similar quality improvements with inferior parking provisions. Overall, considered to indicate a similar rate per sqm of lettable area for the subject property.

647 Botany Road, Rosebery NSW 2018	Jan-24	305	\$190,000	\$623	5+5	5.00%
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Description:

The property comprises a freestanding commercial building set on a regular shaped allotment of 455sqm. The building is of brick construction and provides open plan retail/showroom accommodation with high internal clearance on the ground floor with amenities on the first floor. Recently renovated. Contains off street parking for 8 vehicles with vehicular access via rear Emanuel Lane.

Comments:

Superior location, smaller lettable area and superior quality improvements with inferior parking provisions. Overall, considered to indicate a slightly higher rate per sqm of lettable area for the subject property.

Ground Floor/147 O'Riordan Street, Mascot, NSW 2020	Dec-23	432	\$200,000	\$463	3+3	4.00%
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Description:

This tenancy comprises of a ground-floor retail shop, positioned on the corner of O'Riordan and John Street's. Positioned within a secondary retailing precinct in Mascot. The property features a large frontage, reception area, kitchen, male and female amenities and partitioned offices and boardroom. Additionally, 25 car spaces provided access via John Street.

Comments:

Similar location, larger lettable area and superior quality improvements with inferior parking provisions. Overall, considered to indicate a higher rate psm of lettable area for the subject property.

9.02 Rental Assessment

The rental evidence adopted provides a rental rates range from \$463 to \$803 psm gross for similar retail accommodation situated within Kensington and similar surrounding locations.

In particular, we have considered the rental transaction at **Shop 1/936 Anzac Parade, Maroubra**. This property is located within a slightly superior location, smaller lettable area and similar quality improvements with inferior parking provisions. Overall, considered to indicate a lower rate per sqm of lettable area for the subject property.

We have also considered the property at **Part of Ground Floor/595-599 Botany Road, Rosebery**, which has a superior location, larger lettable area and similar quality improvements with inferior parking provisions. Overall, considered to indicate a similar rate per sqm of lettable area for the subject property.

All factors considered, we have adopted a rental range of \$625 to \$675 gross psm of lettable area for the subject property. Therefore, the passing rental rate of \$658 gross psm falls within the above-mentioned range.

9.03 Market Income Assessment

ADOPTED MARKET RENT				
Tenant	Type	Area (sqm)	Market Rent	
			\$pa	\$rate (psm)
Aidacare Pty Ltd	Retail	367.0	\$241,500	\$658.04
Totals		367.0	\$241,500	\$658.04

9.04 Market Income Comments

We do not consider the rental income derived from the existing improvements reflect the potential of the subject property as it is underutilised. Therefore, we have not considered the Income Capitalisation Method for the purposes of this assessment. The Market Income Assessment has been provided for reference purposes only.

10.0 MARKET COMMENTARY

The retail and commercial property market in Kensington, NSW 2033, is characterised by its strong residential backbone and institutional anchors like UNSW, which support demand for boutique retail and mixed-use development. Recent transactions, including student accommodation and retail shopfronts, highlight investor interest in small-to-medium-scale assets with redevelopment potential or secure lease structures. The suburb's medium-density zoning, affluent demographic, and proximity to education hubs make it an appealing location for value-add investors and developers, particularly as falling interest rates improve the viability of both acquisitions and new projects.

Across Sydney, the broader retail and commercial market is showing early signs of recovery in 2025, following two recent RBA cash rate cuts that brought the official rate down to 3.85%. This monetary easing is encouraging yield compression, stabilising valuations, and boosting institutional investment interest, particularly in CBD office, logistics, and flagship retail assets. Prime retail vacancy has tightened, and luxury retail zones—such as Castlereagh Street—continue to attract strong capital flows. Meanwhile, repurposing strategies (e.g., Westfield's move into co-working spaces) reflect the market's shift toward more adaptive asset uses in response to evolving consumer and tenant needs.

From a valuation perspective, the outlook is improving due to lower discount rates and increased investor appetite. Properties with secure, long-term cash flows—such as those leased to universities or luxury retailers—are seeing stronger pricing, while mixed-use development sites offer additional upside. Construction costs and approval timelines remain key challenges, particularly in inner-Sydney areas, but the fundamentals of income security, zoning potential, and location-driven demand continue to drive market performance. As financing conditions improve, 2025 is shaping up to be a pivotal year for both retail and commercial investment and development across Sydney.

The above commentary is a summary of our research and enquiries regarding the property market over the early-2024 period to date. Our research and enquiries were made in good faith from available material and sources with due diligence but we do not warrant the accuracy of the information and do not accept any liability for any inaccuracy or incorrectness of the information.

The foregoing information is intended for use for the purposes of this valuation and is not intended to provide financial advice, express or implied.

11.0 SALES EVIDENCE & RECONCILIATION

11.01 Sales Evidence

Address	Sale Date	Sale Price	Site Area (sqm)	Site Area Rate (\$/sqm)	FSR Control	Potential GFA (sqm)	Potential GFA Rate (\$/sqm)
6-10 Bowral Street, Kensington NSW 2033	Oct-24	\$12,800,000	1,261	\$10,151	4:1	5,044	\$2,538
Description: Comprises 4 adjoining lots sold "in one line". The combined site provides a total site area of 1,261 sqm. Advised FSR control of 4:1 and HOB control of 31m under the Kensington and Kingsford Planning Proposal, indicating a potential GFA of 5,044 sqm. The site is improved with 3 older period single storey residential dwellings. Zoned E2: Commercial Centre under Randwick Local Environmental Plan 2012.							
Comparison: Similar location, slightly larger site area with superior onsite improvements, similar FSR control and larger potential GFA available. Overall, considered to indicate a higher improved site rate and a higher potential GFA rate for the subject property in comparison.							
63 Hansard Street, Zetland NSW 2017	May-24	\$5,700,000	711	\$8,017	1.5:1	1,066.50	\$5,345
Description: The property comprises a regular shaped vacant allotment located on the southern side of Hansard Street. FSR control of 1.5:1 and HOB control of 12m. Zoned R1: General Residential under Sydney Local Environmental Plan 2012.							
Comparison: Superior location, smaller site area with inferior onsite improvements, inferior FSR control and smaller potential GFA available. Overall, considered to indicate a higher improved site rate and a lower potential GFA rate for the subject property in comparison.							
86-90 Maroubra Road, Maroubra NSW 2035	Jun-25	\$8,120,000	2,429	\$3,343	0.5:1	1,214.50	\$6,686
Description: Comprises two adjoining lots sold "in one line". The combined site is generally regular in shape and provides a total site area of 2,429 sqm. The site was improved with a pair of 2 bedroom duplex of full brick construction and 2 x older period single storey residential dwellings. FSR control of 0.5:1 and HOB control of 9.5m. Zoned R2: Low Density Residential under Randwick Local Environmental Plan 2012.							
Comparison: Inferior location, larger site area with superior onsite improvements, inferior FSR control and smaller potential GFA available. Overall, considered to indicate a higher improved site rate and a lower potential GFA rate for the subject property in comparison.							
12-18 Flora Street, Arncliffe NSW 2205	Nov-23	\$9,930,000	1,975	\$5,028	2.2:1	4,345	\$2,285
Description: Comprises four adjoining lots sold "in one line". The combined site is generally regular in shape and provides a total site area of 1,975 sqm. The site was improved with four dated single storey residential dwellings. FSR control of 2.2:1 and HOB control of 26.5m. Zoned R4: High Density Residential under Bayside Local Environmental Plan 2021.							
Comparison: Inferior location, larger site area with superior onsite improvements, inferior FSR control and slightly smaller potential GFA available. Overall, considered to indicate a higher improved site rate and a higher potential GFA rate for the subject property in comparison.							

11.02 Rational for Comparable Transactions

The sales evidence adopted reflects a capital value range of \$5,700,000 to \$12,800,000 and a rate range of improved site area of \$3,343 to \$10,151 psm and a rate range of potential GFA available of \$2,285 to \$6,686 psm. These rates are impacted by factors such as location, site area, size of improvements, age, condition, use accommodation, exposure, FSR and HOB controls and development potential.

Based on relevant market evidence and the subject characteristics, we have adopted the following rate ranges in this assessment:

- Improved Site Area: \$9,500 to \$10,500
- Potential GFA Available: \$2,600 to \$2,800

12.0 VALUATION APPROACHES AND OUTCOME

12.01 Sales History – The Subject Property

In our investigations we have identified the previous sale of the subject property. The subject property was purchased in November 2005 for \$2,968,000.

12.02 Comparable Transactions Method – Improved Site Area

The Comparable Transactions Method – Improved Site Area has been adopted as a method to assess the market value of the subject property.

Our calculations are detailed below.

COMPARABLE TRANSACTIONS METHOD - IMPROVED SITE AREA

Improved Site Area		1,115 sqm
	<u>Rate \$psm</u>	<u>Resultant Values</u>
	\$9,500	\$10,592,500
	\$10,000	\$11,150,000
	\$10,500	\$11,707,500

Adopted Value	\$11,150,000
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12.03 Comparable Transactions Method – Potential GFA Available

The Comparable Transactions Method – Potential GFA Available has also been adopted as a method to assess the market value of the subject property.

Our calculations are detailed below.

COMPARABLE TRANSACTIONS METHOD - GFA AVAILABLE

GFA Available		4,460 sqm
	<u>Rate \$psm</u>	<u>Resultant Values</u>
	\$2,600	\$11,596,000
	\$2,700	\$12,042,000
	\$2,800	\$12,488,000

Adopted Value	\$12,000,000
----------------------	---------------------

13.0 VALUATION RECONCILIATION

The following table presents the results from the valuation methods utilised in this valuation report and the value that has been adopted for the subject property.

Comparable Transactions - Improved Site Area	Comparable Transactions - Potential GFA Available	Adopted Value
\$11,150,000	\$12,000,000	\$12,000,000

We are of the opinion that the Market Value for **168-170 Anzac Parade, Kensington NSW 2033** is in the sum of **\$12,000,000 (Twelve Million Dollars) Exclusive GST**.

Market Value: is defined as "The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion". As defined by the API in the Information Paper IPE 3, issued on 12 December 1993 - Section 1 Market Value.

Goods and Services Tax (GST): Given that the subject property is a fully leased investment and under the GST 2002/5 taxation ruling, it is considered to represent a 'Going Concern' and a notional transfer of this property would be a GST free supply. Therefore, we have provided a valuation which is free of GST. Acknowledging the above comments, we are not taxation experts and the advice provided is based upon our interpretation of the current taxation legislation with regards to GST. We acknowledge that further changes to this legislation may occur and we recommend the reader to seek appropriate taxation and legal advice with regard to the liability of GST payable.

14.0 GENERAL TERMS AND CONDITIONS

The valuer was engaged by the client in a commercial relationship to provide the valuation for the purpose outlined in this report. The Valuer hereby certify that the valuer personally inspected this property on the date of inspection and have carried out the assessments above as at the date of valuation. Neither the valuer, nor to the best of valuer's knowledge, any member of this firm, has any conflict of interest, or direct, indirect or financial interest in relation to this property that is not disclosed herein.

This valuation is for the use only of the party to whom it is addressed and for no other purpose. In particular, this report is strictly not to be used for mortgage, pre-purchase or pre-sale advice, court, litigation or formal dispute resolution purposes. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. Neither the whole nor any part of this valuation or any reference thereto may be included in any published documents, circular or statement, nor published in part or full in any way, without written approval of the form and context of which it may appear. Aussets Pty Ltd hereby declares that it makes no guarantee, promise, warranty, representation or undertaking that the lodgement of the valuation report will result in any predetermined requirements of the instructing party or client being satisfied.

The Client acknowledges that to the extent that written instructions have been received for the purposes of preparing this Valuation and the Valuation Services, it has been assumed that a full and frank disclosure of all relevant information has been made. We will not assume any liability or negligence where a full and frank disclosure of relevant information has not been made.

We are not in possession of a current survey report in respect of the subject property. We have proceeded upon the basis that there are neither encroachments upon adjoining sites by any improvements upon the subject land nor encroachments by improvements upon adjoining sites upon the subject land. We reserve the right to amend our assessment should such encroachment(s) be indicated in a survey report.

This valuation is not a structural survey nor should it be construed as a Pest Inspection Report. This valuation is not an environmental audit and neither whole nor part of this valuation should be reproduced in any way without the written approval of Aussets Pty Ltd and the undersigned.

No Certificate of Compliance has been sighted and it is assumed that the building complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respects, in full compliance with all requirements of law, including all zoning, (we have not sighted a formal zoning certificate as at the date of valuation), land use classification, building, planning, fire and health by-laws (including asbestos), rules, regulations, orders and codes of all authorities and there are no outstanding requisitions.

The client acknowledges and recognizes that the Valuer is not expert in identifying environmental hazards and compliance requirements affecting properties. The Valuer has endeavoured to identify all matters of environmental concern and the effect they might have on the value of the property. However, the Valuer will not be held liable nor responsible for his/her failure to identify all such matters of environmental concern and the impact which any environmental related issue has on the property and its value including loss arising from site contamination; or the noncompliance with environmental laws; or costs associated with the clean-up of the property to which an environmental hazard has been recognized, including action by the Environmental Protection Agency to recover clean-up costs pursuant to the relevant Environmental Protection Act.

We advise that we have not undertaken a formal search to confirm whether or not the property is subject to flooding or other impediments caused by excess water saturation. Should any flooding or other impediments caused by excess water saturation concerns become apparent, the valuer should be consulted and reserves the right to reassess any affect on the value stated in this report.

Aussets Pty Ltd has not made any formal search enquiries with the relevant statutory authorities to ascertain whether the land has been classified as a possible, probable, confirmed, restricted, former or released site within the meaning of the Contaminated Land Act, 1991. Our inspection did not alert me to any potential problems associated with the site, however, as we are not an expert in this field, the instructing party should make their own enquiries.

This valuation is as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). Our assessment reflects the parameters/sentiment and makes no guarantee, promise, warranty or any representation or undertaking in regard to future changes in the market conditions or economic factors, including changes in interest rates or economic recession.

APPENDIX A

TITLE CERTIFICATE

BOX 1W
(AK499458)

NEW SOUTH WALES

CERTIFICATE OF TITLE

REAL PROPERTY ACT, 1900



TORRENS TITLE REFERENCE

1/771581

EDITION

10

DATE OF ISSUE

9/6/2016

CERTIFICATE AUTHENTICATION CODE

Q46J-S2-VLLP

I certify that the person described in the First Schedule is the registered proprietor of an estate in fee simple (or such other estate or interest as is set forth in that Schedule) in the land within described subject to such exceptions, encumbrances, interests and entries as appear in the Second Schedule and to any additional entries in the Folio of the Register.

