

(A) TORRENS TITLE

Property leased

PART Folio Identifier 1/181397 being Premises known as Level 2, in the Building known as St James Centre, 111 Elizabeth Street, Sydney

(B) LODGED BY

(C) LESSOR

TANERT PTY LIMITED (ACN 000 634 024)

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

(D)

Encumbrances (if applicable):

(E) LESSEE

PROFESSIONAL STANDARDS COUNCIL (ABN 54 844 972 531)

(F)

TENANCY:

- (G) 1. **TERM** Five (5) years
2. **COMMENCING DATE** 1 May 2020
3. **TERMINATING DATE** 30 April 2025
4. With an **OPTION TO RENEW** for a period of Two (2) years
set out in clause Item 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 9 of Annexure A Reference Schedule

DATE 17.12.2019

(H)

Certified correct for the purposes of the Real Property Act 1900 by the company named below the common seal of which was affixed pursuant to the authority specified and in the presence of the authorised person(s) whose signature(s) appear(s) below.
Company: TANERT PTY LIMITED (ACN 000 634 024)
Authority: Section 127(2) of the Corporations Act 2001

SEE ANNEXURE "A" PAGE 66 FOR EXECUTION BY LESSOR

Signature of authorised person:
Name of authorised person:
Office held:

Signature of authorised person:
Name of authorised person:
Office held:

I certify I am an eligible witness and that the authorised officer of the lessee signed this dealing in my presence.
[See note* below]

Certified correct for the purposes of the Real Property Act 1900 by the authorised officer named below.

SEE ANNEXRE "A" PAGE 66 FOR EXECUTION BY LESSEE

Signature of witness:

Signature of authorised officer:

Name of witness:
Address of witness:

Authorised officer's name:
Authority of officer:
Signing on behalf of: Professional Standards Council
(ABN 54 844 972 531)

(I) STATUTORY DECLARATION*

I Caterina Milazzo, Solicitor for the Lessor solemnly and sincerely declare that—

- 1. The time for the exercise of option to renew in expired lease No. AJ363316 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 and I certify this lease correct for the purposes of the Real Property Act 1900.

Made and subscribed at (LEICHHARDT in the State of New South Wales on 15/12/2019
in the presence of VAN DIMITRI of 331 BALMAIN RD, LEICHHARDT
 Justice of the Peace (J.P. Number:) Practising Solicitor
 Other qualified witness [specify]



* 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.

"A"

This page and the following 63 pages is the Annexure "A" to the Lease between Tanert Pty Limited ACN 000 634 024 as Landlord and Professional Standards Council ABN 54 844 972 531 as Tenant.

Dated: 17 DECEMBER 2019

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Reference Schedule

Item 1	Date	17 DECEMBER 2019
Item 2	Landlord	Tanert Pty Limited ACN 000 634 024
Item 3	Tenant	Professional Standards Council ABN 54 844 972 531
Item 4	Land	The land comprised in Certificate of Title Folio Identifier 1/181397
Item 5	Premises	Level 2, St James Centre, 111 Elizabeth Street, Sydney
Item 6	Term	Five (5) years
Item 7	Commencing Date	1 May 2020
Item 8	Terminating Date	30 April 2025
Item 9	Rent	\$630,168.00 per annum (plus GST)
Item 10	CPI city	Sydney
Item 11	Review Dates	(a) CPI Review Dates: Not applicable (b) Fixed Review Dates: 1 May 2021 1 May 2022 1 May 2023 1 May 2024 And if the Option Lease is exercised: 1 May 2026  (d) Market Review Dates: 1 May 2025
Item 12	Permitted Use	Commercial Office
Item 13A	Tenant's Proportion	4.92 %
Item 13B	Base Year	The year ending on 30 June 2019 Subject to clause 5.7
Item 14	Public liability Insurance amount	\$20,000,000.00



Item 15	Addresses for service	
	Landlord	The Portfolio Manager Tanert Pty Limited Suite 206A, Edgecliff Centre 203-233 New South Head Road Edgecliff NSW 2027
	Tenant	Professional Standards Council Level 2, St James Centre, 111 Elizabeth Street Sydney NSW 2000
Item 16	Guarantor	Not applicable
Item 17	Option Lease	Yes
	Term (years)	Two (2) years
	Commencing Date	1 May 2025
	Terminating Date	30 April 2027
Item 18	Bank Guarantee Amount	Equivalent to twelve (12) months Gross Rent plus GST

Rules Schedule

1. The Tenant shall not cover or obstruct the floors skylights glazed panels ventilators and windows that reflect or admit light or air into passageways or into any part of the Building or cover or obstruct any lights or any other means of illumination in the Building.
2. No window curtains, window blinds, window screens or awnings shall be erected without the approval of the Landlord and if any such appurtenances are approved they shall be fabricated of non-inflammable material. Window blinds are an integral part of the air conditioning system in reducing solar load.
3. No television or radio mast or antenna shall be affixed to any part of the Building and no musical instrument, gramophone, radio, amplifier, television, audio-visual or other sound or picture-producing equipment shall be used or operated in the Premises or in any part of the Building unless such equipment is not audible or visible from outside the Premises.
4. The Tenant shall not use any method of cooling or heating the Premises other than as prescribed and fixed by the Landlord and under special agreement made with the Landlord for the purpose.
5. The Tenant shall use or permit to be used for the receipt delivery or other movement of any goods wares or merchandise or articles of bulk or quantity only such parts of the Premises or the Common Areas and at such times as the Landlord may from time to time permit and the Tenant shall generally comply with all reasonable requirements of the Landlord in regard to such matters.
6. No rubbish or waste shall at any time be burned in the Building.
7. Subject to the rights and privileges given to the Tenant by the Landlord for the parking of motor vehicles the Tenant shall not use or permit to be used the Common Areas or any part thereof for any business or commercial purpose or the display or advertisement of any goods or services or generally for any purposes other than a purpose for which the same was intended or provided.
8. No nails, screws or hooks shall be driven into any parts of the Building without the Landlord's prior written consent nor shall any explosive power driven method of fixing articles to ceilings, walls or floors be used.
9. The Landlord shall be entitled to close the Building due to riots, civil disturbance demonstrations or any other cause which in the opinion of the Landlord endangers or may endanger the Building or any persons therein or thereon.
10. The Tenant shall appoint a floor warden for each whole floor of the Building or part thereof leased by the Tenant and shall ensure that the Tenant and persons under its control are fully aware of all safety and emergency procedures for the Building. The

arranged or required by the Landlord in connection with the emergency and evacuation procedures for the Building.

11. The footpaths, entrances, passages, arcades, halls, lifts, staircases, fire doors and escape doors shall not be obstructed by the Tenant and persons under its control or be used by them for any other purpose than for ingress to or egress from the Premises.
12. The water closets and other water supply apparatus and the tea-rooms and the Landlord's equipment therein shall not be used for any purpose other than that for which they were constructed and no tea-leaves, sweepings, rubbish, rags, ashes or other substance shall be placed therein. The cost of making good any damage resulting to such apparatus or otherwise from such misuse by the Tenant and persons under its control (including, without limitation, the cost of repairing, renewing, reinstating or replacing such apparatus, equipment or other thing) shall be borne by the Tenant.
13. The Tenant shall not suffer any accumulation of useless property or rubbish in the Premises or adjacent thereto.
14. All keys (including security keys and other security access devices) belonging to the Commercial Office Tower or the Building held by the Tenant during its occupancy whether the same have been provided by the Landlord or made or procured by the Tenant for its own use shall be surrendered to the Landlord on the termination of his tenancy and the Tenant shall not cause any duplicate or facsimile thereof to be made. The Tenant must pay the Landlord for additional security keys or the replacement of any lost or stolen security keys.
15. The Tenant and persons under its control shall not make or permit any improper or unseemly noises in the Building or interfere in any way with other tenants or persons in the Building or mark or otherwise defile the Building.
16. Nothing shall be thrown by the Tenants and persons under its control out of the windows or doors or from the roof or roofs balconies or plazas or in the lift wells or passage or on skylights or areas of the Building.
17. Access to the Commercial Office Tower outside the hours of 8.00am to 6.00pm Mondays to Fridays (excluding public holidays) shall be by means of a key access system and the Tenant and persons under its control shall comply with all reasonable requirements of the Landlord in relation to the operation of such key access system and the general security arrangements for the Commercial Office Tower. Security required by the Tenant outside the hours aforesaid will be at the cost of the Tenant.
18. The Tenant shall use the passenger lifts only for the carriage of passengers and shall not except with the prior express consent of the Landlord or its building supervisor use them for the carriage of goods.
19. The Tenant shall give to the Landlord prompt notice in writing of any accident to or defect in any of the services connected to the Building.

20. The Tenant shall not prepare or cook food other than in any areas which may be provided and which are approved by the Landlord for the purpose.
21. The air-conditioning plant for the Commercial Office Tower shall not be operated on Saturdays, Sundays or public holidays but otherwise shall as far as practicable be operated between 8.00am and 6.00pm on all other days in the year provided that the Tenant may arrange with the Landlord's Manager for the air-conditioning of the Premises outside the hours aforesaid at the cost of the Tenant.
22. Notwithstanding that doors to service ducts and cupboards may be located within the Premises the Tenant shall not position furniture or equipment so as to obstruct such ducts and cupboards and shall allow the Landlord access thereto.
23. (a) The Tenant and the Tenant's employees must not smoke in any enclosed part of the Building.

(b) If required by the Landlord, the Tenant must put up signs in the Premises stating that smoking is prohibited.

1. Definitions and interpretation

1.1 Definitions

In this Lease:

- (a) "**Agreement**" means the Agreement for Lease and Car Parking Licence entered into between the Landlord and the Tenant dated 24 March 2015;
- (b) "**Australian Institute**" means the Australian Property Institute Inc. - New South Wales division;
- (c) "**Bank**" means a bank as defined in the Banking Act 1959, the Reserve Bank or a state bank;
- (d) "**Bank Guarantee**" means a guarantee by a Bank to pay the amount stated in Item 18 to the Landlord without reference to the Tenant that is:
 - (1) in respect of all the Tenant's obligations under this Lease (not only the obligations to pay Rent);
 - (2) in respect of all the Tenant's obligations under any Car Parking Licence or other Licence Agreement, if any, between the Landlord as Licensor and the Tenant as Licensee in respect of the Building;
 - (3) unconditional and irrevocable;
 - (4) given by a Bank acceptable to the Landlord;
 - (5) assignable;
 - (6) without an expiry dateand otherwise acceptable to the Landlord;
- (e) "**Building**" means the building erected on the Land and includes the St James Retail Arcade and the Commercial Office Tower of which the Premises form part, including:
 - (1) an extension or alteration to the Building;
 - (2) the Landlord's Equipment; and
 - (3) where applicable the Land;
- (f) "**Base Year**" means the year specified in Item 13B.
- (g) "**Business Day**" means any day except a Bank holiday or public holiday in

- (h) "**Claim**" includes a claim, demand, remedy, suit, injury, damage, loss, Cost, liability, action, proceeding or right of action;
- (i) "**Commencing Date**" means the commencing date stated on the cover page of this Lease;
- (j) "**Commercial Office Tower**" means each area of the Building that does not form part of the St James Retail Arcade.
- (k) "**Common Areas**" means each area of the Building which the Landlord reserves for common use by:
 - (1) the tenants and occupants of the Commercial Office Tower;
 - (2) their respective employees, invitees and licensees; or
 - (3) any other person who the Landlord authorises;
- (l) "**Consideration**" has the same meaning given to that term in the GST Act;
- (m) "**Cost**" means a cost, charge, expense, outgoing, payment, fees or other expenditure of any nature;
- (n) "**CPI Review Date**" means each date in Item 11(a);
- (o) "**Credit**" means the Input Tax Credit to which the payee is entitled in respect of the reimbursable expense or, if the amount to be paid, reimbursed or contributed under clause 21.3 is a proportion of the reimbursable expense, a proportion of the Input Tax Credit that is the same proportion that the amount to be reimbursed bears to the reimbursable expense.
- (p) "**Default Rate**" means the rate which is 2% per annum above the highest overdraft rate charged as at the due date for payment by the Landlord's Bank for commercial loans in excess of \$100,000.00. A written statement by any manager of the Landlord's Bank is in the absence of manifest error, conclusive evidence of the overdraft rate;
- (q) "**Demolition and Make Good Guide**" means the document entitled "Demolition and Make Good Guide" prepared by Knight Frank exhibited to the parties on or before the Commencing Date of this Lease;
- (r) "**Existing Fitout**" means the fixtures and fittings installed in the Premises as at the Lease Commencing Date or any such earlier occupation of the Premises by the Tenant which is not Landlord's Equipment;
- (s) "**Fixed Rate**" means the percentage in Item 11(c);
- (t) "**Fixed Review Date**" means each of the dates in Item 11(b);
- (u) "**GST**" has the same meaning given to that term in the GST Act;

- (v) "**GST Act**" means the A New Tax System (Goods and Services Tax) Act 1999 (Cth) as amended;
- (w) "**GST Amount**" means, in relation to a Payment, an amount arrived at by multiplying the Payment (or the relevant part of a Payment if only part of a Payment is the Consideration for a Taxable Supply) by the appropriate rate of GST (being 10% when the GST Law commenced);
- (x) "**GST Exclusive Market Value**" has the same meaning given to that term in the GST Act;
- (y) "**GST Law**" has the same meaning given to that term in the A New Tax System (Goods and Services Tax) Act 1999 (as amended) and any regulation made under that Act;
- (z) "**Gross Rent**" means the Rent plus Tenant's Proportion of Increase in Operating Costs and the Landlord's Cost of cleaning pursuant to clause 20 of this Lease payable by the Tenant pursuant to clause 20.2 of this Lease
- (aa) "**Guarantor**" means the person named in Item 16 of the Reference Schedule;
- (bb) "**Incentive Amount**" means the sum of \$315,084.00 plus GST;
- (cc) "**Increase in Operating Costs**" means the amount by which the Operating Costs for an Operating Costs Period during the Term exceeds the Operating Costs for the Base Year;
- (dd) "**Index**" means:
 - (1) the Consumer Price Index (All Groups) which is published by the Australian Bureau of Statistics for the city specified in Item 10; or
 - (2) if either the Landlord and the Tenant have agreed or the Actuary has determined a replacement Index under clause 1.14 , then that Index;
- (ee) "**Index Number**" means an index number published under the Index;
- (ff) "**Input Tax Credit**" has the same meaning as that term in the GST Act;
- (gg) "**Item**" means an item in the Reference Schedule in this Lease;
- (hh) "**Land**" means the land described in Item 4 and any other land owned by the Landlord and used in conjunction with the Building;
- (ii) "**Landlord's Equipment**" means all fixtures, fittings, furnishings, plant and equipment located on or exclusively servicing the Premises which the Landlord owns, leases or provides;
- (jj) "**Law**" includes:
 - (1) the provisions of a statute, rule, regulation, proclamation, ordinance or by-law, present or future, whether state, federal or otherwise; and

- (2) a requirement, notice, order or direction received from or given by a statutory, public or other competent authority;
 - (kk) "**LEADR**" means Lawyers Engaged in Alternative Dispute Resolution;
 - (ll) "**Lease**" means this document and includes the schedules, attachments, annexures or exhibits to this document;
 - (mm) "**Make Good**" means carrying out of all works described in Demolition and Make Good Guide, and including:
 - (1) remove from the Premises, the Building and the Land all fixtures, fittings, furnishings, plant and equipment located on or exclusively servicing the Premises, the Tenant's Goods required by the Landlord to be removed to bring the Premises back to their original Open Plan Base Building Configuration;
 - (2) properly repair any damage caused by removal of items referred to in paragraph (1) of this definition from the Premises, the Building and the Land;
 - (3) reinstate the structure of any part of the Premises which has been penetrated or altered by or on behalf of the Tenant or any previous tenant;
 - (4) thoroughly clean the Premises and remove all rubbish, waste and materials brought on or left in or about the premises by or on behalf of the Tenant or any previous tenant;
 - (5) subject to fair wear and tear:
 - (A) reinstate the Premises and Services benefiting the Premises to their condition at the date the Premises were first occupied by the Tenant or any previous tenant and leave them in good repair and in safe condition, clean and free from rubbish; and
 - (B) if the landlord does not require removal or replacement of carpet after removal of any partitioning to put the carpet or other floor covering in good repair and condition including replacing any cut out areas with new carpet or other floor covering provided by the Landlord to Premises in the building;
 - (6) put the ceiling support grid and ceiling tiles into good repair and condition; and
 - (7) repaint the Premises
- OR in the alternative, the Tenant will:-**
- (a) remove all personal from the Premises, the Building and the Land;

- (b) remove all rubbish, waste and other materials brought on or left in or about the Premises by or on behalf of the Tenant or any previous tenant; and
 - (c) pay to the Landlord the sum of One Hundred & Fifty Thousand and Four Hundred Dollars (\$150,400.00) PLUS GST at the date of termination or sooner determination of this Lease
- (nn) "**Manager**" means the person appointed by the Landlord as manager of the Building or another person the Landlord authorises;
- (oo) "**Market Review Date**" means each date in Item 11(d);
- (pp) "**Market Review Period**" means the period, being a fixed but non-essential time, commencing 3 months before and ending at the next Review Date;
- (qq) "**Obligations**" means the Tenant's obligations under clause 15 that the Landlord does not require the Tenant fulfil;
- (rr) "**Open Plan Base Building Configuration**" means an empty space contained by the floor, ceiling and the perimeter walls of the Premises;
- (ss) "**Operating Costs**" means each amount payable by the Landlord for an Operating Costs Period for the Land or the Building and which is attributable to the Commercial Office Tower including:
- (1) subject to subclause (2) below rates, taxes, charges, fees and impositions payable to any government, statutory or other authority or corporation for the Land or the Building including:
 - (A) rates and charges for sewerage, supply of water and removal of waste;
 - (B) state land tax on the basis that the Land is the only land owned by the Landlord and is not the subject of a special trust;
 - (2) subclause (1) above excludes any income tax or capital gains tax which the Landlord must pay;
 - (3) Cost of insurance cover taken out by the Landlord for the Building, its use and management including, insurance cover for fire, public risk, plate glass, loss of Rent and other usual risks;
 - (4) Cost of management and administration of the Building including:
 - (A) fees and other amounts paid to managing agents, excluding fees paid for leasing premises to new tenants;
 - (B) fees and other amounts paid to a centre manager or administrator; and
 - (C) accountancy and audit Cost relating to Operating Costs;

- (5) Cost of providing security and caretaking for the Building;
 - (6) Cost of operating loading docks, storage areas, car parking areas and other similar areas of the Building;
 - (7) Cost of supply, maintenance and operation of Services including fees paid for Service contracts and specialist contractors;
 - (8) Cost of safety and environmental audits of the Building;
 - (9) Cost for:
 - (A) painting, repairing, maintaining, cleaning and operating the Building excluding items of a structural or capital nature;
 - (B) maintaining, cleaning, repairing and replacing carpets and floor coverings in Common Areas;
 - (C) maintaining, repairing and replacing notice boards and signs;
 - (D) providing and maintaining landscaping, gardens, indoor and outdoor plants; and
 - (E) controlling and eradicating insects and pests; and
 - (10) Cost of engaging independent contractors and employing staff and leasing or hiring equipment to carry out any of the tasks stated in this clause 1.1(ss);
- (tt) "**Operating Costs Period**" means:
- (1) a period of 1 year ending on 30 June in each year; or
 - (2) another period of 1 year which the Landlord nominates;
- (uu) "**Option Lease**" means a further lease or leases of the Premises as described in Item 17;
- (w) "**Payment**" means:
- (1) the amount of any monetary consideration (other than a GST Amount payable under clause 21); and
 - (2) the GST Exclusive Market Value of any non-monetary consideration
- paid or provided by one party to another for any Supply made under or in connection with this Lease and includes any amount payable by way of indemnity, reimbursement, compensation or damages.
- (ww) "**Permitted Use**" means the use in Item 12;