REGISTRAR GENERAL



LAND

LOT 1 IN DEPOSITED PLAN 771581
AT KENSINGTON.
LOCAL GOVERNMENT AREA: RANDWICK.
PARISH OF ALEXANDRIA COUNTY OF CUMBERLAND
TITLE DIAGRAM: DP771581

FIRST SCHEDULE

GOON YEE TONG LIMITED

(CN AK76987)

SECOND SCHEDULE

1. DP771581 EASEMENT TO DRAIN SEWAGE 1 WIDE APPURTENANT TO THE LAND ABOVE DESCRIBED
2. 7964779 LEASE TO AUSTRALIAN POSTAL CORPORATION OF 168-170 ANZAC PDE, KENSINGTON. EXPIRES: 18/12/2005. OPTION OF RENEWAL: 5 YRS WITH A FURTHER OPTION OF 5 YRS.
AC148029 VARIATION OF LEASE 7964779
AG484123 VARIATION OF LEASE 7964779 EXPIRY DATE NOW 18/12/2015.
AK499458 VARIATION OF LEASE 7964779 EXPIRY DATE NOW 18/12/2020.

**** END OF CERTIFICATE ****

ANY ATTEMPT TO ALTER THIS CERTIFICATE COULD RESULT IN HEAVY FINES OR IMPRISONMENT (S.141 REAL PROPERTY ACT).

APPENDIX B

COMMERCIAL LEASE

Form: 07L

Release: 4.8

LEASE

New South Wales
Real Property Act 1900

Leave this space clear. Affix additional
pages to the top left-hand corner.

PRIVACY NOTE: Section 31B of the Real Property Act 1900 (RP Act) authorises the Registrar General to collect the information required by this form for the establishment and maintenance of the Real Property Act Register. Section 96B RP Act requires that the Register is made available to any person for search upon payment of a fee, if any.

STAMP DUTY

Insert Duties Assessment No. as issued by Revenue NSW Office.

Duties Assessment No. _____

(A) TORRENS TITLE

Property leased

FOLIO IDENTIFIER 1/771581

(B) LODGED BYDocument
Collection
Box

Name, Address, Telephone, and Customer Account Number if any

PANCIFIC LEGAL
SUITE 1802, 233 CASTLEREAGH STREET,
SYDNEY, NSW 2000

Email:

info@pancificlegal.com.au

Reference:

302017/24

CODE

L

(C) LESSOR

GOON YEE TONG LIMITED ACN 606 135 826

The lessor leases to the lessee the property referred to above.

(D)

Encumbrances (if applicable): _____

(E) LESSEE

AIDACARE PTY LTD ACN 134 398 833

(F)TENANCY: CLICK & PICK **(G) 1. TERM** Three (3) years2. **COMMENCING DATE** 15 July 20243. **TERMINATING DATE** 14 July 20274. With an **OPTION TO RENEW** for a period of Three (3) years plus three (3) yearsset out in clause 17 of ANNEXURE A 5. With an **OPTION TO PURCHASE** set out in clause N.A. of N.A. 6. Together with and reserving the **RIGHTS** set out in clause N.A. of N.A. 7. Incorporates the provisions or additional material set out in **ANNEXURE(S)** A hereto.8. Incorporates the provisions set out in N.A. No. N.A. 9. The **RENT** is set out in item No. 7 of ANNEXURE A

Initial

D. Chan

Initial

ALL HANDWRITING MUST BE IN BLOCK CAPITALS.

DS

RLG

Initial

GPG

DATE _____

- (H) Certified correct for the purposes of the Real Property Act 1900 and executed on behalf of the company named below by the authorised person(s) whose signature(s) appear(s) below pursuant to the authority specified.

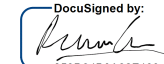
Company: GOON YEE TONG LIMITED ACN 606 135 826

Authority: SECTION 127 OF THE CORPORATIONS ACT 2001

Signature of authorised person: 

Name of authorised person: JUSTIN YAT KWAN CHAN

Office held: Director
12/7/2024 | 4:15 AEST

Signature of authorised person: 

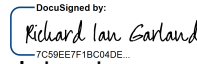
Name of authorised person: Ramon Chau

Office held: Director
12/7/2024 | 4:26 AEST

Certified correct for the purposes of the Real Property Act 1900 and executed on behalf of the company named below by the authorised person(s) whose signature(s) appear(s) below pursuant to the authority specified.

Company: AIDACARE PTY LTD ACN 134 398 833

Authority: SECTION 127 OF THE CORPORATIONS ACT 2001

Signature of authorised person: 

Name of authorised person: Richard Ian Garland

Office held: Director
10/7/2024 | 2:18 AEST

Signature of authorised person: 

Name of authorised person: GEOFFREY PETER GARLAND

Office held: Director
9/7/2024 | 9:19 PDT

(I) **STATUTORY DECLARATION ***

I _____
solemnly and sincerely declare that—

1. The time for the exercise of option to _____ in expired lease No. _____ has ended; and
2. 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 provisions of the Oaths Act 1900.

Made and subscribed at _____ in the State of New South Wales ☒ on _____

in the presence of _____ of _____,

☐ Justice of the Peace (J.P. Number: _____) ☐ Practising Solicitor

☐ Other qualified witness [specify] _____,

who certifies the following matters concerning the making of this statutory declaration by the person who made it:

1. I saw the face of the person OR I did not see the face of the person because the person was wearing a face covering, but I am satisfied that the person had a special justification for not removing the covering; and
2. I have known the person for at least 12 months OR I have confirmed the person's identity using an identification document and the document I relied on was a _____ [Omit ID No.]

Signature of witness: _____ Signature of applicant: _____

* As the services of a qualified witness cannot be provided at lodgment, the declaration should be signed and witnessed prior to lodgment. # If made outside NSW, cross out the witness certification. If made in NSW, cross out the text which does not apply.

** s117 RP Act requires that you must have known the signatory for more than 12 months or have sighted identifying documentation.

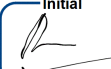
THIS IS THE ANNEXURE "A" REFERRED TO IN THE LEASE BETWEEN GOON YEE TONG LIMITED AS LESSOR AND AIDACARE PTY LTD AS LESSEE

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GPG

Initial


Initial


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REFERENCE SCHEDULE

ITEM 10:
(Clause 7.2, 8.2)

Occupation Date

SAME AS COMMENCEMENT DATE

ITEM 11:
(Clause 9.1)

Public liability insurance

\$20 million

ITEM 12:
(Clause 1.1, 16)

Guarantor

Name: Not applicable

ITEM 13
(Clause 17)

First Option

(a) Option Term: Three (3) years

(b) Commencing Date: 15 July 2027

(c) Terminating Date: 14 July 2030

Second Option

(a) Option Term: Three (3) years

(b) Commencing Date: 15 July 2030

(c) Terminating Date: 14 July 2033

ITEM 14
(Clause 18.1)

Bank Guarantee

An amount equivalent to nine (9) months' Rent and Lessee's Contribution payable from time to time plus GST on that amount being \$189,750.00 as at the Commencing Date.

ITEM 15
(Clause 3.10)

Increase Due to Alterations

Not applicable

ITEM 16
(Clause 3)

Minimum Rent Increase

Not applicable

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Lease unless the contrary intention appears:

"Attorney" means an attorney appointed under this Lease and any attorney's substitute or legate.

"Authorisation" means:

- (a) an authorisation, consent, declaration, licence, permit, exemption, notarisation or waiver, however it is described; and
- (b) in relation to anything that could be prohibited or restricted by law if a Government Agency acts in any way within a specified period, the expiry of that period without that action being taken,

including any renewal or amendment.

"Building" means all buildings and other improvements on the Land.

"Business Day" means a day that is not a Saturday, Sunday or public holiday in Sydney.

"By-laws" means the By-laws for the time being in force under the *Strata Titles Management Act, 1996* (NSW) as amended from time to time by the Owner's Corporation in relation to the strata scheme.

"Car Park" means the part of the Land or Building (if provided by the Lessor) for the parking of motor vehicles and the part of the Land used to enter and exit that part of the Land or Building.

"Change of Control" means for a corporation, a change in:

- (a) Control of the composition of the board of directors of the corporation;
- (b) Control of more than half the voting rights attaching to shares in the corporation; or
- (c) Control of more than half the issued shares of the corporation (not counting any share which carries no right to participate beyond a specified amount in the distribution of either profit or capital).

"Commencing Date" means the date specified in Item 6(b).

"Common Areas" means the part of the Building which the Lessor intends for common use, including any loading docks.

"Contaminated" has the same meaning given to it in the *Contaminated Land Management Act 1997* (NSW).

"Control" means a power or control that is direct or indirect or that is, or can be, exercised as a result of, by means of or by the revocation or breach of a trust, an agreement, a practice, or any combination of them, whether or not they are enforceable. It does not matter whether the power or control is express or implied, formal or informal, exercisable alone or jointly with someone else.

"Corporations Act" means the *Corporations Act 2001* (Cth).

"Costs" and "Claims" means any:

- (a) duty, liability or obligation to any person;
- (b) cost or expense;
- (c) loss or damage; and
- (d) demand, notice, order or other requirement.

"CPI" means the Sydney Consumer Price Index (All Groups) published by the Commonwealth Statistician, or any similar index which replaces it.

"Dangerous Good" has the same meaning as in the latest edition of the Australian Code for the Transport of Dangerous Goods by Road and Rail.

"Environment" means all components of the earth, including:

- (a) land, air and water;
- (b) any layer of the atmosphere;
- (c) flora and fauna;
- (d) any organic or inorganic matter and any living organism including humans;
- (e) human made or modified structures and areas;
- (f) the aesthetic characteristics of the components of the earth, including appearance, sound, odour, taste and texture; and
- (g) ecosystems with any combination of the above.

"Environmental Aspect" means the interaction, relationship or impact of an operation or activity with the Environment including, for example:

- (a) impacts of operations or activities on items of heritage or endangered species; and
- (b) operations or activities causing Pollution or Contamination.

"Environmental Law" means any statute or common law:

- (a) relating to the storage, handling or transportation of Waste, Dangerous Goods or Hazardous Material;
- (b) relating to occupational health and safety; or
- (c) which has as one of its purposes or effects the protection of the Environment.

"Environmental Notice" means any direction, order, demand, licence or other requirement from a Government Agency to take any action or refrain from taking any action in respect of the Premises or their use in connection with any Environmental Law.

"Government Agency" means:

- (a) a government or government department or other body;
- (b) a governmental, semi-governmental or judicial person; or
- (c) a person (whether autonomous or not) who is charged with the administration of a law.

"GST" means the same as in the GST Law, and any applicable additional tax, penalty tax, fine, interest or other charge.

"GST Law" means the same as "GST law" means in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

"Guarantor" means the party named in Item 12.

"Hazardous Material" means material which, because it is toxic, corrosive, flammable, explosive, or infectious or possesses some other dangerous characteristic, is potentially dangerous to the Environment (or people) when:

- (a) stored or handled; or
- (b) any part of the Environment is exposed to it.

"Hot Work" means any work carried out within the Premises or as part of conducting the permitted use which involves soldering, welding, brazing or working with oxygen/acetylene equipment.

"Insolvency Event" means, for a person, being in liquidation or provisional liquidation or under administration, having a controller (as defined in the Corporations Act) or analogous person appointed to it or any of its property, being taken under section 459F(1) of the Corporations Act to have failed to comply with a statutory demand, being unable to pay its debts or otherwise insolvent, dying, ceasing to be of full legal capacity or otherwise becoming incapable of managing its own affairs for any reason, taking any step that could result in the person becoming an insolvent under administration (as defined in section 9 of the Corporations Act), entering into a compromise or arrangement with, or assignment for the benefit of, any of its members or creditors, or any analogous event.

"Land" means the land described in Item 1.

"Lease" means this lease and any equitable lease or common law tenancy evidenced by this lease.

"Lessee" means the party named in Item 3.

"Lessee's Agents" means every agent, employee, licensee, contractor and invitee of the Lessee.

"Lessee's Contribution" means:

- (a) if, at the election of the Lessor, clauses 4.3 to 4.6 apply to the payment of Outgoings, in respect of an Outgoings Year, the Lessee's Proportion multiplied by the Outgoings for that Outgoings Year; or
- (b) if, at the election of the Lessor, clauses 4.7 and 4.8 apply to the payment of Outgoings, means the Lessee's Proportion multiplied by an Outgoing.

"Lessee's Notice of Objection" means a notice issued by the Lessee to the Lessor in accordance with clause 3.4(b) in the form of the example notice in Schedule 3.

"Lessee's Property" means all the Lessee's fixtures, fittings, equipment, furnishings and other property of the Lessee in the Premises including any Works and items installed by any previous occupier of the Premises.

"Lessee's Proportion" means the Lettable Area of the Premises divided by the total Lettable Area of the Building which, on the Commencing Date, is the percentage specified in Item 9.

"Lessor" means the party named in Item 2.

"Lessor's Assessment" means the Lessor's written determination of the market rent for the Premises from the relevant Review Date in the form of the example notice in Schedule 2.

"Lessor's Property" means all the Lessor's plant, equipment, fixtures, fittings, furnishings and other property of the Lessor on or in the Land or the Building.

"Lettable Area" means the gross lettable area calculated by the Lessor's surveyor using the PCA method of measurement applicable on the date of calculation.

"Minimum Rent Increase" means the percentage specified in Item 16.

"Occupation Date" means the date specified in Item 10.

"Option Exercise Period" means the period beginning 6 months before and ending 3 months before the start of the Option Term.

"Option Notice" means a notice issued by the Lessee to the Lessor in accordance with clause 17.1(a).

"Option Term" means the period specified in Item 13(a).

"Outgoings" means all amounts assessable, chargeable, payable or incurred by the Lessor in respect of the Land or the control, management or maintenance of the Land (plus GST on those amounts to the extent that the Lessor does not receive an input tax credit for that GST) including, but not limited to, the following:

- (a) **(rates and levies)** all rates, rents, levies and other charges payable to any Government Agency;
- (b) **(taxes)** all imposts, duties, fees, deductions, compulsory loans or withholdings and taxes (excluding income tax and capital gains tax) payable to any Government Agency, including land tax on the basis assessed to the Lessor;
- (c) **(insurance)** any insurance premium (including any costs incurred as a result of a claim being less than or equal to the deductible under the relevant insurance premium) and other expense relating to any insurance policy in respect of the Land, its use and the Lessor's Property including, but not limited to, insurance in respect of industrial special risks, workers compensation, public liability, consequential loss and loss of rent insurance;
- (d) **(cleaning)** cleaning and disposal of refuse in relation to the Common Areas;
- (e) **(security and caretaking)** security and caretaking services;
- (f) **(management)** all costs in respect of the management and administration of the Land, including fees payable to any managing agent, irrespective of where the management or administration is carried out and all salaries, wages, superannuation, leave entitlements and other contract and employment costs;
- (g) **(services)** the cost of all services supplied to the Land which are not charged directly to any lessee including, but not limited to, lighting, power, heating, water, lifts, escalators, air-conditioning and emergency services, and all associated maintenance, repair, replacement and servicing costs;
- (h) **(maintenance)** the cost of all repairs, renovations, replacements and maintenance of the Land, excluding the cost of any structural improvement which has the effect of upgrading the Building to a better or more extensive condition than when it was new;

- (i) **(washrooms)** the cost of supplying paper towels, soap and other toilet requisites in the washrooms in the Common Areas; and
- (j) **(Owner's Corporation)** any regular periodic payment to the Owner's Corporation for its administrative fund or its sinking fund (where the Premises now or at any time during the Term, renewal, extension or holding over period forms part of a strata scheme.

"Outgoings Year" means a calendar year or any other 12 month period used by the Lessor in relation to the Land and any proportionate part of that calendar year or 12 month period occurring during the Term.

"Owner's Corporation" means the Owner's Corporation for the time being of the strata scheme to which the Strata Plan relates.

"PCA" means the Property Council of Australia Limited.

"Permitted Use" means the use specified in Item 5.

"Pollution" means the release, emission or discharge into the Environment of a substance which causes damage or harm to any aspect of the Environment, for example:

- (a) pollution of air;
- (b) pollution of waters;
- (c) offensive noise; and
- (d) pollution of land.

"Premises" means:

- (a) the part of the Building described in Item 4, extending to:
 - (i) the internal surface of external walls and of internal structural walls and pillars of the Building;
 - (ii) the internal surfaces of the ceiling and of concrete or other floors;
 - (iii) the central line of partitions separating the Premises from adjoining premises;
 - (iv) the external surfaces of partitions and doors separating the Premises from Common Areas or from premises not intended to be leased; and
 - (v) the external surfaces of glass contained in external windows;
- (b) all internal partitions, windows and window frames, doors and door frames, lights, light fittings and switchboards which are fully within the Premises;
- (c) any finishes on walls, floors, ceilings, partitions, doors and windows included in the Premises, including paint, wallpaper and other materials;
- (d) any Lessor's Property located in the Premises; and
- (e) pipes and connections to water, sewerage, electricity, gas, telecommunications, air conditioning and other services and supplies that are situated within the Premises and which service the Premises, but no other part of the Building.

"Reference Schedule" means the reference schedule in this Lease.

"Rent" means the annual rent specified in Item 7 (which applies on the Commencing Date) as adjusted under this Lease.

"Rent Day" means the Commencing Date and the first day of every month.

"Review Date" means each date specified in Item 8(a).

"Rules" means the Rules of the Building forming part of this Lease.

"Strata Plan" means the Strata Plan registered at Land and Property Information (NSW) Sydney office in respect of the Building of which the Premises forms part.

"Strata Scheme" means the strata scheme of which the Premises form part.

"Term" means the term of this Lease as specified in Item 6(a).

"Terminating Date" means the date specified in Item 6(c).

"Valuer" means a full member (for at least five years) of the NSW Division of the Australian Property Institute Inc. who:

- (a) is licensed to practice as a valuer of the same type of property as the Premises;
- (b) has at least 5 years' experience in valuing that type of property in and about the locality in which the Premises are situated or otherwise in a comparable area; and
- (c) is active in the market for valuation of that type of property.

"Waste" means a substance or any other item that is discarded, rejected, unwanted, surplus or abandoned:

- (a) whether or not intentionally;
- (b) whether or not it has a value or use; and
- (c) whether or not it is intended for sale or recycling, reprocessing, recovery or purification.

"Works" means any of the following, carried out by the Lessee:

- (a) the installation of any fixtures or fittings in the Premises; and
- (b) any other alterations or improvements to the Premises, the Lessee's Property or any services provided to the Premises or to the Building.

"Year" means each consecutive period of 12 months during the Term, starting on the Commencing Date and ending on the Terminating Date.

1.2 Rules for interpreting this Lease

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this Lease, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;

- (ii) a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
- (iii) a party to this Lease or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
- (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
- (v) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word is defined, another part of speech has a corresponding meaning.
- (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) The word "**agreement**" includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (g) The words "**subsidiary**", "**holding company**" and "**related body corporate**" have the same meanings as in the Corporations Act.
- (h) A reference to a month is to a calendar month.
- (i) A reference to an "**Item**" is to the relevant Item in the Reference Schedule.

1.3 Business Days

If the day on or by which a person must do something under this Lease is not a Business Day:

- (a) if the act involves a payment that is due on demand, the person must do it on or by the next Business Day; and
- (b) in any other case, the person must do it on or by the previous Business Day.

1.4 Multiple parties

If a party to this Lease is made up of more than one person, or a term is used in this Lease to refer to more than one party:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or that term is a reference to each of those persons separately, so that (for example):
 - (i) a representation, warranty or undertaking is given by each of them separately; and
 - (ii) a reference to that party or that term in clause 12.1 is a reference to each of those persons separately.

2. TERM

2.1 Term of Lease

The Term begins on the Commencing Date and ends on the Terminating Date.

2.2 Holding over

- (a) If the Lessee continues to occupy the Premises with the Lessor's consent after the Terminating Date the Lessee is a monthly tenant and must pay one twelfth of the following monthly in advance:
 - (i) the Rent; and
 - (ii) any other money payable by the Lessee to the Lessor under this Lease.
- (b) Subject to this clause 2.2, the monthly tenancy is on the same terms as this Lease, but including any changes necessary to make the terms appropriate for a monthly tenancy.
- (c) Either party may terminate the monthly tenancy by giving at least one month's written notice to the other.
- (d) Despite paragraphs (a) and (b), the Lessor may at its discretion at any time give the Lessee not less than one month's written notice increasing the Rent to such Rent per month as the Lessor determines in its absolute discretion. In the absence of any notice, the rent will increase automatically by 5% at the beginning of the holding over period, and increased by 5% annually thereafter.
- (e) For clarity, nothing in this clause prevents either party to terminate the lease by giving one month's written notice of termination, or prevent the lessor from demanding a new rent at the Lessor's absolute discretion.

3. RENT AND RENT REVIEW

3.1 Payment of Rent

The Lessee must pay the Rent to the Lessor by equal monthly instalments in advance on each Rent Day (and proportionately for any part of a month). The Lessee must pay the first instalment on the Commencing Date and must pay each instalment to the Lessor by direct debit to the credit of the bank account nominated in writing from time to time by the Lessor or as otherwise directed by the Lessor.

3.2 Rent reviews

- (a) Subject to paragraph (b), the rent review method applicable on any Review Date is the method specified in Item 8(b) next to that Review Date.
- (b) Despite any other clause in this Lease nothing in clause 3 will operate to reduce the Rent payable by the Lessee below the Rent payable immediately before the relevant Review Date.

3.3 CPI rent review

If the letters "CPI" or their equivalent appear in Item 8(b) next to a Review Date, the Rent payable from that Review Date (the "relevant Review Date") until the next Review Date will be increased to be the greater of:

- (a) the Rent payable immediately before the relevant Review Date, plus an amount equal to the Rent multiplied by the Minimum Rent Increase; and

(b) the Rent calculated in accordance with the following formula:

$$RR = \frac{R \times CPI}{CCPI}$$

where:

RR = the Rent applicable from the relevant Review Date until the next Review Date;

R = the Rent payable immediately before the relevant Review Date;

CPI = the CPI last published before the relevant Review Date;

CCPI = the CPI last published before:

- (a) in the case of the first Review Date, the Commencing Date; or
- (b) in every other case, the Review Date immediately preceding the relevant Review Date.

3.4 Market rent review

- (a) If the words "market rent" or their equivalent appear in Item 8(b) next to a Review Date the Rent payable from that Review Date (the "relevant Review Date") until the next Review Date will be increased, Subject to the Retail Leases Act, to be the greater of:
 - (i) the market rent determined under clauses 3.4(b), 3.4(c) and 3.5; and
 - (ii) the Rent payable immediately before the relevant Review Date increased in accordance with the formula in clause 3.3(b).
- (b) The Lessor may give the Lessee a Lessor's Assessment no more than 3 months before (and at any time after) the Review Date. The amount stated in the Lessor's Assessment is the Rent applicable from the Review Date unless the Lessee gives the Lessor the Lessee's Notice of Objection within 14 days. Time is of the essence under this paragraph (b).
- (c) The Lessor and the Lessee must each use their best endeavours in good faith to agree on the market rent within 14 days after the date of service of the Lessee's Notice of Objection.

3.5 Appointment of Valuer

- (a) If the Lessee gives the Lessee's Notice of Objection strictly in accordance with clause 3.4(b) the Rent applicable from the relevant Review Date will be determined by a Valuer to be selected by the Lessee from a panel nominated by the Lessor of 3 independent Valuers;
- (b) If:
 - (i) no Valuer is selected by the Lessee within 14 days after the panel has been nominated by the Lessor (time being of the essence) then the Lessor may select one of the Valuers from the panel to determine the market rent; or
 - (ii) none of the 3 Valuers from the panel nominated by the Lessor are willing to accept the nomination by either the Lessor or the Lessee then the market rent will be determined by a Valuer appointed at the Lessor's request by the president or other principal officer of the NSW Division of the Australian

Property Institute, Inc. The president or other principal officer will be instructed to make his appointment within 21 days of receiving the Lessor's request for the appointment of a Valuer.

- (c) The Valuer must, within 30 days of receiving written notification of its appointment:
 - (i) determine the market rent for the Premises (exclusive of GST), which is the Rent applicable from the relevant Review Date; and
 - (ii) give a full speaking written valuation.
- (d) All costs incurred in the valuation and determination of the market rent will be borne equally between the Lessor and the Lessee.

3.6 Determination by Valuer

- (a) When determining the market rent of the Premises as at the relevant Review Date the Valuer must observe all relevant valuation principles and:
 - (i) take the following into account:
 - (A) the terms of this Lease;
 - (B) the value to the Lessee of being in possession of the Premises under this Lease at the Review Date or, of the Lessee remaining in the Premises after the Review Date, under an Option Term pursuant to clause 17 of this Lease (as the case may be);
 - (C) the value of the Lessor's Property in or on the Premises;
 - (D) the Premises are available for leasing by a willing Lessor to a willing Lessee for a term equal to the term of this Lease and any Option Term;
 - (E) whether the Lessee's and the Lessor's covenants and obligations in this Lease have been fully performed as at the Review Date;
 - (F) rental values of comparable premises in the immediate vicinity or in a comparable area used for comparable purposes to those set out in Item 5; and
 - (G) whether the Premises are fit for and fitted out and equipped for immediate occupation and use.
 - (ii) not take account of:
 - (A) the value of any goodwill attributable to the Premises and the Lessee's Property in or on the Premises;
 - (B) any condition of the Premises resulting from the Lessee's default under this Lease;
 - (C) any premium and/or other inducement or incentive being paid or payable to the Lessee to take this Lease; or
 - (D) any rent incentive or reduction, rent free period or other incentive or benefit applicable to the Lessee's occupation of the Premises under this Lease or to any other lease considered by the Valuer when making a determination under this Lease.

- (b) The Valuer acts as an expert and not as an arbitrator and the Valuer's decision is final and binding. The Lessor and the Lessee may make written submissions to the Valuer, but the Valuer is not obliged to take account of the submissions.

3.7 Adjustment

- (a) The Lessee must continue to pay the Rent payable immediately before the relevant Review Date plus 5% increase or the amount of the Lessor's Assessment provide pursuant to clause 3.4(b), whichever is greater, until the market rent is determined under this clause 3.
- (b) The market rent determined under this clause 3 is the Rent payable from the relevant Review Date and the Lessor and the Lessee must make any adjustment necessary immediately after the determination of the market rent.

3.8 Lessor and Lessee may agree on market rent at any time

Despite clause 3.5 the Lessor and the Lessee may at any time agree in writing as to the amount of the market rent to apply as from the relevant Review Date.

3.9 Percentage review

If a percentage appears in Item 8(b) next to a Review Date, the Rent payable from the Review Date is the Rent payable immediately before that Review Date, plus an amount equal to the Rent multiplied by the percentage appearing in Item 8(b).

3.10 Increase due to alterations

- (a) If a percentage appears in Item 15 then the provisions of this clause 3.10 will apply to this Lease.
- (b) If the Lessor is required by any statute, regulations, ordinances or by laws of any Government Agency to effect structural alterations or additions to any services including but not limited to:
 - (i) water;
 - (ii) gas;
 - (iii) electrical;
 - (iv) plumbing; and
 - (v) air conditioning equipment,

(not being alterations required by virtue of the Lessee's use of the Premises), then the Rent payable from the date of completion of the works until the next Review Date will be increased by an amount equal to the percentage specified in Item 16 of the total cost to the Lessor of the construction of such works.
- (c) If such works were effected for the benefit of other leased premises in the Building as well as the Premises, the Rent will be increased only by that proportion of the total cost of such works which the floor area of the Premises bears to the gross lettable area of all Premises in the Building which benefit from such works.

4. OUTGOINGS

4.1 Variation of Lessee's Proportion

If the Lessor notifies the Lessee in writing of any change to the Lessee's Proportion, the Lessee's Proportion is amended accordingly.

4.2 Method of Recovery of Lessee's Contribution

- (a) The Lessor may elect from time to time to recover the Lessee's Contribution by either the method set out in:
 - (i) clauses 4.3 to 4.6 inclusive; or
 - (ii) clauses 4.7 and 4.8.
- (b) The Lessor must notify the Lessee of the method of recovery of the Lessee's Contribution on:
 - (i) the Commencing Date; and
 - (ii) each occasion that the Lessor elects to change the method of recovery of the Lessee's Contribution.

4.3 Payment of Lessee's Contribution

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

- (a) to the Lessor or as otherwise directed by the Lessor; and
- (b) within 14 days of service of a notice under clause 4.4(a).