- (xx) "**PCA Method of Measurement**" means the method of measurement set out in the publication "PCA Method of Measurement of Lettable Area (1997 Revision)" or at the election of the Landlord made at any time during the Term, any subsequent method of measurement published or used by the Property Council of Australia Limited;
- (yy) "**Premises**" means the property leased described on the cover page of this Lease:
- (1) extending to:
 - (A) the internal surfaces of:
 - (i) external walls, external glass and external windows; and
 - (ii) internal structural walls and cores; and
 - (iii) the centre line of partitions or walls separating the Premises from adjoining premises or from Common Areas; and
 - (2) including:
 - (A) ceiling tiles and floor coverings; and
 - (B) the Landlord's Equipment;
- (zz) "**Rent**" means the yearly amount in Item 9 as varied under this Lease and includes Operating Costs for the Base Year but excludes any Increase in Operating Costs;
- (aaa) "**Resumption**" means a compulsory acquisition under any Law;
- (bbb) "**Review Date**" means either a CPI Review Date or a Fixed Review Date or a Market Review Date as the context requires;
- (ccc) "**Rules**" means the rules of the Building set out in the Rules Schedule or a variation of them;
- (ddd) "**Services**" means any services or systems provided to the Building, including:
- (1) water, power, fuel, oil, garbage compacting and removal, waste disposal, sewerage, telecommunications, communication systems and public address systems, background music, security, air conditioning, ventilation, escalators, fire protection, lift services, washroom and toilet services; and
 - (2) the wires, pipes, ducting and other means of providing those services or systems to the Building;
- (eee) "**St James Retail Arcade**" means the retail shopping centre in the Building;
- (fff) "**Taxable Supply**" has the same meaning given to that term in the GST Act;

- (ggg) "**Tax Invoice**" has the same meaning given to that term in the GST Act;
- (hhh) "**Tenant's Goods**" means each fixture, fitting, furnishing, plant, equipment, partition and other article which is in the Premises which the Landlord does not own, lease or provide the Tenant, whether existing prior to, on or after the Commencing Date and which for the sake of clarity includes the Existing Fitout and the Deductible Items;
- (iii) "**Tenant's Proportion**" means the percentage in Item 13A or a variation of it under clause 5.5;
- (jjj) "**Tenant's Works**" has the same meaning as in the Agreement;
- (kkk) "**Term**" means the term of this Lease stated on the cover page of this Lease;
- (lll) "**Terminating Date**" means the terminating date stated on the cover page of this Lease;
- (mmm) "**Umpire**" means a person who is a full member of the Australian Institute and has at least 5 years experience as a valuer of premises of the kind leased by this Lease;
- (nnn) "**Valuer**" means a person who is a full member of the Australian Institute and has at least 5 years experience as a valuer of premises of the kind leased by this Lease;
- (ooo) "**WHS Act**" means the *Work Health and Safety Act 2011* (NSW) and any corresponding laws within the meaning of section 4 of the WHS Act;
- (ppp) "**WHS Laws**" means the WHS Act and WHS Regulations; and
- (qqq) "**WHS Regulations**" means the regulations made under the WHS Act.

1.2 Construction

A reference to:

- (a) the singular includes the plural and vice versa;
- (b) any gender includes all other genders;
- (c) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (d) a person includes:
 - (1) a corporation, partnership, joint venture and government body;
 - (2) the legal representatives, successors and assigns of that person; and
 - (3) where the context permits, the employees, agents, contractors and invitees of that person;

- (e) month or monthly means calendar month or calendar monthly;
- (f) quarter means calendar quarter;
- (g) Law includes all Law amending, consolidating or replacing them;
- (h) a body or authority means, if that body or authority has ceased to exist, the body or authority which then serves substantially the same objects as that body or authority;
- (i) "including" and similar expressions are not words of limitation;
- (j) the president of a body or authority means, in the absence of a president, the senior officer of the body or authority or any other person fulfilling the duties of president; and
- (k) clause, schedule, attachment, annexure or exhibit means a clause or schedule of, or an attachment, annexure or exhibit to this Lease.

1.3 Parties bound jointly and individually

If two or more persons are named as a party to this Lease, any covenant or agreement made by or on behalf of that party binds them jointly and each of them individually.

1.4 Covenants

Each obligation undertaken by a party to this Lease is a covenant by that party.

1.5 Severability

As far as possible the parties must ensure that:

- (a) this Lease is construed so as not to be invalid, illegal or unenforceable.
- (b) if a provision of this Lease is illegal, invalid or unenforceable, then that provision is read down to the extent necessary to ensure that it is not illegal, invalid or unenforceable and so as to give it a valid operation of a partial character.
- (c) if a provision or part of it cannot be read down, then that provision or part is deemed to be void and severable and the remainder of this Lease continues to be valid and enforceable.

1.6 Entire agreement

This Lease comprises the whole agreement between the Landlord and the Tenant for the letting of the Premises.

1.7 Variation

The parties may only vary this Lease in writing.

1.8 Headings

Headings and bolding are for guidance only and do not affect the construction of this Lease.

1.9 Exclusion of implied provisions

The covenants and provisions implied in a lease by Law to the extent possible are expressly negated in this Lease.

1.10 Governing Law

This Lease is governed by the Laws of New South Wales.

1.11 Measurement of area

If the area of the Premises or the Building must be calculated, then that calculation must be based on the PCA Method of Measurement.

1.12 Compliance on Business Day

If anything is required to be done under this Lease on a day which is not a Business Day, then it must be done on the previous Business Day.

1.13 Landlord's Consent

- (a) Unless otherwise stated, the Landlord may grant its consent or approval:
 - (1) at its discretion; and
 - (2) upon conditions, including as to the timing of payment of a Cost under clause 19.2(a)(1).
- (b) The Landlord's consent or approval is only effective if it is in writing.

1.14 Intentionally Deleted

1.15 Form of this Lease

This Lease is a deed even if it is not registered.

2. Grant of Lease

2.1 Grant

Subject to the provisions of this Lease, the Landlord:

- (a) leases to the Tenant the Premises for the Term, commencing on the Commencing Date and terminating on the Terminating Date; and
- (b) grants to the Tenant the right to use the Services and the Common Areas.

2.2 Holding over

- (a) This clause does not apply if the parties enter an Option Lease.
- (b) If after the Terminating Date, the Tenant continues to occupy the Premises with the Landlord's consent then:
 - (1) the Tenant occupies the Premises as a monthly tenant;
 - (2) the Tenant must pay to the Landlord a monthly Rent equal to 1/12th of the Rent payable by the Tenant immediately before the Terminating Date;
 - (3) the Tenant must pay the first monthly Rent instalment on the day following the Terminating Date;
 - (4) the tenancy otherwise continues on the terms and conditions of this Lease, modified so as to apply to a monthly tenancy;
 - (5) the Landlord may increase the monthly Rent by giving the Tenant 1 month's written notice, even before expiration of the Term, expiring on any date;
 - (6) if the Landlord increases the monthly Rent then the provisions about review of Rent do not apply, except that any monthly increase shall not be more than an amount representing 1/12 of the annual Fixed Rate; and
 - (7) either the Landlord or the Tenant may terminate the tenancy at any time by giving to the other at least 1 month's written notice expiring on any date.

3. Rent

3.1 Payment of Rent

The Tenant must pay the Rent to the Landlord:

- (a) without demand;
- (b) by equal monthly instalments; and
- (c) in advance.

3.2 Instalments

The Tenant must pay an instalment of Rent:

- (a) on the Commencing Date; and
- (b) on the first day of each subsequent month of the Term.

3.3 Proportionate

If necessary, the parties must apportion the first and last instalments of Rent on a daily basis.

3.4 Landlord's direction

The Tenant must pay the instalments of Rent as the Landlord directs.

3.5 No set off

The Tenant must not make any set off or deduction from the Rent.

4. Rent Review

4.1 CPI review

If a date or dates appear in Item 11(a) then the parties must review the Rent on each CPI Review Date to an amount that is the greater of:

(a) the amount represented by A in the formula:

$$A = B \times \frac{C}{D}$$

Where B is the Rent payable for the year immediately preceding the relevant CPI Review Date;

C is the Index Number for the quarter ending immediately prior to the relevant CPI Review Date; and

D is the Index Number for the quarter ending immediately prior to the immediately preceding Review Date or if none, then preceding the Commencing Date; and

(b) the Rent payable immediately preceding the relevant CPI Review Date.

4.2 Fixed review

If a date or dates appear in Item 11(b) then the parties must review the Rent on each Fixed Review Date to an amount represented by A in the formula:

$$A = (B \times C) + B$$

where B is the Rent payable for the year immediately preceding the relevant Fixed Review Date; and

C is the Fixed Rate.

4.3 Market review

If a date or dates appear in Item 11(d), then the parties must review the Rent on

each Market Review Date to an amount determined as follows:

(a) Landlord's Notice

The Landlord may at any time within a Market Review Period, serve a written notice on the Tenant which states the Landlord's assessment of the Rent to apply from the relevant Market Review Date.

(b) Tenant's Notice

If the Tenant disputes the Rent stated in the Landlord's notice, then the Tenant must serve a written notice on the Landlord within 10 Business Days after the Landlord serves its notice.

(c) Tenant does not send a Notice

If the Tenant does not serve the dispute notice within 10 Business Days after the Landlord serves its notice then the Rent from the Market Review Date is as stated in the Landlord's notice.