4.4 Lessor's estimate of Lessee's Contribution

- (a) If the Lessor gives the Lessee a written estimate of the Lessee's Contribution for an Outgoings Year, the Lessee must pay in advance on each Rent Day in the same way as Rent an equal instalment on account of the estimated Lessee's Contribution for the Outgoings Year.
- (b) If the Lessor gives the Lessee a written adjustment of its estimate under paragraph (a), the Lessee must pay an adjusted instalment accordingly.

4.5 Notice from Lessor

- (a) As soon as practicable after the end of each Outgoings Year, the Lessor must notify the Lessee in writing of the total of all Outgoings for that Outgoings Year and the Lessee's Contribution.
- (b) The notice referred to in paragraph (a) is conclusive evidence of its contents unless the Lessor or the Lessee notify the other in writing of any manifest error within 14 days of service of the notice.

4.6 Adjustment

Within 60 days of the end of each Outgoings Year, the Lessor and Lessee must make any adjustment necessary to take account of any difference between the estimated and the actual Lessee's Contribution.

4.7 Notice from Lessor

- (a) The Lessor must notify the Lessee in writing of the amount of each Outgoing payable and the Lessee's Contribution for that Outgoing.
- (b) The notice referred to in paragraph (a) is conclusive evidence of its contents unless the Lessor or the Lessee notify the other in writing of any manifest error within 14 days of service of the notice.

4.8 Payment of Lessee's Contribution

The Lessee must pay, or reimburse the Lessor if the Lessor has paid, the Lessee's Contribution for each Outgoing:

- (a) to the Lessor or as otherwise directed by the Lessor; and
- (b) within 14 days of service of a notice under clause 4.7(a).

4.9 Variation of Lessee's Proportion due to Subdivision of Land

- (a) Further to clause 4.1, in the event of a subdivision or re-subdivision of the Land as contemplated by clause 6.14, the Lessor may by notice in writing to the Lessee make any necessary adjustment to the Lessee's Proportion by reference to the ratio which the lettable area of the Premises bears to the total lettable area of the lot created by such subdivision or re-subdivision (and whether as a lot in a strata scheme or otherwise), and the Lessee's Proportion is amended accordingly.
- (b) The Lessor's notice in clause 4.9(a) will specify the date from which the adjustment of the Lessee's Proportion will be effective (being the date from which the Lessor is satisfied such variation has occurred) and will be binding on the Lessee.

4.10 Specified Outgoings

When calculating the Lessee's Contribution, the Lessor may, acting reasonably, decide that certain items of Outgoings will be shared and apportioned between only some but not all occupiers of the Land or Building. If the Lessor does so decide, it must provide reasonable details with its notice under either clause 4.5 or clause 4.7, as may be applicable.

5. GST

5.1 Payment of GST

- (a) A recipient of a taxable supply made under this Lease must pay to the supplier, in addition to the consideration for the taxable supply, any GST paid or payable by the supplier in respect of the taxable supply.
- (b) The recipient must pay the GST to the supplier:
 - (i) if there is a due date for the consideration for the taxable supply, on that date; or
 - (ii) if there is no due date, within 14 days of receiving a tax invoice for the taxable supply.

5.2 Reimbursement

A party's obligation to reimburse another party for an amount paid or payable to a third party (eg a party's obligation to pay another party's legal costs) includes GST on the amount paid

or payable to the third party except to the extent that the party being reimbursed is entitled to claim an input tax credit for that GST.

5.3 Tax invoice

Each party making a taxable supply under this Lease must issue a tax invoice to the other party for each taxable supply within 14 days of making the taxable supply.

5.4 Adjustment note

Each party must issue an adjustment note to the other party within 14 days of becoming aware of an adjustment event relating to a taxable supply by it under this document.

5.5 Indemnities

- (a) If a payment under an indemnity gives rise to a liability to pay GST, the payer must pay, and indemnify the payee against, the amount of that GST.
- (b) If a party has an indemnity for a cost on which that party must pay GST, the indemnity is for the cost plus all GST (except any GST for which that party can obtain an input tax credit).
- (c) A party may recover payment under an indemnity before it makes the payment in respect of which the indemnity is given.

6. LESSOR'S RIGHTS AND OBLIGATIONS

6.1 Quiet enjoyment

Subject to the Lessor's rights under this Lease, if the Lessee is not in default the Lessee may occupy the Premises without interruption by the Lessor.

6.2 Common Areas

- (a) The Lessor reserves control over the Common Areas and without limitation the Lessor may:
 - (i) install and maintain lighting;
 - (ii) police the Common Areas;
 - (iii) change the area or location of the Car Park or other facilities;
 - (iv) subject to any written agreement with the Lessee to the contrary, restrict parking by the Lessee or the Lessee's Agents to employee parking areas;
 - (v) temporarily close or block any part of the Common Areas; and
 - (vi) change the flow or direction of pedestrian and vehicular traffic into, out of and around the Building.
- (b) Subject to the restrictions contained in this Lease, the Lessor must allow the Lessee and the Lessee's Agents (in common with other persons authorised by the Lessor) to use the Common Areas for the purposes for which the Common Areas are intended to be used.

6.3 Services

- (a) The Lessor must use its reasonable endeavours to keep the services provided to the Building operational, but is not liable to the Lessee for any breach of this obligation due to:
 - (i) the need to repair, maintain or replace any service;
 - (ii) the requirement of any Government Agency; or
 - (iii) any accident or other unforeseen event.
- (b) Without limiting the obligation of the Lessee under clause 7.2 to keep the Premises in good repair, the Lessor is entitled to use, maintain, alter or repair all services and associated fixtures and fittings which pass through the Premises or the Building and may enter the Premises for that purpose.
- (c) If any of the services fail to function properly for any reason:
 - (i) the Lessee must not terminate this Lease;
 - (ii) the Lessee must not make any claim for compensation or damages against the Lessor; and
 - (iii) the Lessee does not have any right of abatement of Rent or of any other amount payable under this Lease due to the failure.

6.4 Lessor's work

- (a) The Lessor may carry out any works in the Building or on the Land including, but not limited to, alterations, additions, refurbishment and redevelopment and may in the course of any works:
 - (i) construct improvements on the Common Areas;
 - (ii) add further levels to the Building;
 - (iii) alter the facilities and services;
 - (iv) alter the Car Park; and
 - (v) reduce the size of the Common Areas or the Car Park.
- (b) The Lessor must take reasonable steps to minimise any disruption to the Lessee under paragraph (a).

6.5 Lessor's right to enter Premises

- (a) Subject to paragraph (b), the Lessor may enter the Premises together with all necessary workmen and equipment at all reasonable times for the following purposes, if it gives the Lessee reasonable notice:
 - (i) to determine the condition of the Premises or whether the Lessee is complying with this Lease;
 - (ii) to exercise its rights under clauses 6.3, 6.4, 6.5 or 6.11 or any other provision of this Lease;
 - (iii) to carry out any work to the Land or to any adjacent property of the Lessor;

- (iv) to enable it to comply with any law or any notice from any Government Agency affecting the Land;
 - (v) to rebuild or restore the Building if it is damaged or destroyed;
 - (vi) to show the Premises to the Lessor's consultants, insurance brokers, prospective purchasers or mortgagees at any time or to prospective tenants during the last 6 months of the Term;
 - (vii) to ensure that the Premises are locked and secure; and
 - (viii) to display its usual "for sale" notice or, during the last three months of the Term, a "for lease" notice.
- (b) When exercising its rights under paragraph (a):
- (i) the Lessor must take reasonable steps to minimise any disruption to the Lessee; and
 - (ii) is not required to give reasonable notice or enter at a reasonable time in the case of an emergency.

6.6 Restricted access to Land

The Lessor may exclude any person (including the Lessee) from the Land:

- (a) during public holidays;
- (b) if required by law or for safety or security reasons; and
- (c) outside the hours specified in any development application approved by the relevant Government Agency.

6.7 Dedication or easement

The Lessor may dedicate any part of the Land or grant an easement in respect of any part of the Land, if to do so does not substantially and permanently affect the Lessee's rights under this Lease.

6.8 Rules

- (a) The Lessor may make and vary rules in relation to the use, safety, access to, occupation and management of the Building per rules appear in Schedule 1.
- (b) The Lessor may alter the rules by written notice to the Lessee, but may not make any alteration which is inconsistent with the Lessee's rights under this Lease.
- (c) The Lessor is not liable for any loss or damage caused or contributed to by its non-enforcement of the rules.

6.9 Benefit of Lessee's obligations

If someone else becomes entitled to receive the Rent:

- (a) that person may exercise all of the Lessor's rights under this Lease; and
- (b) the Lessee must enter into any deed reasonably required by the Lessor, at the Lessor's cost.

6.10 Superior interests

If any person has an interest in the Premises which is concurrent with or superior to the Lessor's interest, the Lessee must allow that person to:

- (a) exercise its right, or the Lessor's right, to enter the Premises;
- (b) carry out repairs, maintenance and other work in the Premises; and
- (c) exercise its rights and obligations in respect of the Premises.

6.11 Lessor may perform Lessee's obligations

- (a) The Lessor may do anything which the Lessee should have done under this Lease if the Lessee does not promptly do so or if, in the Lessor's opinion, the Lessee does not do so properly.
- (b) The Lessee must reimburse the Lessor on demand for any costs and expenses incurred by the Lessor under paragraph (a).

6.12 No exclusive use

The Lessor may lease or licence any other part of the Building for a business which competes with the Lessee's business.

6.13 Keys

If the Lessor gives the Lessee any key, access card or other opening device to access the Building:

- (a) the Lessee must not copy it without the Lessor's prior consent;
- (b) the Lessee must reimburse the Lessor for any cost it incurs as a result of the Lessee losing any opening device;
- (c) the Lessee must give the opening device to current employees only, and must keep a list of those employees and give the list to the Lessor on request; and
- (d) the Lessee must return all opening devices to the Lessor on the expiration or termination of this Lease.

6.14 Subdivision of Land

- (a) The Lessee will not object to any subdivision or re-subdivision of the Land which may be proposed or required by the Lessor during the Term, any renewal, extension or holding over period in respect of the Land (including but not limited to a subdivision of the Land pursuant to the *Strata Schemes (Freehold Development) Act 1973* (NSW)).
- (b) If requested by the Lessor the Lessee will execute such consents, instruments, plans and other documents as may be required by the Lessor and/or any Government Agency to enable registration of any subdivision.

6.15 Car Park

- (a) Despite any other provision in this Lease the Lessor may from time to time designate particular areas of the Car Park which may be used by the Lessee and the Lessee's Agents. The number and location of the spaces available for the Lessee's use will be determined by the Lessor in its absolute discretion and the Lessor may, on giving the Lessee not less than 2 days written notice either:

- (i) alter the number and location of spaces available for the Lessee's use; or
- (ii) withdraw the Lessee's right to use any or all of those spaces.
- (b) If requested by the Lessor, the Lessee must give the Lessor the description and registration number of all motor vehicles used by the Lessee and its employees working in the Premises.
- (c) In using the Car Park the Lessee will and will cause the Lessee's Agents at all times to observe and comply with the Lessor's requirements (including any rules or regulations) for the use of the Car Park. Failure by the Lessee or the Lessee's Agents to observe and comply with any of the Lessor's requirements or rules will constitute a breach of this Lease.
- (d) The Lessor does not warrant that the use and operation of the Car Park existing at the Commencing Date will be the same throughout the Term. The Lessor reserves its rights to implement any changes to the parking conditions.

7. LESSEE'S OBLIGATIONS

7.1 General obligation

The Lessee must:

- (a) **(Permitted Use)** use the Premises only for the Permitted Use;
- (b) **(compliance)** at its cost obtain and maintain any licence, permit, consent or registration required to carry on the Permitted Use in the Premises, and comply with every legislative and legal requirement in respect of the Premises and the Lessee's Property;
- (c) **(services)** pay all charges for all services relating to the Lessee's use of the Premises including gas, electricity, telephone, any cleaning that is not already covered under Outgoings and any excess water, garbage and sanitary charges;
- (d) **(rules)** comply with, and ensure that the Lessee's Agents comply with, all rules made under clause 6.8;
- (e) **(fire prevention)** comply with all requirements of any Government Agency or insurer in respect of the prevention or control of fires and fire safety in the Building, including by installing further equipment and upgrading the Lessor's Property on the Premises;
- (f) **(directory)** reimburse the Lessor for the cost of identifying the Lessee on any directory on the Land and for the cost of removing the Lessee's name at the end of this Lease;
- (g) **(drills)** comply, and ensure that the Lessee's Agents comply, with the Lessor's requirements in respect of fire drills and emergency evacuation;
- (h) **(payment to Lessor)** make every payment to the Lessor under this Lease without any set-off, counterclaim, withholding or deduction;
- (i) **(smoking)** if requested by the Lessor, ensure that no Lessee's Agents smoke on the Land, and must erect signs in the Premises prohibiting smoking; and
- (j) **(security)** keep the Premises securely locked when unoccupied, and comply with the Lessor's directions regarding security of the Building.

7.2 Maintenance of Premises

- (a) The Lessee must, subject to paragraph (b):
- (i) **(Premises)** keep the Premises in good condition, including repairing and repainting and replacement of floor coverings as required, excluding fair wear and tear and any damage caused by fire, flood, lightning, storm, war or any act of God;
 - (ii) **(restore to original condition)** subject to clause 12.8(d), immediately before the end of the Term, return the Premises to the condition they were in on the Occupation Date;
 - (iii) **(decorating)** 3 months before the end of the Term, paint, varnish, paper or otherwise treat the walls, ceiling and other internal surfaces of the Premises in the same manner as they were finished on the Occupation Date;
 - (iv) **(signs)** maintain, repair and keep in good condition any of the Lessee's signs painted on or attached to the exterior of the Premises or on the Land;
 - (v) **(remove Waste)** except as expressly provided for in Rule no. 9, keep all waste receptacles wholly within the Premises, remove all Waste from the Premises and the Building regularly, comply with the Lessor's directions regarding refuse disposal and must not put any refuse in bins provided for common use;
 - (vi) **(damage)** immediately repair any damage to the Premises or the Land caused by the Lessee or the Lessee's Agents or by the Lessee's default under this Lease;
 - (vii) **(plate glass)** immediately repair or replace all damaged plate glass within the Premises, including interior and exterior windows, with glass of the same or a similar quality;
 - (viii) **(heating, lighting and electrical)** immediately repair or replace any faulty or damaged heating, lighting, plumbing or electrical equipment (including light globes and fluorescent tubes) on the Premises;
 - (ix) **(pests)** keep the Premises free of pests and, if required by the Lessor, engage a pest exterminator approved by the Lessor to prevent or eliminate pest infestation;
 - (x) **(cleaning)** clean the Premises thoroughly each day prior to the close of business including sweeping and collecting all clippings, cuttings, shavings, sawdust, waste paper and all other refuse and generally keep the Premises, the internal surfaces of the Premises and the Common Areas within one metre of the Premises clean and in good condition;
 - (xi) **(landscaped areas)** keep in good condition any part of the Premises that is landscaped, keep that part of the Premises free of weeds and, if required by the Lessor, engage a gardener approved by the Lessor to do so; and
 - (xii) **(Lessor's Property)** keep in good condition the Lessor's Property located in the Premises including any air-conditioning, plant and fire equipment, and enter into and maintain any comprehensive maintenance contracts in respect of the Lessor's Property that the Lessor requires.

- (b) The Lessee is not obliged to do any work of a structural nature under paragraph (a) unless the work is required because of:
 - (i) the Lessee's default under this Lease;
 - (ii) the act, neglect or default of the Lessee or the Lessee's Agents; or
 - (iii) the Lessee's or the Lessee's Agents' use or occupation of the Premises.
- (c) Despite paragraph (b), the Lessee's obligation under paragraph (a) to keep the Premises in good condition includes an obligation to repair by way of replacement where necessary unless that repair has the effect of upgrading the Premises to a better condition than they were when new.

7.3 General prohibitions on Lessee

The Lessee must not, and must ensure that the Lessee's Agents do not:

- (a) **(no damage)** put anything which is likely to cause obstruction or damage down any sink, toilet or drain;
- (b) **(no animals)** keep or bring any animals or birds on the Premises for any period of time whatsoever;
- (c) **(dangerous substances)** store or use inflammable or dangerous substances on the Premises without the prior written consent of the Lessor;
- (d) **(use)** allow anyone to sleep on the Premises or hold any auction, fire or bankruptcy sale on the Premises;
- (e) **(Lessor's Property)** use the Lessor's Property for anything other than its intended use;
- (f) **(no nuisance)** cause any nuisance, disturbance, annoyance, injury or damage to the Lessor, any other user of the Land or any user of any neighbouring land;
- (g) **(vehicles)** drive, park or abandon any trade vehicle on the Land, except at loading bays and at times specified by the Lessor;
- (h) **(Common Areas)** obstruct the Car Park, the Common Areas or access to the Common Areas;
- (i) **(no obstruction)** obstruct any air or light from entering the Premises through any shaft or opening, and must not obstruct any air vent, duct or skylight in the Premises or any emergency exit or Common Areas;
- (j) **(services)** overload the services provided to the Premises, or use them for other than their intended purpose;
- (k) **(heating)** use any heating, cooling or lighting in the Premises which is not provided or approved by the Lessor;
- (l) **(lifts)** use any escalators or passenger lifts to carry goods or equipment; and
- (m) **(heavy objects)** move heavy or bulky items through the Building without the Lessor's consent.

7.4 Notification of damage

The Lessee must immediately notify the Lessor of:

- (a) any damage to or defect in the Land or any service or facility provided by the Lessor on the Land, any infectious disease or pests in the Land, and any notice from a Government Agency (other than an account for services provided to the Premises); and
- (b) any circumstances likely to cause any damage or defect described in paragraph (a).

7.5 Lessor's interest in Premises

The Lessee must not do anything which could prejudice the Lessor's interest in the Premises.

7.6 Cost and risk of Lessee's obligations

If the Lessee is obliged to do anything under this Lease, it must do so at its cost and at its risk.

7.7 Emergency access

If any entrance to or exit from any part of the Building which is intended for emergency use is accessed through the Premises the Lessee must:

- (a) allow any person in the Building to access the Premises for that purpose; and
- (b) sign any right of way or other document required by the Lessor to further assure this right to the Lessor.

7.8 Interest on overdue money (late charges)

- (a) The Lessee and the Guarantor must pay interest on demand on each amount that is not paid when due, from (and including) the day on which it falls due to (but excluding) the day on which it is paid in full, at the rate calculated in accordance with paragraph (b).
- (b) Interest on an unpaid amount accrues each day at a rate of 20% per annum.
- (c) Nothing in this clause affects the Lessee's obligation to pay each amount under this Lease when it is due.

7.9 No overloading

- (a) The Lessee must not bring onto the Premises without the Lessor's written consent any equipment or article which does or could, in the Lessor's opinion, overload any part of the Building, damage the Premises or disturb the efficient operation of any service on the Land.
- (b) If the Lessor gives its consent under paragraph (a):
 - (i) the Lessee must comply with any directions of the Lessor in relation to the maximum weight of, and the position in which, the equipment or article may be installed; and
 - (ii) the Lessee must give the Lessor reasonable notice of the arrival of the equipment or article and must follow all directions of the Lessor regarding its placement, installation and all related matters.

- (c) If the Lessor wishes to supervise the arrival or installation of any equipment or article, the Lessee must:
 - (i) let it do so, and must follow its instructions; and
 - (ii) pay the Lessor's costs of supervision.
- (d) The Lessee must not overload the electrical or any other services in the Building.
- (e) The Lessee must, at its cost, make good any damage caused to the Building by the Lessee doing anything under this clause 7.9. Clause 20 applies to any work carried out under this clause 7.9.

7.10 Cleaning

~~If the Lessor requires the Lessee to use a particular cleaning service to clean the Premises:~~

- ~~(a) the Lessee must use that cleaning service for the hours stipulated by the Lessor;~~
- ~~(b) the Lessee must pay the Lessor for the cleaning service for the previous month on each Rent Day; and~~
- ~~(c) the Lessee must not use any other cleaning service without the Lessor's consent.~~

7.11 Upgrade of services

If the Lessor, at the request of the Lessee, upgrades any service to the Premises:

- (a) the Lessee must pay for the upgrade, in advance; and
- (b) the Lessor does not warrant the suitability or performance of the upgraded service.

7.12 Conveniences

The Lessee must:

- (a) use the drains, basins, showers and toilets on the Building only for the purpose for which they were designed;
- (b) repair or pay the cost of repairing any damage to those items which the Lessor reasonably believes was caused by the Lessee or the Lessee's Agents; and
- (c) pay the Lessee's Proportion of the cost of repairing any damage to those items if the Lessor does not know who caused the damage.

7.13 No Hot Work

The Lessee must not carry out any Hot Work in the Premises unless the Lessee obtains the Lessor's written consent, which may be granted conditionally, in the Lessor's absolute discretion.

7.14 Additional Area Alterations

- (a) Despite any other provision in this Lease the Lessee must not make any alterations, additions or improvements (the "Additional Area Alterations") to the Premises which increases the lettable area of the Premises (the "Additional Lettable Area") (whether of a structural nature (including but not limited to a mezzanine floor) or of a non-structural nature without obtaining the prior written consent of the Lessor (which approval may be given conditionally or unconditionally or withheld by the Lessor in its absolute discretion) and the consent of any relevant Government Agency.

- (b) Any Additional Area Alterations approved by the Lessor:
 - (i) will, in every case, constitute an improvement to the Premises and will automatically comprise part of the Lessor's Property; and
 - (ii) must be carried out in a good and workmanlike manner using first class quality new materials and, in carrying out such works, the Lessee must observe and comply with the provisions of clause 20.
- (c) The Lessor's signed certificate will be evidence of the satisfactory completion of the Additional Area Alterations.
- (d) On completion of the Additional Area Alterations:
 - (i) the Lessor will, at the Lessee's cost and expense, carry out a survey of the Premises which identifies the area of the Premises prior to the Additional Area Alterations and the Additional Lettable Area following completion of the Additional Area Alterations; and
 - (ii) Rent will be payable by the Lessee on the Additional Lettable Area in accordance with the following formula:

$$\text{AAR} = (\text{R/PA}) \times \text{ALA}$$

Where:

AAR = the Additional Area Rent;

R = the Rent payable by the Lessee in respect of the Premises on completion of the Additional Area Alterations;

PA = the lettable area of the Premises prior to completion of the Additional Area Alterations, as identified in the survey; and

ALA = the Additional Lettable Area, as identified in the survey.
- (e) From the date of completion of the Additional Area Alterations the Rent for the Premises will be deemed to be the sum of the Rent for the Premises immediately prior to the completion of the Additional Area Alterations and the Additional Area Rent.

8. ENVIRONMENTAL ISSUES

8.1 No representation

The Lessor does not warrant or represent:

- (a) that the Premises are suitable for any use, or for any particular use;
- (b) that there are no Environmental Aspects either affecting the Land or arising as a result of activities on the Land;
- (c) the accuracy of information about the past use of the Land before it was owned by the Lessor; or
- (d) that the Land is or is not Contaminated, or the nature or extent of any Contamination.

8.2 Environmental obligations

The Lessee must:

- (a) **(comply with laws)** comply with all Environment Laws including (at its cost) obtaining all necessary Authorisations for any activity on the Premises;
- (b) **(pollution control equipment)** properly install in the Premises all pollution control equipment that is required by an Environmental Law to be installed as a consequence of the Lessee's use or occupation of the Premises;
- (c) **(operation of equipment)** operate the pollution control equipment and all industrial plant and equipment in a proper and efficient manner and maintain it in good working order;
- (d) **(not Contaminate)** not Contaminate the Land or any adjacent land;
- (e) **(not Pollute)** not cause any Pollution of or from the Premises;
- (f) **(no dangerous materials)** not use keep or handle on the Premises any Dangerous Good or Hazardous Material without the prior consent of the Lessor;
- (g) **(information)** provide to the Lessor on demand any information held or controlled by the Lessee required by the Lessor relating to any:
 - (i) Contamination; or
 - (ii) Environmental Aspect,
 affecting the Land at any time;
- (h) **(access)** allow the Lessor and the Lessor's employees, officers, contractors and agents access to the Premises to carry out environmental audits, assessments and investigations of any part of the Premises or the Land and provide to the Lessor from time to time all information about the Environmental Aspects of the activities carried out on the Premises as may be requested by the Lessor;
- (i) **(compliance)** at its sole cost and expense, promptly comply with any direction from the Lessor to implement any recommendation of an environmental audit, assessment, investigation or report in respect of the Premises or any business conducted from the Premises (whether or not the recommendation is required in order to comply with an Environmental Law);
- (j) **(notify Lessor)** promptly notify the Lessor if:
 - (i) it becomes aware, or as soon as a complaint is made, of a breach or alleged breach of an Environmental Law in respect of the Land or any activity carried out on the Land;
 - (ii) an Environmental Notice is served on the Lessee;
 - (iii) the Land becomes Contaminated in any way;
 - (iv) any unlawful Pollution is emitted or discharged on or from the Land; or
 - (v) the Lessee is in breach of any of its obligations under this clause 8.2; and
- (k) **(remediation)** do whatever is necessary, at the Lessee's cost, to:
 - (i) remediate any Contamination of or from the Premises (if the Contamination first occurred or was first caused after the Occupation Date);

- (ii) clean up, manage or abate any Pollution occurring on or from the Premises (if the Pollution first occurred or was first caused after the Occupation Date);
- (iii) remedy any breach of an Environmental Law that occurs on or affects the Premises as soon as it occurs (including by restoring the Premises to a state as close as practicable to the state it was in before that breach);
- (iv) comply with every Environmental Notice in so far that it relates to the Premises; and
- (v) remedy any breach of this clause 8.2.

8.3 Indemnity and release

- (a) In addition to, and without derogating from any other right, power or privilege, of the Lessor, or from any liability, duty or obligation of the Lessee however arising, the Lessee agrees:
 - (i) to indemnify the Lessor and its officers, employees and consultants against all Costs and Claims arising from (or in respect of) any Environmental Aspect of the activities carried out by or on behalf of the Lessee on the Premises; and
 - (ii) to pay the Lessor on demand the amount of any Cost or Claim, arising from or incurred in connection with any matter in paragraph (i).
- (b) The provisions of this Lease govern all rights, powers, privileges, liabilities, duties and obligations as between the parties in respect of:
 - (i) Contamination of the Premises; and
 - (ii) any Environmental Aspect of activities carried out on the Premises.
- (c) To the extent permitted by law, the Lessee releases the Lessor from any Costs and Claims arising from or in respect of any Contamination of the Premises or any Environmental Aspect of any activity carried out on the Premises, except as expressly provided for in this Lease or arising from the express provisions of this Lease.

9. INSURANCE, RISK AND INDEMNITIES

9.1 Public liability

The Lessee must take out and maintain a public liability insurance policy in respect of the Premises and the business it carries on in the Premises:

- (a) under which the maximum amount payable for a single claim is at least the amount specified in Item 11, or any other amount reasonably required by the Lessor;
- (b) which contains all provisions that are normally contained in public liability policies and any other provisions reasonably required by the Lessor;
- (c) which, without limiting the rest of this clause 9, covers death and injury to any person and damage to property of any person sustained when that person is using or entering or near any entrance, passage or stairway to or in the Premises; and
- (d) which expressly refers to and covers all of the Lessee's obligations under this Lease, including the obligation to indemnify the Lessor.

9.2 Workers compensation

The Lessee must take out and maintain an insurance policy in respect of the Lessee's business and each person employed by the Lessee in the business conducted on the Premises:

- (a) for the full amount of the Lessee's liability under any applicable workers compensation legislation; and
- (b) for the full amount of the Lessee's potential legal liability independently of that legislation.

9.3 Contents, removal of contents and Loss of Profits

The Lessee must take out and maintain insurance for:

- (a) the contents of the Premises against damage, destruction and any other risk for their full replacement value or on a reinstatement basis;
- (b) the removal of contents of the Premises (which without limitation includes any Waste) from any part of the Premises, Building or Land in the event of damage or destruction of such contents; and
- (c) any loss of profits experienced by the Lessee in relation to its business operated from the Premises.

9.4 Plate glass

The Lessee must take out and maintain an insurance policy for all plate glass in the Premises and all exterior windows of the Premises:

- (a) for their full insurable value on a replacement basis; and
- (b) against breakage from any cause and against any other risk reasonably required by the Lessor.

9.5 Proceeds of insurance

If any loss or damage occurs which is covered by any insurance the Lessee is required to maintain under this Lease the Lessee must:

- (a) apply for the insurance proceeds immediately; and
- (b) use the proceeds to restore, replace, repair or reinstate the loss or damage to the Premises and must supplement the proceeds with the Lessee's own money to the extent that the proceeds are insufficient.