(d) Attempt to resolve dispute

If the Tenant serves a notice in accordance with clause 4.3(b), the Landlord and Tenant must attempt to resolve their dispute about the Rent payable from the Market Review Date within 10 Business Days of service of the dispute notice on the Landlord.

(e) Valuers to be appointed and determined

If the Landlord and the Tenant do not under clause 4.3(d) resolve their dispute about the Rent payable from the Market Review Date within 10 Business Days after the Tenant serves its dispute notice then within 10 Business Days after the Tenant serves its dispute notice:

- (1) the Tenant must appoint by notice to the Landlord a Valuer; and
- (2) the Landlord must appoint by notice to the Tenant a Valuer.

(f) Valuers to determine

Subject to clause 4.3(j) the Valuers must jointly determine the current open market rental value of the Premises. Subject to clause 4.3(o) the current open market rental value so determined will be the Rent from the Market Review Date.

(g) Landlord's failure to appoint a Valuer

If the Landlord fails to appoint a Valuer then:

- (1) the Tenant's Valuer determines the current open market rental value of the Premises as the Rent that the Tenant must pay from the Market Review Date; and

(2) the Landlord and the Tenant must apportion the Cost of the Tenant's Valuer's determination equally subject to clause 4.3(o)(1) .

(h) Tenant's failure to appoint a Valuer

If the Tenant fails to appoint a Valuer within the time stipulated in clause 4.3(e) and being 20 Business Days after the Tenant serves its dispute notice then the Rent from the Market Review Date is as stated in the Landlord's notice.

(i) Current open market rental value

In determining the current open market rental value of the Premises, the Valuers and any Umpire:

(1) may take into account any matters considered relevant, including any written submissions from the Landlord and the Tenant;

(2) must take into account:

(A) the Permitted Use;

(B) the terms of this Lease;

(C) an assumption that:

(i) the Premises are vacant but fit for immediate occupation and use; and

(ii) that the Tenant has performed all of its obligations under this Lease at the Market Review Date;

(D) current annual rents for similar premises;

(E) any incentive, concession or inducement paid, given or provided to the tenant of any comparable premises;

(F) the Premises on a floor by floor basis without a discount if they are determining Rent for more than one floor; and

(G) in the case of the Umpire only, any evidence submitted by the Valuers as to their assessments of the current open market rental value.

(3) must not take into account:

(A) the value of the Tenant's Goods;

(B) any goodwill attributable to the Premises by reason of the Tenant's business activity;

(C) any relocation costs which would be incurred by the Tenant when moving to other premises;

(D) any impaired condition of the Premises if the condition results from any work carried out or not carried out on the Premises by the Tenant or from any breach of any term of this Lease.

(j) Disagreement between Valuers

Subject to clauses 4.3(i) and 4.3(o), if the Valuers fail to agree on the current open market rental value payable from the Market Review Date within 10 Business Days of notification of their appointment, and:

- (1) if the Tenant's Valuer assesses that the current open market rental value is more than the current open market rental value that the Landlord's Valuer assesses then the Rent is the amount which the Tenant's Valuer determines; or
- (2) subject to clause 4.3(j)(1), if the difference between the respective assessments of the Valuers is not greater than 3% of the aggregate of their assessments, then the Rent from the particular Market Review Date is one half of the aggregate of their assessments.

(k) Appointment of an Umpire

If the Valuers fail to agree on the current open market rental value at the Market Review Date and clause 4.3(j) does not apply then the Valuers must agree upon and appoint an Umpire within 15 Business Days of notification of their appointment.

If the Valuers, for any reason, fail to appoint an Umpire, then either the Landlord or Tenant may request the President of the Australian Institute to appoint the Umpire.

(l) Conduct of Rent review

- (1) The Valuers and the Umpire act as experts and not as arbitrators.
- (2) The Valuers and the Umpire must each give written notice of acceptance of the appointment to the Landlord and Tenant.
- (3) The Landlord and Tenant may make written submissions to their appointed Valuers and the Umpire within 7 Business days of receipt of written notice of the Valuer's or the Umpire's acceptance of appointment.
- (4) The Valuers and the Umpire's determination is final and binding on the Landlord and Tenant.
- (5) The Valuers and the Umpire must:
 - (A) determine the current open market rental value of the Premises within 10 Business Days of giving written notice of acceptance of appointment to act; and

(B) give written reasons for the determination.

(m) Appointment of another Valuer or Umpire

Either the Landlord or the Tenant may request the president of the Australian Institute to appoint another Valuer or Umpire to determine the current market rent of the Premises if either of the Valuers or the Umpire:

- (1) do not accept the appointment to act;
- (2) fail to determine the current open market rental value of the Premises within 10 Business Days of acceptance of appointment to act; or
- (3) resign as Valuer or Umpire.

(n) Cost of determination

Subject to clauses 4.3(g)(2) and 4.3(o)(1) the Cost incurred under this clause 4.3 of:

- (1) each Valuer, must be that of the party appointing the Valuer; and
- (2) the Umpire, must be that of the Landlord and Tenant equally.

(o) After Review

- (1) Despite any other provision of this Lease, in all cases, if the Rent which the Tenant must pay from the Market Review Date is equal to or exceeds the Rent nominated in the Landlord's Notice, then the Tenant alone must pay the Cost of both Valuers and the Umpire.

(p) Agreement to co-operate

The Landlord and Tenant agree to co-operate in implementing any Rent review under this clause 4.3.

4.4 Payment of Rent pending review

(a) Until the Landlord and Tenant determine the Rent:

- (1) the Tenant must continue to pay the Rent payable immediately before the relevant Review Date; and
- (2) a variation in Rent following a review under clauses 4.1, 4.2 and 4.3:
 - (A) takes effect on the Review Date; and
 - (B) applies until the earlier of the next Review Date and the Terminating Date;

- (b) if a review is completed after the Market Review Date then the Tenant must pay within 10 Business Days of the determination to the Landlord the difference between:
 - (1) the monthly instalments of Rent so determined; and
 - (2) the amounts the Tenant pays under clause 4.4(a).

5. Operating Costs

5.1 Operating Costs statement

- (a) The Landlord must determine the Tenant's Proportion of the Increase in Operating Costs for each Operating Costs Period or any broken period.
- (b) Within 6 months after the expiration of each Operating Costs Period, the Landlord must provide an itemised statement to the Tenant containing particulars of the Increase in Operating Costs payable by the Tenant.
- (c) The statement is conclusive unless either the Landlord or Tenant notifies the other of a manifest error within 1 month of its service.
- (d) If any error in the Operating Costs statement is not resolved within 1 month of a party serving notice of the error, a party may refer the error for dispute resolution in accordance with clause 22.

5.2 Payment by the Tenant of Increase in Operating Costs

The Tenant must pay the Tenant's Proportion of the Increase in Operating Costs to the Landlord within 10 Business Days after service of the statement referred to in clause 5.1(b).

5.3 Payment by Tenant on account of Increase in Operating Costs

- (a) Despite the terms of clauses 5.1 and 5.4, the Landlord may notify the Tenant of the Landlord's estimate of the Increase in Operating Costs payable by the Tenant for any period not exceeding 1 year in advance of the estimate.
- (b) During the period referred to in clause 5.3(a), the Tenant must pay the Landlord the amount of the estimate of Tenant's Proportion of the Increase in Operating Costs by:
 - (1) equal monthly instalments in advance; and
 - (2) on the same days and in the same manner as the Tenant must pay Rent.
- (c) The Landlord and Tenant must make any necessary adjustment between the estimated and actual Tenant's Proportion of the Increase in Operating Costs promptly after the statement referred to in clause 5.3(b) is provided by the Landlord.

- (d) The relevant party must make any credit or further payment resulting from the adjustment within 20 Business Days after service of the statement of the actual Increase in Operating Costs.

5.4 Allocation of Operating Costs

- (a) The Landlord may:
 - (1) allocate to particular tenants of the Building those Operating Costs incurred for those tenants only; and
 - (2) exclude those Operating Costs from the Operating Costs for which all tenants are liable.
- (b) If any Operating Costs relate to a period other than an Operating Costs Period then:
 - (1) they accrue from day to day; and
 - (2) the Landlord must apportion them on this basis.

5.5 Variations in Tenant's Proportion

- (a) The Landlord may recalculate the Tenant's Proportion on the same basis as it was calculated before the Commencing Date taking into account the change in the net lettable area if:
 - (1) the net lettable area of the Commercial Office Tower or the Building changes under the PCA Method of Measurement; or
 - (2) there is an error.
- (b) The Landlord's recalculation is:
 - (1) binding on the Tenant; and
 - (2) takes effect from the date the Landlord notifies the Tenant of it.
- (c) The Landlord is not obliged to recalculate the Tenant's Proportion.

5.6 Liability not extinguished

The Tenant's liability to pay the Tenant's Proportion of the Increase in Operating Costs is not extinguished by the expiry or termination of this Lease.

5.7 Base Year Update

The Base Year will be updated at each Market Review Date to the year ending 30 June of the calendar year in which the Market Review Date occurs. This update of the Base Year will also apply during any Market Review Dates which occur at the commencement of and during Option Lease.

6. Utilities

6.1 Tenant liable for charges

The Tenant must pay all charges for utilities and Services consumed on the Premises including charges for:

- (a) water;
- (b) electricity;
- (c) telecommunications; and
- (d) gas.

6.2 Installation of meters

- (a) The Tenant must permit the installation of meters for measuring the quantity of utilities or Services supplied to the Premises if the Landlord or the supplier of a utility or service so requests.
- (b) The Tenant must pay the Cost of the installation.