9.6 Policies

The Lessee must do the following in respect of each policy that it is required to maintain under this Lease:

- (a) take out the policy with an insurance company approved by the Lessor, whose approval must not be unreasonably withheld;
- (b) if requested by the Lessor, give the Lessor a copy of the policy and a certificate of currency for the policy; and
- (c) ensure that the policy:

- (i) contains a requirement that the insurer will not cancel or change the insurance without first giving the Lessor 10 days prior written notice; and
- (ii) notes the interest of the Lessor.

9.7 Maintain insurance

- (a) The Lessee must not do anything without the Lessor's prior written approval which could:
 - (i) increase the premium payable on any insurance policy taken out by the Lessor; or
 - (ii) affect the Lessor's rights under any insurance policy or make the policy invalid or able to be cancelled.
- (b) The Lessee must pay any extra premium payable by the Lessor on account of extra risk caused by the Lessee's use or occupation of the Premises.

9.8 Lessee's risk

The Lessee occupies the Premises at its own risk.

9.9 Release of Lessor

To the extent permitted by law, the Lessee releases the Lessor from any claim, action, damage, loss, liability, cost or expense which the Lessee incurs or is liable for in connection with any damage, loss, injury or death to or of any person or property on or near the Land.

9.10 Indemnity

The Lessee indemnifies the Lessor against any claim, action, damage, loss, liability, cost or expense which the Lessor incurs or is liable for in connection with:

- (a) any damage, loss, injury or death, caused or contributed to by the Lessee or Lessee's Agents;
- (b) any default by the Lessee under this Lease;
- (c) the use or occupation of the Premises by the Lessee or Lessee's Agents;
- (d) any service not working properly, being unavailable or being interrupted, or the misuse of any service provided to the Premises; and
- (e) the escape of any water or other substances from the Premises caused or contributed to by the Lessee or Lessee's Agents.

9.11 Continuing indemnity

Each indemnity of the Lessee contained in this Lease is:

- (a) a continuing obligation of the Lessee and remains in full force and effect after the termination of this Lease; and
- (b) a separate and independent obligation of the Lessee.

10. DAMAGE OR RESUMPTION

10.1 Damage to Premises or Building

Subject to clause 10.2, this clause 10.1 applies if the Premises or the Building are damaged or destroyed:

- (a) **(abatement)** if the Premises:
 - (i) cannot be used by the Lessee, the Lessee is not liable to pay Rent or the Lessee's Contribution for the period that the Premises cannot be used; or
 - (ii) are useable by the Lessee, but the useability is diminished because of the damage or destruction, the Lessee's liability to pay Rent and the Lessee's Contribution is reduced in proportion to the reduction in useability;
- (b) **(no repair)** if the Lessor gives the Lessee written notice that the Lessor considers that, in its absolute discretion, it is impracticable or undesirable to repair the damage, then either the Lessor or the Lessee may terminate this Lease by giving at least 7 days' notice to the other and no compensation is payable in respect of that termination; and
- (c) **(request to repair)** within 14 days of the damage occurring the Lessee may request the Lessor in writing to repair the damage and:
 - (i) if the Lessor does not notify the Lessee within 30 days of receiving the Lessee's request that it intends to repair the damage; or
 - (ii) the Lessor notifies the Lessee that it intends to repair the damage but does not do so within a reasonable time,the Lessee may terminate this Lease by giving at least 30 days written notice to the Lessor.

10.2 Damage caused by Lessee

If the damage or destruction referred to in clause 10.1 is caused by the Lessee or the Lessee's Agents:

- (a) clauses 10.1(a) and 10.1(c) do not apply; and
- (b) the Lessee cannot terminate this Lease under clause 10.1(b).

10.3 Lessor's rights not affected

- (a) Nothing in this clause 10 affects any rights the Lessor may have if:
 - (i) any damage or destruction is caused or contributed to by; or
 - (ii) any right under an insurance policy in connection with the Land is prejudiced or a policy is cancelled or payment of a premium or a claim is refused by the insurer because of,the act, negligence or default of the Lessee or the Lessee's Agents.
- (b) Nothing in this clause 10 obliges the Lessor to restore or reinstate the Premises or the Building.

10.4 Resumption

This Lease terminates if the Premises are resumed by any Government Agency and such resumption substantially affects the Lessee's use of the Premises. The Lessor is not liable to the Lessee in respect of the termination.

10.5 Dispute

- (a) If any dispute arises under clauses 10.1 or 10.2 either or both parties may request the President of the Australian Property Institute Inc - NSW Division to appoint a Valuer to determine the dispute and the proportion of its costs that each party must bear.
- (b) The Valuer acts as an expert and not as an arbitrator and the Valuer's decision is final and binding.

11. ASSIGNMENT, SUBLEASE AND MORTGAGE

11.1 Restriction on assignment and other dealings

The Lessee must not do any of the following unless it first complies with the applicable provisions in the rest of this clause 11:

- (a) assign this Lease;
- (b) grant a sublease of the Premises;
- (c) grant any licence of the Premises; or
- (d) mortgage, charge or otherwise encumber this Lease or the Lessee's Property.

11.2 General requirements

The Lessee must not do anything specified in clause 11.1 unless:

- (a) **(notice)** the Lessee has given the Lessor at least 1 month's notice of its desire to do that thing, together with details of the proposed transaction, details of the parties, a copy of the proposed documentation and all other relevant information;
- (b) **(no default)** the Lessee is not in default under this Lease, unless the default is waived by the Lessor;
- (c) **(costs)** the Lessee complies with clause 15.2 in relation to the proposed transaction and pays to the Lessor on demand the Lessor's reasonable estimate of the costs and expenses before the Lessor makes any enquiries in relation to the proposed transaction, and whether or not the Lessor consents to it;
- (d) **(reputation)** the Lessee establishes to the Lessor's satisfaction that any proposed assignee, sublessee or licensee:
 - (i) is respectable and financially sound;
 - (ii) has experience and a good reputation in conducting the same business as the Permitted Use; and
 - (iii) has an equivalent or superior credit rating (as provided by a respectable credit reference provider approved of by the Lessor) compared to the credit rating of the Lessee as at the Commencing Date or the date of any assignment, subletting or licensing; and

- (e) **(security)** the Lessor is given any guarantee, indemnity or other security it requires in relation to the proposed transaction, prepared and stamped by the Lessor's lawyer at the Lessee's cost, and any Guarantor acknowledges its continuing obligations under this Lease.

11.3 Requirements for assignment

If the Lessee proposes to assign this Lease:

- (a) the Lessee and assignee must enter into a deed in the form reasonably required by the Lessor under which (among other things):
 - (i) the assignee agrees to perform all of the Lessee's express and implied obligations under this Lease, including the obligation to indemnify the Lessor;
 - (ii) the Lessee releases the Lessor from all its obligations under this Lease;
 - (iii) the Lessee acknowledges its continuing obligations under this Lease; and
- (b) the Lessee must give a signed and stamped transfer of this Lease signed by the proposed assignee to the Lessor's lawyer.

11.4 Requirements for sublease or licence

If the Lessee proposes to grant a sublease or licence of the Premises the Lessee and sublessee or licensee must enter into a deed in the form reasonably required by the Lessor under which (among other things):

- (a) the Lessee acknowledges its continuing obligations under this Lease;
- (b) they agree that the sublease or licence terminates immediately on termination of this Lease; and
- (c) the sublessee or licensee must not grant a sublease or licence, transfer its sublease or licence or part with or share possession of the Premises.

11.5 Change in control of Lessee

If the Lessee is a corporation (not being a corporation whose shares are listed on the Australian Stock Exchange) and there is a Change of Control, the Lessee must comply with clause 11.2 as if the Lessee proposes to assign this Lease.

11.6 Mortgage or charge

The Lessee may only mortgage, charge or otherwise encumber this Lease or the Lessee's Property with the prior consent of the Lessor.

12. TERMINATION

12.1 Events of default

Each of the following is a default by the Lessee under this Lease:

- (a) **(non-payment of Rent)** if the Lessee does not pay the Rent, within 7 days of the due date for payment, whether or not demanded by the Lessor;
- (b) **(non-payment of other amounts)** if the Lessee does not pay the Lessee's Contribution or any amount that is due and payable by it under this Lease within 7 days of its due date, whether or not demanded by the Lessor;

- (c) **(essential terms)** if the Lessee does not comply with an essential term of this Lease;
- (d) **(repudiation)** if the Lessee repudiates its obligations under this Lease;
- (e) **(other obligations)** if the Lessee does not comply with any other express or implied obligation under this Lease; and
- (f) **(Insolvency Event)** if an Insolvency Event occurs in respect of the Lessee or the Guarantor or, if either of them is a company, any of its subsidiaries.

12.2 Lessor's termination after default

The Lessor may terminate this Lease after the Lessee defaults in accordance with clause 12.1 and after the Lessor has served notice of breach of covenant (if required by law) by:

- (a) re-entering and taking possession of the Premises, using reasonable force to secure possession;
- (b) serving written notice of termination on the Lessee; or
- (c) instituting proceedings for possession of the Premises against the Lessee.

12.3 Essential terms

- (a) Each of the following obligations of the Lessee under this Lease is an essential term of this Lease:
 - (i) to pay Rent under clause 3.1;
 - (ii) to pay the Lessee's Contribution-under clause 4;
 - (iii) to pay GST under clause 5;
 - (iv) regarding use of the Premises under clause 7.1(a);
 - (v) to obtain all consents to carry on the Permitted Use under clause 7.1(b);
 - (vi) to comply with all rules under 7.1(d);
 - (vii) to maintain the Premises under clause 7.2;
 - (viii) to comply with all Environmental Laws under clause 8.2;
 - (ix) to take out and maintain insurance under clause 9; and
 - (x) regarding assignment of this Lease, or anything else under clause 11.
- (b) Any other obligation of the Lessee under this Lease may also be an essential term.

12.4 Breach of essential term

The Lessor may treat the Lessee's breach of an essential term as a repudiation of this Lease and may terminate this Lease for breach of the essential term and for repudiation and the Lessor is then entitled to immediate possession of the Premises.

12.5 Lessor's entitlement to damages

- (a) If the Lessee:
 - (i) repudiates this Lease;

- (ii) breaches an essential term under this Lease; or
- (iii) defaults under this Lease in any other way,

the Lessee must compensate the Lessor for the loss or damage suffered by the Lessor as a consequence of the repudiation, breach or other default.

- (b) The compensation payable by the Lessee under paragraph (a) extends to the loss or damage suffered by the Lessor during the Term, including the periods before and after any termination of this Lease.
- (c) The Lessee's obligation to compensate the Lessor for loss or damage is not affected if:
 - (i) the Lessee abandons or vacates the Premises;
 - (ii) the Lessor elects to re-enter or to terminate this Lease;
 - (iii) the Lessor accepts the Lessee's repudiation; or
 - (iv) the parties' conduct constitutes a surrender by operation of law.

12.6 Instituting proceedings

The Lessor may institute legal proceedings claiming damages against the Lessee in respect of the Term:

- (a) including the periods before and after the Lessee vacates the Premises;
- (b) including the periods before and after the abandonment, termination, repudiation, acceptance of repudiation or surrender by operation of law referred to in clause 12.5(c); and
- (c) whether the proceedings are instituted before or after the conduct referred to in clause 12.5(c).

12.7 Lessor's other rights

The Lessor's right to compensation for loss or damage is in addition to its right to:

- (a) recover Rent and the Lessee's Contribution until the Terminating Date or termination of this Lease;
- (b) receive interest under clause 7.8; and
- (c) recover costs and expenses under clause 15.2.

12.8 Lessee's obligations on termination

The Lessee must do the following at its cost before the earlier of the Terminating Date and the termination of this Lease:

- (a) remove all rubbish and, subject to clause 12.8(b), the Lessee's Property from the Premises, unless the Lessor agrees or directs otherwise, and make good any damage caused by the removal;
- (b) not remove Lessee's Property which:
 - (i) as a condition of giving consent to any works the Lessor has said cannot be removed; or

- (ii) is part of structural works the Lessee has carried out to the Premises unless the Lessor gives the Lessee a notice to remove it,
- (c) if required by the Lessor so to do, remove all or any part (as identified by the Lessor) of the Lessor's Property that has been installed either by the Lessor on behalf of the Lessee or any previous occupier of the Premises or that has been installed by the Lessee or any previous occupier of the Premises.;
- (d) promptly give vacant possession of the Premises reinstated to the base building standard which means:
 - (i) reinstating base building services such as hydraulic, mechanical and electrical services to the original pre-fitout layout and standard and which must comply with the Building Code of Australia standards; and
 - (ii) restoration of ceiling and floor finishes and perimeter walls (if applicable), unless the Lessor agrees or directs otherwise;
- (e) remove any signs, advertisements, notices or hoardings erected or painted by it on the Building, unless the Lessor agrees or directs otherwise;
- (f) if required by the Lessor so to do, remove all telecommunication cabling and equipment installed either by the Lessor on behalf of the Lessee or any previous occupier of the Premises or that has been installed by the Lessee or any previous occupier of the Premises;
- (g) hand over all keys to the Premises and the Building, including security access devices; and
- (h) immediately repair any damage caused to the Building in the course of complying with this clause.

12.9 Storage of Lessee's Property

- (a) If the Lessee does not remove the Lessee's Property or remedy any damage under clause 12.8, the Lessor may do so and store the Lessee's Property at the Lessee's cost.
- (b) If the Lessee does not remove any Lessee's Property from the Premises or from the place where it is stored by the Lessor within seven days of being asked to do so by the Lessor, that Lessee's Property becomes the property of the Lessor if the Lessor so elects and the Lessor may deal with those items as the Lessor thinks fit (including by sale or disposal) without being liable to the Lessee.

12.10 Directory

The Lessee must reimburse the Lessor for the cost incurred by the Lessor in removing the Lessee's name from any directory or electronic display system in the Building at the end of this Lease.

12.11 Lessor's rights after Lessee vacates during Term

- (a) If the Lessee vacates or abandons the Premises during the Term, the Lessor may:
 - (i) accept the keys to the Premises from the Lessee;
 - (ii) renovate, restore and clean the Premises;
 - (iii) change the locks and secure the Premises; or

- (iv) allow prospective tenants to inspect the Premises.
- (b) The Lessor may take any action in paragraph (a) without the Lessor's conduct constituting:
 - (i) a re-entry or termination of this Lease; or
 - (ii) the acceptance of a surrender of this Lease.
- (c) The Lessee's obligation to pay Rent, to comply with other financial obligations under this Lease and to comply with other obligations continues, even if the Lessee vacates or abandons the Premises, until the termination or expiry of this Lease.

13. POWER OF ATTORNEY

13.1 Appointment of attorney

The Lessee irrevocably appoints the Lessor and each officer (as defined in the Corporations Act) of the Lessor severally as its attorney to:

- (a) complete this Lease;
- (b) do anything that the Lessee must or may do under this Lease if the Lessor considers that the Lessee has not done it or has not done it properly;
- (c) do anything that the Attorney considers is necessary or desirable to remedy any breach of this Lease by the Lessee of this Lease;
- (d) exercise any right, power, authority, discretion or remedy of the Lessee under this Lease, after the Lessee has breached this Lease; and
- (e) execute a transfer or surrender of this Lease, after the Lessee has breached this Lease.

Each Attorney may appoint and remove substitutes, and may delegate its powers (including this power of delegation) and revoke any delegation.

13.2 General

- (a) An Attorney may do anything contemplated by this clause even if the Attorney is affected by an actual or potential conflict of interest or duty, or might benefit from it.
- (b) An Attorney may do anything contemplated by this clause in its name, in the name of the Lessee or in the name of both of them.
- (c) The Lessee must ratify anything done by an Attorney under this clause.
- (d) The Lessee gives the power of Attorney in this clause:
 - (i) to secure performance by the Lessee of its obligations to the Lessor under this Lease and any property interest of the Lessor under this Lease; and
 - (ii) for valuable consideration, receipt of which is acknowledged by the Lessee.

13.3 Protected Power

If the Lessee is a natural person, the power of attorney is given with the intention that it continues even if the Lessee suffers loss of capacity through unsoundness of mind after signing this Lease.

14. NOTICES

14.1 How to give a notice

A notice, consent or other communication under this Lease is only effective if it is:

- (a) in writing, signed by or on behalf of the person giving it;
- (b) addressed to the person to whom it is to be given; and
- (c) delivered or sent by pre-paid mail (by airmail, if the addressee is overseas) to that person's address or if the notice, consent or other communication is to the Lessee then to the Premises.

14.2 When a notice is given

A notice, consent or other communication that complies with this clause is regarded as given and received if it is:

- (a) sent by mail within Australia - 3 Business Days after posting; or
- (b) sent by mail to or from a place outside Australia - 7 Business Days after posting; or
- (c) delivered during business hours – the day of delivery; or
- (d) delivered outside business hours – the next Business Day.

14.3 Address for notices

A person's address is as set out below that person's name in the relevant Item in the Reference Schedule, or as the person notifies the sender.

14.4 Change in address

A person must notify all other parties, in writing, within 10 Business Days of any change to its address.

14.5 Electronic Transactions Act 2000 (NSW)

For the purposes of the service of notices under this Lease the Lessor and Lessee agree the provisions of the *Electronic Transactions Act 2000* (NSW) do not apply.

15. GENERAL

15.1 Governing law

This Lease is governed by the law in force in New South Wales.

15.2 Liability for expenses

The Lessee must indemnify the Lessor against, and must pay to the Lessor on demand the amount of, all costs and expenses incurred in connection with:

- (a) the negotiation, preparation, execution, stamping and registration of this Lease and any further lease;
- (b) any assignment, sublease, licence, mortgage, charge or other encumbrance referred to in clause 11;

- (c) any default by the Lessee or the Lessee's Agents under this Lease and the enforcement or protection, or attempted enforcement or protection of any right under this Lease;
- (d) any transactions that this Lease contemplates;
- (e) any amendment to, or waiver of or under, this Lease; and
- (f) any request for the consent or approval of the Lessor or its mortgagee,

including legal expenses on a full indemnity basis, administration costs of the Lessor and expenses incurred in engaging consultants.

15.3 Giving effect to this Lease

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that any other party may reasonably require to give full effect to this Lease.

15.4 Waiver of rights

- (a) A right may only be waived in writing, signed by the party giving the waiver, and:
 - (i) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
 - (ii) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
 - (iii) the exercise of a right does not prevent any further exercise of that right or of any other right.
- (b) The Lessor's acceptance of any arrears or late payment of Rent, the Lessee's Contribution or other money under this Lease does not operate as a waiver of:
 - (i) the essentiality of the Lessee's obligation to pay Rent, the Lessee's Contribution or other money in respect of those arrears or the late payment; or
 - (ii) the Lessee's continuing obligation to pay Rent, the Lessee's Contribution or other money during the Term.

15.5 Operation of this Lease

- (a) This Lease contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this Lease and has no further effect.
- (b) Any right that a person may have under this Lease is in addition to, and does not replace or limit, any other right that the person may have.
- (c) Any provision of this Lease which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this Lease enforceable, unless this would materially change the intended effect of this Lease.

15.6 Operation of indemnities

- (a) Each indemnity of the Lessee in this Lease survives the expiry or termination of this Lease.

- (b) The Lessor may recover a payment under an indemnity in this Lease before it makes the payment in respect of which the indemnity is given.
- (c) If payment under an indemnity gives rise to a liability to pay GST, the payer must pay, and indemnify the payee against, the amount of that GST.
- (d) If a party has an indemnity for a cost on which that party must pay GST, the indemnity is for the cost plus all GST (except any GST for which that party can obtain an input tax credit).

15.7 Lessor's consent

If the Lessor's consent is required for anything under this Lease, that consent:

- (a) must be in writing;
- (b) may be given, either conditionally or unconditionally, or withheld, in the Lessor's absolute discretion,

unless this Lease states otherwise.

15.8 No merger

The provisions of this Lease do not merge on termination.

15.9 Exclusion of contrary legislation

Any legislation that adversely affects an obligation of the Lessee, or the exercise by the Lessor of a right or remedy, under or relating to this Lease is excluded to the full extent permitted by law.

15.10 Counterparts

This Lease may be executed in counterparts.

15.11 Compliance

Each party must comply with all applicable statutes, regulations and by-laws relating to health, safety, noise and other standards with respect to the Premises.

15.12 Exclusion of statutory provisions

The covenants, powers and provisions implied in leases by sections 84, 84A, 85 and 86 of the *Conveyancing Act 1919* (NSW) do not apply to this Lease.

15.13 Mitigation

Each party must take all reasonable steps to minimise any loss or damage resulting from a breach of this Lease by the other party.

15.14 Payment after notice

- (a) If either party gives a notice terminating this Lease, or the Lessor gives a notice demanding immediate possession of the Premises, the Lessor's acceptance of, or demand for, Rent or any other money:
 - (i) is not evidence of a new lease for the Premises; and
 - (ii) does not alter the legal effect of the notice.

- (b) If the Lessee continues to occupy the Premises unlawfully after termination of this Lease the Lessee must pay (by weekly instalments) an amount equal to the total of the Rent plus other money payable by the Lessee to the Lessor under this Lease prior to the date the Lease is terminated as compensation for its occupation of the Premises.

15.15 Lessee's warranty

The Lessee warrants that it has not been induced to enter into this Lease by any express or implied statement, warranty or representation:

- (a) whether oral, written or otherwise;
- (b) made by or on behalf of the Lessor in respect of the Land or the Premises or anything relating to, or which could have an effect on, the Land or the Premises including but not limited to:
 - (i) the fitness or suitability of the Premises for any purpose;
 - (ii) any fixtures, facilities or amenities on the Land; or
 - (iii) the conduct of any other business in the Building.

15.16 Payments under this Lease

- (a) The Lessee must make payments under this Lease:
 - (i) to the Lessor (or to a person nominated by the Lessor in a notice to the Lessee) by the method the Lessor reasonably requires;
 - (ii) without withholding any part of any payment by way of deduction, set off or counterclaim; and
 - (iii) if no date for payment is specified, within 7 days of being asked by the Lessor.
- (b) Where any money the Lessor charges the Lessee is calculated using a time period and this Lease starts or ends during that time period, the Lessor must make proportional adjustments.
- (c) If either the Lessor or the Lessee prove an error in any money charged the Lessor must correct it and make any necessary adjustment, in a notice to the Lessee. On the next Rent Day, the Lessee must pay the Lessor or the Lessor must credit the Lessee with the difference between what the Lessee has paid and what the Lessee should have paid.

16. GUARANTEE AND INDEMNITY

16.1 Definitions in this clause

In this clause unless the contrary intention appears:

"Bankruptcy" means:

- (a) in relation to a corporation, being in liquidation on the grounds of its insolvency;
- (b) in relation to an individual, being an insolvent under administration (as defined in the Corporations Act); and

- (c) anything analogous or having a similar effect under the law of any relevant jurisdiction.

"Guarantor's Obligations" means all obligations of the Guarantor (whether present, future, actual or contingent) under this Lease.

"Lease" includes a variation, assignment, replacement, extension or renewal of, or holding over under, this Lease.

"Lessee's Obligations" means all obligations of the Lessee (whether present, future, actual or contingent) under this Lease.

16.2 Guarantee

In consideration of the Lessor entering into this Lease at the Guarantor's request, the Guarantor unconditionally and irrevocably guarantees to the Lessor the punctual performance of all the Lessee's Obligations by the Lessee.

16.3 Indemnity

- (a) The Guarantor indemnifies the Lessor against any claim, loss, liability or expense incurred by the Lessor:
 - (i) which is caused or contributed to by the Lessee's failure to perform any of the Lessee's Obligations;
 - (ii) because this Lease is void, voidable or otherwise unenforceable;
 - (iii) because this Lease terminates, other than by agreement between the Lessor and Lessee or the expiration of this Lease;
 - (iv) because this Lease is disclaimed by a liquidator or trustee in bankruptcy;
 - (v) because any money payable by the Lessee under this Lease is irrecoverable or refundable; or
 - (vi) because of the Bankruptcy of the Lessee.
- (b) The Guarantor must pay on demand any money owing to the Lessor under this indemnity.
- (c) The Guarantor's obligations under this clause 16.3 are separate and independent from its obligations under clause 16.2.

16.4 Protection and rights of Lessor

- (a) The Guarantor must not:
 - (i) exercise its right to be subrogated to the Lessor's rights against the Lessee or any other surety or any security of the Lessor;
 - (ii) exercise any right as surety in competition with the Lessor; or
 - (iii) prove in the Bankruptcy of:
 - (A) the Lessee; or
 - (B) any other surety for the Lessee's Obligations,in competition with the Lessor.

- (b) The Guarantor must pay the Lessor on written demand by the Lessor all expenses incurred by the Lessor in respect of the Lessor's exercise or attempted exercise of any right under this clause 16.
- (c) If the Lessor assigns or transfers the benefit of this Lease, the assignee or transferee receives the benefit of the Guarantor's obligations under this clause 16.
- (d) The Guarantor's Obligations are continuing obligations and are irrevocable and unconditional.
- (e) The Guarantor's Obligations are not affected by anything which might, but for this clause 16.4(e), end or limit the Guarantor's Obligations including, but not limited to, the following:
 - (i) this Lease not being registered;
 - (ii) a sub-lease of the Premises;
 - (iii) any release, extension of time for payment or other indulgence granted to the Lessee or any other surety of the Lessee's Obligations;
 - (iv) any release or impairment of or defect in any security for the Lessee's Obligations or any obligation of any other surety of the Lessee's Obligations;
 - (v) any act or omission by the Lessor which prejudices the Guarantor;
 - (vi) the death or legal disability of the Guarantor;
 - (vii) any Guarantor not executing or otherwise not being bound by this Lease or any other guarantee of or security for the Lessee's Obligations contemplated by the Lessor, Lessee or Guarantor; or
 - (viii) anything which may end or limit the Guarantor's recourse to any person or property for the recovery of moneys paid by the Guarantor under this Lease.
- (f) The Guarantor's Obligations may be enforced against the Guarantor without the Lessor being required to first exercise any right against the Lessee or enforce any security for the Lessee's Obligations.
- (g) If any transaction or payment relating to the Lessee's Obligations is void, voidable, unenforceable or refundable:
 - (i) the Guarantor's Obligations are the same as if the transaction or payment was not void, voidable, unenforceable or refundable; and
 - (ii) the Guarantor must immediately do everything required by the Lessor to restore to the Lessor the benefit of the Guarantor's liability under this Lease which existed immediately before the transaction or payment and it irrevocably authorises the Lessor to do any such thing on its behalf.
- (h) Any dispute settlement, certificate, determination, judgment, order or award which is binding on the Lessee is also binding on the Guarantor.

17. OPTION TO RENEW

17.1 Grant of new lease

If an Option Term is specified in Item 13(a) the Lessor must grant to the Lessee, at the Lessee's cost, a new lease of the Premises for that Option Term if:

- (a) the Lessee gives the Lessor written notice in the form of the Option Notice during the Option Exercise Period that the Lessee wants a lease of the Premises for the Option Term; and
- (b) the Lessee is not in default under this Lease on the date of the notice or on the Terminating Date.

17.2 Terms of new lease

The new lease contains the same terms and conditions as this Lease except that:

- (a) **(Rent)** the Rent is the Rent payable on the Terminating Date, subject to any review provided for in this Lease;
- (b) **(Term)** the Term, Commencing Date and Terminating Date specified in Items 13(a), (b) and (c) replace those in Item 6;
- (c) **(reviews)** the Review Dates and types of reviews specified in Item 8 for the Term are replaced with those for the Option Term;
- (d) **(public liability insurance)** the amount specified in Item 11 is replaced with the amount applicable on the last day of the Term or any other amount the Lessor reasonably requires;
- (e) **(cover page)** any necessary changes are made to the term details on the cover page;
- (f) **(variations)** the new lease includes any variations made to this Lease during the Term;
- (g) **(change in the law)** the new lease includes any term which the Lessor reasonably requires due to any change in the law; and
- (h) **(Option)** if Item 13 of this Lease contains details for only one Option Term:
 - (i) clause 17 is deleted; and
 - (ii) the details for the Option Term are deleted in Items 8 and 13 and the words "not applicable" are inserted there.