7. Damage and destruction

7.1 Abatement

- (a) Subject to clause 7.1(b) and 7.3, the Tenant's obligation to pay Rent and the Tenant's Proportion of the Increase in Operating Costs abates proportionately to the nature and extent of the damage or destruction if the Building or any part of the Building is damaged or destroyed.
- (b) Clause 7.1(a) only applies if the damage or destruction means that the Premises or any part of the Premises are partially or wholly:
 - (1) unfit for occupation and use by the Tenant for the Permitted Use; or
 - (2) inaccessible because of the nature and location of the Premises and the normal means of access to them.
- (c) The abatement continues until:
 - (1) the Premises are made fit for the Tenant's occupation and use or made accessible; or
 - (2) this Lease is terminated.

7.2 Termination

- (a) Subject to this clause 7.2 and clause 7.3, either the Landlord or Tenant may terminate this Lease by 1 month's written notice if the Premises are wholly unfit for occupation and use by the Tenant or are wholly inaccessible.

- (b) The Landlord may terminate in any case.
- (c) The Tenant may terminate if the Landlord fails to make the Premises accessible and fit for occupation and use within a reasonable time.
- (d) When determining what is reasonable, the parties must consider the nature and extent of the damage or destruction.

7.3 Tenant's negligence

Clause 7.1 does not apply and the Tenant is not entitled to exercise its rights under clause 7.2 if the Tenant's act, omission, negligence or default:

- (a) contributed to the damage or destruction; or
- (b) deprives the Landlord of the benefit of any insurance money.

7.4 Prior rights

Termination of this Lease under clause 7.2 does not prejudice any Claim that either the Landlord or the Tenant may have had against the other under this Lease prior to that termination.

7.5 Landlord not obliged to reinstate

The Landlord is under no obligation to make the Premises accessible and fit for occupation and use.

8. Repair and Redecoration

8.1 Repair

- (a) The Tenant must maintain the Premises and the Tenant's Goods in good repair having regard to the condition of the Premises at the date the Premises was first occupied by the Tenant.
- (b) The Tenant is not responsible for repairing:
 - (1) fair wear and tear;
 - (2) subject to clause 8.1(c):
 - (A) structural repairs; and
 - (B) repairs arising out of an event beyond the control of the Tenant.
- (c) The Tenant is responsible for:
 - (1) structural repairs if the damage is caused by:
 - (A) the act, omission, negligence or default of the Tenant, its servants, agents or invitees; or

- (B) the Tenant's use of the Premises; and
- (2) repairs under clause 8.1(b)(2)(B) if:
 - (A) the damage was caused by or contributed to by the Tenant, its servants, agents or invitees; or
 - (B) the Landlord is deprived of the benefit of insurance money by the act, omission, negligence or default of the Tenant or its servants, agents or invitees.
- (d) The Tenant acknowledges that the Premises are in good repair on the Commencing Date.

8.2 Tenant's specific repair obligations

In addition to its obligations under clause 8.1, the Tenant must:

- (a) keep the Premises clean and free of rubbish; and
- (b) if the Landlord provides a cleaning service for the Building, then give the Landlord's cleaners access to the Premises;
- (c) promptly repair or replace:
 - (1) broken glass;
 - (2) broken light globes and inoperative light switches and power points;
 - (3) inoperative door or window locks;
 - (4) emergency exit lighting in accordance with the Law; and
 - (5) any Item of the Landlord's Equipment which the Tenant breaks or damages, including floor coverings and ceiling tiles; and
- (d) ensure there is no smoking in the Building.

8.3 Landlord's right to inspect

- (a) The Landlord and any persons authorised by the Landlord may at all times enter the Premises and view its condition and the condition of the Services.
- (b) Subject to clause 8.3(c), the Landlord must give the Tenant reasonable notice before entering.
- (c) The Landlord is not obliged to give notice in the case of an emergency.
- (d) If the Tenant is obliged to repair or maintain something then the Landlord:
 - (1) may require the Tenant to maintain or repair that thing;

- (2) must serve notice of its requirements; and
- (3) may serve the notice at any time.
- (e) The Landlord may enter the Premises and do the repairs if the Tenant does not do so:
 - (1) within a reasonable time; and
 - (2) to the Landlord's reasonable satisfaction.
- (f) The Landlord does the repairs at the Tenant's expense.
- (g) In exercising its powers under this clause 8.3, the Landlord must cause as little inconvenience to the Tenant as is practicable in the circumstances.

8.4 Landlord's right to enter

- (a) The Landlord and any persons authorised by the Landlord may enter the Premises to:
 - (1) exercise its rights or meet its obligations under this Lease;
 - (2) comply with a Law;
 - (3) carry out any maintenance, repairs, alterations, installations, refurbishment works or other works to the Services, the Premises or to the Building if access to the Premises is necessary to carry out those works; or
 - (4) ensure the passage of Services to, on or through the Premises.
- (b) Subject to clause 8.4(c), the Landlord must give the Tenant reasonable notice.
- (c) The Landlord is not obliged to give notice in the case of an emergency.
- (d) In exercising its rights under this clause 8.4, the Landlord must cause as little inconvenience to the Tenant as is practicable in the circumstances.

8.5 Make Good

- (a) The Tenant must Make Good the Premises to the reasonable satisfaction of the Landlord and in accordance with the provisions of the Demolition and Make Good Guide before the Tenant vacates the Premises PROVIDED HOWEVER this clause 8.5(a) does not apply if the Tenant enters into a new lease pursuant to the Option.
- (b) A provision of the Demolition and Make Good Guide is binding on the Tenant as if that provision was set out in this Lease.

8.6 Approval Required

The Tenant must obtain the Landlord's approval for:

- (a) The type and colour of paint and other materials it uses;
- (b) The standards of Make Good required to be implemented; and
- (c) Tradespersons engaged by the Tenant

Which approval will not be unreasonably withheld provided the Tenant complies with the Demolition and Make Good Guide.

8.7 Failure to Make Good

- (a) If the Tenant fails to Make Good the Premises in accordance with clause 8.5 then the Landlord may Make Good the Premises.
- (b) The Tenant must pay the Landlord's Cost of Making Good the Premises.
- (c) If the obligation to Make Good arises at the time the Tenant vacates the Premises, the Tenant not having elected the alternative Make Good option referred to in Clause 1.1(mm), then the Landlord may recover from the Tenant and the Tenant must pay in addition to the Cost of Making Good a sum equal to the Rent which the Tenant is paying at the time it vacates the Premises.
- (d) The parties must calculate this additional amount from the date it vacates the Premises to the date the Landlord completes the Make Good works or to a date when it could be reasonably expected the Make Good works would be completed, whichever is the earliest.
- (e) The Tenant must pay interest at the Default Rate on an amount it must pay under this clause 8.7.
- (f) Clause 8.7(a) to (3) inclusive shall not apply if the Tenant elects to Make Good by paying the sum of money referred to in clause 1.1 (mm).

8.8 Notice of Defective Services

The Tenant must promptly notify the Landlord of any damage to or defect in the Services or the Landlord's Equipment.

9. Alteration

9.1 Consent of Landlord required

The Tenant must obtain the Landlord's consent before it alters or adds to the Premises or installs any partitions or equipment in the Premises.

9.2 Plans etc

The Tenant must submit the plans and specifications of any alteration, addition or

installation to the Landlord for consideration.

9.3 Landlord's Cost

The Tenant must pay the Landlord's reasonable Cost of consent under this clause 9.

9.4 Breach

- (a) If the Tenant breaches clause 9.1, then the Landlord may serve a notice on the Tenant requiring it to reinstate the Premises to the condition it was in prior to the relevant alteration, addition or installation works.
- (b) If the Tenant does not comply with the notice, the Landlord may undertake the necessary reinstatement works.
- (c) The Tenant must pay the Landlord's Cost of doing so.

10. Use of the Premises

10.1 Permitted use

- (a) The Tenant must use the Premises only for the Permitted Use.
- (b) The Tenant must not permit another person to use the Premises for anything except the Permitted Use.

10.2 No warranty

- (a) The Landlord gives no warranty as to the suitability of the Premises for any use.
- (b) The Tenant accepts this Lease subject to any prohibitions or restrictions on the use of the Premises under any Law.

10.3 Compliance with Laws

- (a) The Tenant, at the Tenant's expense, must comply with any Law about the Tenant's use of the Premises and the Tenant's Goods.
- (b) Without prejudice to any of its other rights relating to non-compliance, the Landlord may comply with any Law under clause 10.3(a) at the Tenant's expense.

10.4 Release

The Tenant releases the Landlord from liability for or arising from the Tenant's use of the Premises and the Tenant's Goods.

10.5 Manager of Building

The Landlord has engaged the Manager to manage and conduct the day to day administration of the Building.

The Tenant must comply with the reasonable requirements of the Manager in relation to the proper management of the Building and Common Area, including, without limitation, cleanliness of the Premises, control of vermin, emergency drills and procedures, use of elevators and installation of equipment.

10.6 Prohibitions on use

The Tenant must not:

- (a) allow the Premises to be used for any illegal, immoral, noxious, noisy, dangerous or offensive purpose;
- (b) use the Premises as a residence;
- (c) keep any animals in the Premises;
- (d) hold or permit any auction or public meeting in the Premises; or
- (e) use the Premises in a way which causes damage, nuisance or disturbance to:
 - (1) another occupier of the Building; or
 - (2) an occupier of an adjoining property.

10.7 Tenant's Business

During normal business hours, the Tenant must:

- (a) carry on its business; and
- (b) keep the Premises open for business.

10.8 Obstructions by Tenant

The Tenant must not cover or obstruct:

- (a) any window, skylight or duct which lets light or air into any part of the Premises or Building;
- (b) any entrance or exit of the Premises or the Building; or
- (c) any fire safety or Building service devices required by Law.

10.9 Dangerous substances

The Tenant must not store or use any inflammable, dangerous or explosive substances in the Premises.

10.10 Aerials etc

The Tenant must first obtain the Landlord's consent before it:

- (a) affixes a radio or television aerial or satellite dish or other similar device to any part of the Premises or the Building; or
- (b) uses audio or video equipment in the Premises which causes disturbance to other occupiers of the Building.