18. BANK GUARANTEE

18.1 Bank guarantee

- (a) If an amount is specified in Item 14, the Lessee must give a bank guarantee to the Lessor before the Commencing Date. The bank guarantee must:
 - (i) be in a form approved by the Lessor;
 - (ii) contain an unconditional undertaking to pay the Lessor on demand, and any other terms required by the Lessor;

- (iii) subject to paragraph (b), be for the amount specified in Item 14; and
 - (iv) not have an expiry date.
- (b) If the Rent increases, the Lessee must give the Lessor a replacement guarantee so that the proportion of Rent and the Lessee's Contribution specified in Item 14 is guaranteed.
 - (c) If the Lessee defaults under this Lease the Lessor may call on the bank guarantee without notice to the Lessee, and apply the proceeds towards remedying the default. If the Lessor calls on all or part of the bank guarantee, the Lessee must within five (5) Business Days give the Lessor an additional or a replacement guarantee so that the amount specified in Item 14 is guaranteed.
 - (d) If the Lessor has called on the bank guarantee and, after the Lessee's default has been remedied, there are surplus funds held by the Lessor, the Lessor may hold that surplus as a security deposit until the Lessee replaces the bank guarantee for the full amount required under this Lease.
 - (e) If the Lessor (the "**transferor**") transfers its interest in the Premises and hands over the bank guarantee to the transferee, the transferor is released from all obligations to the Lessee in relation to the bank guarantee. If requested by the transferee, the Lessee must promptly give to the transferee a replacement bank guarantee in favour of the transferee. If the Lessee does not provide the replacement bank guarantee, the transferor may make demand under the bank guarantee and hand over the proceeds to the transferee to hold as a security deposit instead of the bank guarantee until the Lessee provides the replacement bank guarantee to the transferee.

19. STRATA TITLE

19.1 Strata Premises

If the Premises forms part of a Strata Scheme or if a Strata Plan of subdivision is registered during the Term or any renewal, extension or holding over period the provisions contained in this clause 19 will apply.

19.2 Definitions

The definition of "Building" is amended to be:

"Building" means all land and improvements forming part of the Strata Scheme including the Building in which the Premises are located.

19.3 Owners Corporation Consent

The Lessee must in all cases, where approval or consent is required under this Lease, obtain where required under the *Strata Titles Management Act, 1996* (NSW) the consent also of the Owners Corporation.

19.4 Use of Common Areas

The Lessee will not use or allow use by the Lessee's Agents of the Common Areas for any business or commercial purpose, display or advertisement of any goods or services without the consent in writing of the Owners Corporation and in accordance with any conditions imposed by the Owners Corporation.

19.5 No Obstruction of Common Areas

The Lessee must not in any way obstruct or permit the obstruction of any walkways, pavements, entrances, courts, service ways, driveways or other paths to the Common Areas or any appurtenances or conveniences contained in the Common Areas.

19.6 Compliance with Directions of Owners Corporation

The Lessee may only use such parts of the Building and at such times as designated by the Owners Corporation for the purpose of receipt, delivery or other movement of any goods, wares, articles of bulk or quantity or merchandise.

19.7 Roof and Walls

The Lessee acknowledges that as between the Lessor and the Lessee, the Lessor will have the exclusive use of the external walls of the Building and the roof.

19.8 Compliance with By-Laws

- (a) The Lessee must at all times and at its own cost and expense observe and comply with and will cause to be continually complied with by all the Lessee's Agents the By-laws of the Owners Corporation.
- (b) The Lessee acknowledges that failure by the Lessee or the Lessee's Agents to observe and comply with any of the By-laws of the Owners Corporation will constitute a breach of the terms and conditions of this Lease in the same manner as if the By-laws were contained as covenants of the Lessee.

20. LESSEE'S WORKS

20.1 Proposed Works

The Lessee must not carry out any Works unless it first obtains the Lessor's written consent to the proposed Works, and the Lessee otherwise complies with the rest of this clause 20.

20.2 Lessee's drawings and specifications

- (a) The Lessee must, at its cost, prepare and give to the Lessor:
 - (i) 2 copies of detailed working drawings and specifications of any Works it proposes to carry out; and
 - (ii) the names and other relevant details of the architect and the contractors that the Lessee intends to use.
- (b) The Lessor must, as soon as practicable, notify the Lessee:
 - (i) whether or not the Lessor approves of, or requires alterations to, the drawings and specifications submitted by the Lessee; and
 - (ii) whether or not it approves of the architect and the contractors that the Lessee intends to use.
- (c) The Lessee acknowledges that the Lessor may refer the drawings and specifications to the Lessor's architect and other consultants for their advice.
- (d) If the Lessor does not approve of the drawings and specifications the Lessee must alter and resubmit them.
- (e) The Lessor must not unreasonably withhold its approval under this clause.

20.3 Authorisations

The Lessee must not start the Works until:

- (a) the Lessor approves of the drawings and specifications submitted by the Lessee;
- (b) the Lessee gives the Lessor copies of all Authorisations required for the Works; and
- (c) the Lessor approves the contractors and architect that the Lessee intends to use to carry out the Works.

20.4 Variation to Works

If the Lessee wishes to vary the Works approved under clause 20.2, the Lessee must follow the procedure contained in clause 20.2 in respect of the Works incorporating those variations.

20.5 Conditions regarding Works

The Lessee must, at its cost:

- (a) **(timing)** start and complete the Works as soon as practicable after the Lessor approves of the drawings and specifications and the Lessee's architect and contractors under clause 20.2;
- (b) **(Lessor's approval)** complete the Works in accordance with the plans and specifications approved by the Lessor under clause 20.2;
- (c) **(Lessor's directions)** comply with, and ensure that its contractors and employees comply with, all reasonable directions of the Lessor in relation to the carrying out of the Works;
- (d) **(no disturbance)** cause as little disturbance as possible to the Lessor and any other occupier of, or invitee in, the Building;
- (e) **(compliance)** comply with all relevant statutes, Authorisations and requirements of any Government Agency in relation to the Works;
- (f) **(quality)** carry out the Works in a workmanlike and competent manner, in accordance with the Lessor's fit-out guidelines and to the satisfaction of the Lessor;
- (g) **(supervision)** if required by the Lessor, allow a representative of the Lessor to supervise the Works;
- (h) **(removal of rubbish)** remove from the Building all rubbish or debris resulting from the Works;
- (i) **(repair damage)** immediately repair to the Lessor's satisfaction any damage directly or indirectly caused to the Building by the carrying out of the Works;
- (j) **(notice of completion)** give the Lessor at least 5 Business Days notice of when the Works are likely to be completed; and
- (k) **(heavy equipment)** not bring any heavy equipment into the Building unless it is required to carry out the Works and it complies with the maximum floor loading weights for the Building.

20.6 Contractor's insurance

The Lessee must ensure that the contractors it engages to carry out the Works have a current public liability insurance policy under which the maximum amount payable for a single claim is at least \$20,000,000, or any other amount reasonably required by the Lessor.

20.7 Structural work or alterations to services

If any alteration is required to the services provided or to be provided to the Premises or to the Building, or to any plant or equipment in the Building due to the Works:

- (a) the Lessee must pay for the required alteration;
- (b) the alteration must be carried out by contractors appointed by the Lessor;
- (c) the Lessee must deposit with the Lessor the amount which the Lessor reasonably estimates will be the cost of the alteration; and
- (d) the Lessor may elect to carry out the required alteration itself, at the Lessee's cost.

20.8 Preservation of Lessor's warranties

The Lessee must not carry out any Works or carry it out in any way which could prejudice the Lessor's rights under any builder's, contractor's or other warranties in relation to the Building.

21 LESSOR'S COSTS

21.1 Work related cost

The Lessee must pay all costs and expenses reasonably incurred by the Lessor in relation to any proposed Works, whether or not the Works proceed, including the cost of the Lessor's architect, consultants and supervisor.

21.2 Lease preparation etc

Subject to the provisions of the Retails Leases Act, the Lessee is to pay all costs and expenses in relation to the preparation, processing, stamping, registration and all other related works including but not limited to obtaining mortgagee approval for the Lease; and all legal works taken in relation to assignment, transfer and consent to sublease.

21.3 Lessee default

The Lessee must pay the Lessor's legal cost expended as a result of the Lessee's breach of any of the terms of this Lease including but not limited to any letters, notices and negotiations taken with lessor's lawyer in relation to any breaches committed by the Lessee. For clarity, the Lessee acknowledges and agrees that the Lessee is liable to pay for all legal costs forthwith incurred by the Lessor due to the default of the Lessee.

22 DEMOLITION

22.1 Demolition work and notice

If the Lessor intends to conduct works on the Building including but not limited to major renovation, repair or reconstruction to the extent that require the lease to be terminated before the Terminating date, the Lessor must provide to the Lessee

- a) Details of the proposed works sufficient to indicate a genuine plan to conduct such major work;
- b) At least 6 months written notice of termination of the Lease; and
- c) The Lessor agrees not to issue any notice pursuant to this clause within at least 3 years of the Commencement of this lease.

22.2 Compensation

The Lessee is entitled to reasonable compensation for damages suffered by the Lessee due to the early termination of this Lease pursuant to this clause if the Lessor fails to conduct work as notified to the Lessee within eight months of the termination of the Lease, and is unable to provide reasonable explanation to its failure to conduct work as notified. Any compensation paid by the Lessor is limited to:

- a) reasonable cost incurred by the Lessee in relocating to another rental premises,
- b) any increase in rent paid for the new rental premises for the balance of the term of this Lease,
- c) the fit out cost of the new rental premises.

22.3 No loss of trade and profit

The Lessee agrees that no compensation will be sought in relation to loss of trade and profit and any other expenses whatsoever.

SPECIAL CONDITIONS

23 INCONSISTENCY

The Special Conditions shall prevail to the extent of any inconsistency in this Lease.

24 RENT CONCESSION

24.1 The Lessor acknowledges and agrees that the rent payable by the Lessee for the following period is NIL ("Rental Concession"):

- (a) 15 July 2024 to 14 October 2024.

24.2 Provided that the Lessee fully complies with the terms of this lease. The Rent Concession provided for this Special Condition 24 herein applies only to the initial three years of the Term excluding the option terms and is not to be taken into account for the purpose of any rent review, and the Lessee acknowledges that any rent review shall be conducted on the basis that there was no Rent Concession.

Amendment on this page is authorised by the Lessee on 12 July 2024.

Bryan Zhang
12/07/2024

- 24.3 In the event that the Lease is terminated by the Lessor due to a default by the Lessee, and the Lessor shall be entitled (in addition to and without prejudice to any other rights or remedies of the Lessor against the Lessee) to recover from the Lessee, and the Lessee shall pay immediately upon demand by the Lessor (as a liquidated debt and not as a penalty), an amount equal to that part or all of the value of the rent free period as at the time it was provided to the Lessee.
- 24.4 For the avoidance of doubt, Special Condition 24 herein shall be deleted from any Option Lease.

25 DEMOLITION CLAUSE

- 25.1 If the Lessor intends to conduct works on the Building including but not limited to major renovation, repair or reconstruction to the extent that require the lease to be terminated before the Terminating date, the Lessor must provide to the Lessee
- a. Details of the proposed works sufficient to indicate a genuine plan to conduct such major work;
 - b. At least six (6) months written notice of termination of the Lease; and
 - c. The Lessor agrees not to issue any notice pursuant to this clause within at least ~~six~~ **Four (4) years** ~~(6) years~~ of the Commencement of this lease.

26 CAR PARKING

- 26.1 The Lessor agrees to provide twelve (12) car spaces within the Premises for the use of the Lessee.
- 26.2 The Lessee must ensure that the twelve (12) car spaces referred to in Special Condition 26.1 are utilised solely for their intended purposes and kept clean at all times.

RULES

1. Lessees must not erect any sign, advertisement or notice on the inside or outside of their premises or anywhere in the building unless the location, colour, size and style are first approved in writing by the lessor.
2. Lessees must use entrance passages, halls, staircases and fire escapes only for entering and exiting their premises, and must not obstruct them. If any doors used for entering and exiting the Building or any Common Areas are normally kept closed, then immediately after using such doors the Lessee must ensure that such doors are again closed and secure. Lessees must keep all security codes to the Building's Common Areas strictly confidential and must only use the security codes to the Building's Common Areas as intended by the Lessor, acting reasonably.
3. Lessees must not interfere with each other's rights or enjoyment of the Building, or injure or annoy each other in any way, or permit or allow injury to each other.
4. Lessees must comply with the regulations of public authorities and with the terms of any insurance policy for the building or its contents as may be advised by the Lessor or the Lessor's agent from time to time.
5. Lessees must securely lock all doors and windows in their premises when unoccupied. If a lessee does not do so, the lessor or its agents, employees or contractors may enter the premises and do so.
6. Lessees must not burn any rubbish or other thing on the Land.
7. The Lessee shall comply with all directions of the Lessor from time to time relating to the receipt, delivery or other movement of any goods or articles of bulk or quantity, and shall use such parts of the Common Areas and at such times as the Lessor may from time to time permit, and the Lessee will comply with all reasonable requirements of the Lessor in regard to such matters.
8. Lessees must not damage any lifts in the Building (if any) in any manner whatsoever and must, at their cost, make good any damage to the lifts in the Building caused or contributed to by a Lessee.
9. Except as provided for in this Rule 9, lessees must not store any waste receptacles of any kind, including but not limited to wheeled skips, in the Common Areas. Lessees may only temporarily place a waste receptacle in the Common Areas for the purpose of the said waste receptacle being promptly collected by a garbage removal service.
10. Where any waste receptacle of any kind is temporarily placed in any part of the Common Areas (as permitted by Rule 9), the said waste receptacle must be locked at all times prior to being collected by a garbage removal service, so as to prevent access to the waste receptacle by any unauthorised persons.

Schedule 1

LESSOR EXECUTION

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

Certified correct for the purposes of the Real Property Act 1900 by the corporation named below by the authorised person(s) whose signature(s) appear(s) below pursuant to the authority specified.

Corporation: **Goon Yee Tong Limited ACN 606 135 826**

Authority: Section 127 of the Corporations Act

DocuSigned by:

E37855F0ADA402...

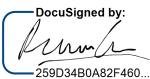
Signature of authorised person

JUSTIN YAT KWAN CHAN

Name of authorised person

Director

Office held

DocuSigned by:

259D34B0A82F460...

Signature of authorised person

Ramon Chau

Name of authorised person

Director

Office held

LESSEE EXECUTION

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

Certified correct for the purposes of the Real Property Act 1900 by the corporation named below by the authorised person(s) whose signature(s) appear(s) below pursuant to the authority specified.

Corporation: **Aidacare Pty Ltd ACN 134 398 833**

Authority: Section 127 of the Corporations Act

Signed by:

AB5E2CC0BEB7414...

Signature of authorised person

GEOFFREY PETER GARLAND

Name of authorised person

Director

Office held

DocuSigned by:

7C59EE7E1BC04DE

Signature of authorised person

Richard Ian Garland

Name of authorised person

Director

Office held