10.11 Disposal of rubbish

The Tenant must:

- (a) place all rubbish the Tenant creates in suitable containers;
- (b) arrange for the disposal of all rubbish and waste created by the Tenant which is not removed by the Landlord or the local authorities as part of the normal garbage removal service; and
- (c) not throw anything down the lift shafts or into passages or other Common Areas.

10.12 Plumbing

- (a) The Tenant:
 - (1) must use the toilets, sinks, drainage and other plumbing in the Premises or in the Building only for purposes for which they are constructed; and
 - (2) must not place rubbish or other material in those facilities.
- (b) The Tenant must pay the Landlord the Cost of repairing any damage which the Tenant causes by misuse of plumbing facilities.

10.13 Pest Control

The Tenant must take reasonable precautions to keep the Premises free of pests including insects, rodents and vermin.

10.14 Security and emergency

- (a) The Tenant must give notice to the Landlord as soon as the Tenant becomes aware of any matter which may:
 - (1) affect the safety or security of the Premises or the Building; or
 - (2) give rise to an emergency.

(b) The Tenant must:

- (1) comply with all reasonable requirements of the Landlord to participate in emergency evacuation procedures; and
- (2) ensure that each employee of the Tenant and every other person who occupies or is in the Premises, takes part in emergency evacuation procedures.

10.15 Electrical Equipment

The Tenant must not install any electrical equipment in the Premises which may overload the equipment which supplies electricity to the Premises.

10.16 Non-interference

The Tenant must not interfere with the efficient operation of the Services.

10.17 Locking of doors and windows

The Tenant must lock each door and window when the Premises are unoccupied.

10.18 Signs etc

The Tenant must first obtain the Landlord's consent before it paints or attaches a sign to any part of the Premises or the Building.

10.19 Common Areas

- (a) The Tenant may use the Common Areas for the purposes for which they were intended.
- (b) The Tenant must comply with each reasonable direction which the Landlord gives to the Tenant about its conduct in the Common Areas.
- (c) The Tenant must not interfere with or obstruct other persons using the Common Areas.
- (d) The Tenant must not place or display any goods or signs in the Common Areas.
- (e) The Landlord may change the location of or alter the nature of the Common Areas.

10.20 Directory Boards

The Landlord may place the Tenant's name on a directory board.

10.21 Rules

- (a) The Tenant must comply with the Rules at all times.

- (b) The Landlord may amend the Rules.

11. Insurance

11.1 Tenant's obligation to insure

- (a) Throughout the term of this Lease and on any holding over or further lease or occupation of the Premises, the Tenant must insure, with a reputable insurance company:
 - (1) all plate glass forming part of or in the Premises for its full insurable replacement value;
 - (2) against public risk for not less than the sum in Item 14 for any one Claim or any other sum which the Landlord may reasonably nominate;
 - (3) the Tenant's Goods for their full insurable replacement value;
 - (4) all alterations to the Premises carried out by the Tenant for their full insurable replacement value; and
 - (5) against workers compensation risk, including common law liability cover for:
 - (A) employees of the Tenant; and
 - (B) any other person who may bring a Claim for death or personal injury against the Landlord.
- (b) The Landlord must approve of the insurance company.
- (c) The Landlord must not unreasonably withhold its approval.

11.2 Insurance policies

The Tenant must ensure that the insurance policies required under clause 11.1(a):

- (a) are maintained by the Tenant;
- (b) note the interest of the Landlord; and
- (c) are on terms and conditions reasonably acceptable to the Landlord.

11.3 Evidence of insurance

On or before the Commencing Date and within 10 Business Days of the date of renewal of each insurance policy, the Tenant must give to the Landlord certificates of currency and any other evidence as may be required by the Landlord to assess the Tenant's compliance with clause 11.1.

11.4 Landlord may insure

- (a) If the Tenant fails to take out and maintain the insurance policies then the Landlord may do so.
- (b) The Tenant must pay the Landlord's Cost of doing so.

11.5 Fire Safety

- (a) The Tenant must comply with any Law and any requirements of the Landlord's insurer about fire safety or fire prevention for the Premises including provision of a fire safety statement in the prescribed form as required by local council certifying that all essential fire measures installed in the Premises meet the criteria they were originally required to perform.
- (b) If the Tenant fails to comply, then it must pay the Landlord's Cost of compliance.

11.6 Not to void insurance

The Tenant must not do or omit to do anything which may:

- (a) invalidate an insurance or make an insurance void or voidable; or
- (b) increase the premium on an insurance.

11.7 Extra premiums

The Tenant must pay to the Landlord any additional insurance Cost for the Premises, the Building or the Landlord's Equipment required because of extra risk caused by the Tenant's particular use of the Premises.

11.8 Indemnity

The Tenant indemnifies the Landlord against all Claims arising during or after the Term from:

- (a) any default by the Tenant under this Lease;
- (b) damage or injury to property or persons caused or contributed to by the Tenant's:
 - (1) acts or negligence; or
 - (2) use or occupation of the Premises;
- (c) the negligent use or misuse by the Tenant of the Services or the Landlord's Equipment;
- (d) the overflow or leakage of water, gas or other substance from the Premises other than that caused by the Landlord;

- (e) the Tenant's failure to notify the Landlord of any defect in the Services, except to the extent that any such Claim arises by the negligence of the Landlord.

11.9 Release

- (a) The Tenant:
 - (1) occupies and uses the Premises at the Tenant's risk; and
 - (2) to the extent permitted by Law, releases the Landlord from all Claims arising out of any damage or injury to any property or person occurring in the Premises or in or outside the Building.
- (b) This release does not apply to any Claim which the Landlord causes by its act, negligence or default.

12. Assignment and subletting

12.1 No assignment

Subject to clauses 12.2 and 12.3, the Tenant must not:

- (a) assign, transfer, mortgage, charge or otherwise deal with the Tenant's interest in the Premises; or
- (b) sublet, part with possession or grant a licence of the whole or any part of the Premises.

12.2 Assignment permitted

The Tenant may assign this Lease if:

- (a) the Tenant applies in writing to the Landlord for consent and obtains the consent;
- (b) the Tenant is not in default under this Lease other than a default that has been waived by the Landlord;
- (c) the Tenant proves to the Landlord's satisfaction that the incoming Tenant is:
 - (1) respectable, responsible and solvent; and
 - (2) capable of observing and performing the Tenant's obligations under this Lease;
- (d) the incoming Tenant is a company whose shares are not listed on the Australian Stock Exchange and the incoming Tenant's obligations are guaranteed by personal guarantees or other securities or both to the satisfaction of the Landlord;

- (e) the Tenant obtains from the incoming Tenant and each Guarantor, an executed deed in a form acceptable to the Landlord, requiring the incoming Tenant and each Guarantor to observe and perform the Tenant's obligations under this Lease; and
- (f) the Tenant pays the Landlord's Cost of consent

PROVIDED THAT this clause 12.2 (c), (d) and (e) will not apply should the proposed assignee be a New South Wales Government Department or agency or other government entity (the onus being upon the Tenant to establish that the proposed sublessee is a New South Wales Government department or agency or other government entity to the Landlord's reasonable satisfaction).

12.3 Subletting permitted

The Tenant may sublet the whole or any part of the Premises if the Tenant:

- (a) applies in writing to the Landlord for consent and obtains the consent;
- (b) is not in default under this Lease other than a default that has been waived by the Landlord;
- (c) proves to the Landlord's satisfaction that the proposed subtenant is respectable, responsible and solvent;
- (d) proves to the Landlord's satisfaction that the proposed sublease:
 - (1) prohibits further subletting; and
 - (2) is consistent with this Lease; and
- (e) pays the Landlord's Cost of consent

PROVIDED THAT clauses 12.3 (a), (b), (c), (d) and (e) will not apply if the proposed sublessee is a New South Wales Government Department or agency or other government entity (the onus being upon the Tenant to establish that the proposed sublessee is a New South Wales Government department or agency or other government entity to the Landlord's reasonable satisfaction).

12.4 Mortgage permitted

The Tenant may mortgage this Lease if:

- (a) the Tenant applies in writing to the Landlord for consent and obtains the consent;
- (b) the Tenant is not in default under this Lease other than a default that has been waived by the Landlord;

- (c) the Tenant and mortgagee enter into a deed of consent with the Landlord in a form satisfactory to the Landlord; and
- (d) the Tenant pays the Landlord's Cost of consent.

12.5 Change of ownership of shares in company

- (a) If the Tenant is a company except a company whose shares are listed on the Australian Stock Exchange, a change in the people, who beneficially own or control a majority of the company's voting shares at the date of this Lease, constitutes an assignment of this Lease.
- (b) Clause 12.5(a) does not apply to a change for reconstruction or reorganisation.
- (c) The Tenant must obtain the Landlord's consent to any change or it is in breach of clause 12.1.
- (d) The Landlord must not unreasonably withhold its consent to a change if the Tenant:
 - (1) is not in default under this Lease other than a default that has been waived by the Landlord;
 - (2) proves to the Landlord's satisfaction that a new director or shareholder is a respectable, responsible and solvent person;
 - (3) obtains a guarantee from a new director or shareholder in a form satisfactory to the Landlord; and
 - (4) pays the Landlord's Cost of consent.

13. Landlord's Covenants

13.1 Quiet enjoyment

If the Tenant performs and observes each of the Tenant's obligations under this Lease, then the Tenant may use the Premises without interruption or disturbance from the Landlord or any person claiming by, through or under the Landlord.

13.2 Rates and Taxes

- (a) Subject to clause 13.2(b), the Landlord must pay all rates, taxes and charges relating to the Building and the Premises.
- (b) The Landlord is not obliged to pay those which the Tenant or other tenants or occupiers of the Building must pay.

13.3 Services

- (a) The Landlord must use all reasonable endeavours to ensure that the Services are available during normal business hours.

- (b) If a Service fails to function for any reason:
 - (1) the Tenant is not entitled to terminate this Lease because of the failure;
 - (2) subject to clause 13.3(b)(3), the Tenant may not make any Claim against the Landlord;
 - (3) the Tenant may make a Claim if the Landlord breaches clause 13.3(a); and
 - (4) if the Landlord has complied with clause 13.3(a), the Tenant is not entitled to:
 - (A) an abatement of Rent or the Tenant's Proportion of the Increase in Operating Costs; or
 - (B) any payment from the Landlordas a result of the failure

13.4 Structure

- (a) Subject to the Tenant's repair obligations under clause 8.1 the Landlord must:
 - (1) use reasonable endeavours to keep the Building structurally sound; and
 - (2) carry out necessary structural repairs.
- (b) The Landlord's obligations under this clause do not include the Landlord's Equipment.

14. Termination and interest

14.1 Termination

- (a) The Tenant is in default and the Landlord may re-enter the Premises if:
 - (1) the Rent and the Tenant's Proportion of the Increase in Operating Costs or other money payable under this Lease is unpaid for 15 Business Days after a written demand has been served on the Tenant;
 - (2) execution is levied against the assets of the Tenant;
 - (3) the Tenant fails to perform or observe any of the Tenant's obligations under this Lease other than the obligation to pay Rent and the Tenant's Proportion of the Increase in Operating Costs under this Lease provided that the parties hereby agree that reasonable notice for the purposes of Section 129 of the Conveyancing Act 1919 *NSW* shall not be less than 30 Business Days and that any such notice is deemed to have been served for the purposes of Section 129 of the Conveyancing Act 1919 *NSW*;

- (4) a Tenant, who is a natural person, stops payment to its creditors or enters into any deed of arrangement for the benefit of the Tenant's creditors; or
- (5) a Tenant which is a company:
 - (A) goes into any form of liquidation;
 - (B) is wound up or dissolved;
 - (C) enters into any scheme of arrangement for the benefit of its creditors;
 - (D) ceases or threatens to cease to carry on business; or
 - (E) has a receiver, receiver and manager or administrator of any of its assets appointed.

- (b) This clause 14.1 applies even if the Landlord does not make a demand for any money payable or notice to the Tenant, except as provided by clause 14.1(a)(1) and (3) above.

14.2 Landlord's right to sue

- (a) Re-entry by the Landlord terminates this Lease.
- (b) Despite re-entry, the Landlord retains the right to sue the Tenant to recover unpaid money or for damages arising from the Tenant's failure to perform and observe its obligations under this Lease.

14.3 Interest on overdue money

The Tenant must pay interest to the Landlord on any Rent, Tenant's Proportion of the Increase in Operating Costs or any other money payable by the Tenant to the Landlord under this Lease that is unpaid:

- (a) at the Default Rate; and
- (b) from the date the relevant payment was due.

14.4 No Waiver

- (a) A failure or delay by the Landlord to exercise its rights arising from a default by the Tenant is not a waiver of that default.
- (b) The demand or acceptance from the Tenant of any over due payment does not prevent the Landlord from exercising or enforcing its other rights under this Lease.

14.5 Landlord may remedy default

- (a) The Landlord may remedy the Tenant's default if:
 - (1) the Tenant fails:
 - (A) to pay any money due; or
 - (B) to perform an obligation under this Lease; and
 - (2) the Landlord serves the Tenant with a notice requiring the Tenant to pay the money or perform the obligation within 15 Business Days and the Tenant fails to comply with that notice.
- (b) The Tenant must pay the Landlord's Cost of remedying a default.

14.6 Repudiation

- (a) Clause 14.6(b) is not an exhaustive statement of the essential terms of this Lease.
- (b) The Tenant breaches an essential term of this Lease if it breaches any of following clauses:
 - (1) 2.2(b) (Holding Over)
 - (2) 3.1 (Payment of Rent)
 - (3) 4.4 (Payment of Rent pending review)
 - (4) 5.2 (Payment of Increase in Operating Costs)
 - (5) 5.3(b) (Payment of estimate of Increase in Operating Costs)
 - (6) 6.1 (Payment of charges for utilities and Services)
 - (7) 8.1 (Obligation to repair)
 - (8) 8.2 (Tenant's specific repair obligations)
 - (9) 9 (Alteration of Premises)
 - (10) 10.1 (Permitted Use)
 - (11) 11.2 (Insurance)
 - (12) 11.8 (Indemnity against Claims)
 - (13) 12.1 (Assignment)
 - (14) 18.1 (Bank Guarantee)
 - (15) 18.3 (Replacement of Bank Guarantee)

- (16) 20.2 (Payment of cleaning costs)
- (17) 21 (Payment of GST)
- (c) If the Tenant breaches an essential term and the Landlord elects to treat that breach as a repudiation, then the Tenant must compensate the Landlord for any loss or damage suffered as a result of the repudiation.
- (d) The Landlord's right to recover damages is not affected or limited by:
 - (1) the Tenant abandoning or vacating the Premises;
 - (2) the Landlord re-entering or terminating the Lease;
 - (3) the Landlord accepting the Tenant's repudiation; or
 - (4) the conduct of the Landlord and Tenant constituting a surrender by operation of Law.

14.7 Duty to mitigate

- (a) If the Tenant vacates the Premises or the Landlord accepts the Tenant's repudiation and terminates this Lease, then the Landlord must try to mitigate its loss by using reasonable endeavours to lease the Premises to another tenant on reasonable terms and at a reasonable Rent.
- (b) The Landlord's acts in trying to mitigate its loss is not an acceptance of the breach or repudiation or a surrender by operation of Law.

14.8 Amount of damages

- (a) If the Landlord accepts the Tenant's repudiation and terminates this Lease then the Landlord may recover from the Tenant the difference between:
 - (1) the Rent, the Tenant's Proportion of the Operating Costs and other money payable by the Tenant for the balance of the Term; and
 - (2) the amount of Rent, Operating Costs and other money the Landlord reasonably expects to obtain by leasing the Premises to another tenant.
- (b) The amount recoverable is in addition to any other right or remedy the Landlord may have against the Tenant.

15. End of Term

15.1 Tenant to deliver possession

- (a) On termination of this Lease, the Tenant must deliver the Premises to the Landlord in good repair having regard to:
 - (1) the Tenant's obligation to repair and maintain the Premises under clauses 8.1 and 8.2; and

- (2) the Tenant's obligation to Make Good the Premises under clause 8.5 to 8.7 inclusive of this Lease; and
 - (3) in accordance with clause 15.2.
- (b) The Tenant's obligations under this clause 15.1 include:
 - (1) replacement of any item of the Landlord's Equipment which the Tenant has broken or damaged and which cannot be repaired; and
 - (2) if required by the Landlord reinstatement of the Premises and Services including reinstatement or replacement of skirting, ceiling tiles and lighting having regard to their condition and location as at the earlier of the Commencing Date or the date of first occupation by the Tenant or any previous Tenant of the Premises.
- (c) If the Tenant fails to deliver the Premises to the Landlord in good repair in accordance with this clause 15.1(a):
 - (1) the Landlord may undertake any necessary works; and
 - (2) the Tenant must pay the Landlord's Cost of doing so.
- (d) In addition to the Cost of the necessary works, the Landlord may recover from the Tenant a sum equal to the Rent and Increase in Operating Costs which the Tenant is paying immediately before termination of this Lease.
- (e) The Landlord must calculate the sum referred to in clause 15.1(d) from the date of termination to the date the Landlord completes the necessary works, or to a date when it could be reasonably expected the necessary works would be completed, whichever is the earliest.

15.2 Removal of Tenant's Goods

- (a) On or before termination of this Lease, the Tenant must remove the Tenant's Goods and any other property of the Tenant or property which does not form part of the Landlord's Equipment from the Premises.
- (b) The Tenant must make good any damage it causes or contributes to the Premises in removing the Tenant's Goods.
- (c) In any event, the Tenant must leave the Premises in a clean state and condition.
- (d) If the Tenant fails to comply with clause 15.2(b) or 15.2(c), then the Landlord may do so and recover from the Tenant the reasonable Cost as a liquidated debt payable on demand.

15.3 Failure to remove Tenant's Goods

- (a) The Landlord may, at the Cost of the Tenant, remove and dispose of the Tenant's Goods and any other property of the Tenant or property which does

not form part of the Landlord's Equipment if the Tenant does not remove the Tenant's Goods in accordance with clause 15.2(a).

- (b) If the Landlord so elects on an item by item basis, any items of the Tenant's Goods or other items referred to in clause 15.3(a) which the Tenant does not remove at the expiry or termination of this Lease are deemed to form part of the Landlord's Equipment.
- (c) If the Landlord acts under clause 15.3(b), the Landlord is not liable in any way to account to the Tenant for the Tenant's Goods.

15.4 Tenant to indemnify and pay Landlord's Cost

The Tenant must:

- (a) indemnify and keep indemnified the Landlord:
 - (1) for the removal, storage or sale of the Tenant's Goods or other items referred to in clause 15.3(a) ; and
 - (2) against any Claim which the Landlord may suffer or incur claiming an interest in the Tenant's Goods or other items referred to in clause 15.3(a) if the Landlord acts in any manner permitted under clause 15.3.
- (b) Pay to the Landlord, as a liquidated debt payable on demand, any reasonable Cost incurred by the Landlord in exercising its rights under clause 15.3.
- (c) This debt includes any excess of Cost over the money the Landlord receives upon disposal of the Tenant's Goods under clause 15.3(b).

15.5 Application after exercise of option

Clauses 15.1, 15.2 and 15.3 do not apply if the Tenant has served an effective notice to the Landlord that the Tenant wishes to take the Option Lease and executes the Option Lease but will apply at the expiry of the Option Lease.

15.6 Election of Landlord

- (a) Before the Terminating Date, if the Landlord serves a notice in accordance with clause 15.6(b) on the Tenant, then the Tenant:
 - (1) is not required to comply with the Obligations specified in that notice; and
 - (2) must, if required by the Landlord in that notice, pay to the Landlord on or before the Terminating Date the Landlord's reasonable estimate of the cost of undertaking the Obligations specified in that notice.
- (b) A notice served by the Landlord under clause 15.6(a) must specify:
 - (1) the Obligations;

- (2) whether the Landlord requires payment of the estimated costs of carrying out the Obligations specified in accordance with clause 15.6(b)(1); and
- (3) if the Landlord requires payment from the Tenant of the estimated costs of carrying out the Obligations specified in accordance with clause 15.6(b)(1), the Landlord's estimate of the cost of carrying out the Obligations.

15.7 If the Tenant elects to Make Good by paying the sum of money referred to in clause 1.1(mm), clauses 15.1(a)(2) and (3), 15.1(b)(2), 15.1(c) and (d), 15.2, 15.3, 15.4 and 15.6 do not apply and title to any Tenant's Goods not removed from the Premises shall pass to the Landlord. The Tenant indemnifies the Landlord against any claim by any person claiming ownership of the Tenant's Goods or an interest in the Tenant's Goods pursuant to a registered interest on the Personal Property Securities Register and agrees that this indemnity is an ongoing obligation continuing after the Terminating Date.

16. Option Lease

16.1 Option to renew

- (a) The Landlord must grant the Tenant the Option Lease if the Tenant:
 - (1) wishes to take the Option Lease;
 - (2) gives notice to the Landlord to that effect not more than 12 months and not less than 9 months before the Terminating Date;
 - (3) has not been consistently or often late in payment of Rent, the estimate of Tenant's Proportion of the Increase in Operating Costs, GST or interest under the terms of this Lease; and
 - (4) is not in default under this Lease at the time of giving notice.
- (b) The Landlord must grant the Option Lease:
 - (1) at a rent determined under clause 16.2; and
 - (2) subject to clause 16.4, on the same terms and conditions as this Lease.

16.2 Rent payable under Option Lease

The parties must determine the Rent payable at the commencing date of the Option Lease using the rent review procedure in clause 4.3 as if that date is a Market Review Date.

16.3 Parties to execute Option Lease

The Landlord, Tenant and Guarantor must execute the Option Lease as soon as practicable after service of an effective notice that the Tenant wishes to take the

Option Lease.

16.4 Variations

- (a) The parties must:
 - (1) not include this clause 16, clause 1.1(bb), clause 24, and Item 17 in the Option Lease;
 - (2) amend clause 8.5(a) by deleting the proviso;
 - (3) amend the Reference Schedule in the Option Lease to show correct dates, amounts and periods; and
 - (4) prepare the Option Lease in a form which complies with any relevant Law.
- (b) The Landlord reserves the right to make other variations to the Option Lease to reflect changes in circumstances.

17. Guarantee

17.1 Guarantee

- (a) In consideration of the Landlord granting this Lease to the Tenant at the Guarantor's request, the Guarantor guarantees to the Landlord:
 - (1) payment by the Tenant of the Rent, Tenants Proportion of the Increase in Operating Costs and other money payable under this Lease; and
 - (2) performance and observance of each of the Tenant's other obligations under this Lease.
- (b) The Guarantor's guarantee is for the entire period that the Tenant:
 - (1) occupies or is entitled to occupy the Premises as tenant, including under an Option Lease; or
 - (2) holds an equitable interest over the Premises under an agreement for lease or as a periodical tenant.
- (c) This guarantee extends to any Claim by the Landlord arising from:
 - (1) breach of this Lease;
 - (2) a repudiation of this Lease;
 - (3) the Tenant abandoning or vacating the Premises;
 - (4) the Landlord re-entering or terminating this Lease;
 - (5) the Landlord seeking to enforce this Lease or this guarantee; and

- (6) a disclaimer of this Lease by a liquidator.

17.2 Guarantee not discharged

The Landlord's rights and the Guarantor's liability under clause 17.1 are not affected by:

- (a) the granting of an indulgence, extension of time or concession by the Landlord to the Tenant or any Guarantor;
- (b) the Landlord's:
 - (1) failure to enforce a term of this Lease against the Tenant;
 - (2) waiver of any breaches; or
 - (3) waiver of any defaults by the Tenant under this Lease;
- (c) the total or partial release of liability of the Tenant by the Landlord;
- (d) the Landlord entering into any arrangement or compromise with the Tenant or any Guarantor or any other person;
- (e) the variation, extension or renewal of this Lease between the Landlord and the Tenant without the Guarantor's consent;
- (f) the death, bankruptcy or winding up of either of the Tenant or the Guarantor;
- (g) this Lease or any obligation contained in this Lease being wholly or partially unenforceable for any reason;
- (h) the disclaimer of this Lease by a liquidator; and:
 - (1) any Guarantor failing to execute this Lease;
 - (2) the unenforceability of this guarantee against any Guarantor; or
 - (3) the release of any Guarantor from liability under this guarantee by the Landlord.

17.3 Payments

- (a) The Guarantor's liability is not discharged by any payment to the Landlord which is later avoided by Law.
- (b) If that happens, the Landlord, the Tenant and the Guarantor are restored to their respective rights as if the payment had not been made.
- (c) The Guarantor may only prove or Claim in any liquidation, composition, arrangement or assignment for the benefit of creditors after the Landlord has received all money payable to the Landlord by the Tenant in full.

- (d) The Guarantor holds any proof, Claim or dividend received by the Guarantor on trust for the Landlord.

18. Bank Guarantee

18.1 Delivery of Guarantee

The Tenant must deliver the Bank Guarantee to the Landlord on or before the Commencing Date.

18.2 Application of Bank Guarantee

- (a) If the Tenant breaches this Lease, the Landlord may:
 - (1) demand the Bank for payment of an amount under the Bank Guarantee to the Landlord; and
 - (2) apply the amount received from the Bank to payment of any Rent, Tenant's Proportion of the Operating Costs or other moneys payable by the Tenant to the Landlord as a result of the Tenant's breach of this Lease.
- (b) The Landlord's demand or application of any amount under clause 18.2(a) does not affect the rights of the Landlord under this Lease or operate as a waiver of the Tenant's breach.
- (c) Subject to the Tenant's compliance with clause 18.3, the Landlord must refund any part of the amount under the Bank Guarantee not applied under clause 18.2(a)(2) to the Tenant.

18.3 Further Bank Guarantee

If the Landlord exercises its rights under clause 18.2 then the Tenant must deliver to the Landlord a replacement Bank Guarantee within 10 Business Days of the date on which the Bank pays the amount in Item 18 to the Landlord.

18.4 Increase in amount of Bank Guarantees

If the amount of the Bank Guarantee required under this Lease increases as a result of an increase in Rent or other monies payable by the Tenant under this Lease then the Tenant must deliver to the Landlord a replacement Bank Guarantee for that increased amount within 10 Business Days of the date on which the increase in the Bank Guarantee amount took effect.

18.5 Return of Bank Guarantee

Unless the Landlord is entitled to exercise its rights under clause 18.2, the Landlord must return the Bank Guarantee to the Tenant within 4 months after the termination of this Lease.

18.6 Security Deposit in Lieu of Bank Guarantee

The Landlord and the Tenant agree that in lieu of the Bank Guarantee the Tenant may deliver to the Landlord or the Landlord's managing agent for the Premises, a cash security deposit for the same amount as would otherwise be required if a Bank Guarantee was provided ("Security Deposit"). The provisions of Clauses 18.1 to 18.5 inclusive apply mutatis mutandis to such security deposit.

PROVIDED THAT whilst ever the Tenant (and any sublessees) in occupation or possession of the Premises are the Professional Standards Council ABN 54 844 972 531 or other related State Government Departments or agency or State Government entities clause 18.1, 18.2, 18.3, 18.4, 18.5 and 18.6 shall not apply.

19. Miscellaneous

19.1 Notices

- (a) A notice given by a party under this Lease:
 - (1) must be in writing;
 - (2) may be signed by an officer of or solicitor for that party or any other person nominated by the party by notice to the other party;
 - (3) is sufficiently served if:
 - (A) served personally; or
 - (B) forwarded by prepaid security post to the address of that party in Item 15 or the registered office of that party; or
 - (C) in the case of the Tenant, at the Premises.
- (b) A party may nominate by notice another address in Australia for the service of notices under this Lease.

19.2 Costs and stamp duty

- (a) In addition to any other Cost payable under this Lease, the Tenant must pay the Landlord's Cost for:
 - (1) any consent required under this Lease;
 - (2) any surrender or termination of this Lease except through its expiry;
 - (3) any breach by the Tenant of this Lease; and
 - (4) undertaking searches for and negotiating and preparing any variation of this Lease.
- (b) If under this Lease, the Tenant must pay the Landlord's Cost for anything then the Tenant must pay that Cost as a liquidated debt on demand.

- (c) The Tenant must pay any stamp duty, including any fine or penalty, assessed on or registration fees for this Lease.

19.3 Power of attorney

- (a) From the Commencing Date the Tenant for valuable consideration irrevocably nominates and appoints individually to be the attorney of the Tenant:
 - (1) the Landlord;
 - (2) any attorney of the Landlord; and
 - (3) any person nominated by the Landlord for the purposes of this clause 19.3.
- (b) At any time after the right of the Landlord to re-enter the Premises has arisen the attorney may execute and register a transfer or surrender of this Lease or a withdrawal of caveat.
- (c) The Tenant must ratify and confirm any lawful act of the attorney.
- (d) This clause 19.3 will not apply while the Tenant is the Professional Standards Council ABN 54 844 972 531 or any State Government department or agency or other State Government entity.

19.4 Resumption

If the Premises are Resumed, this Lease terminates on the date of Resumption.

19.5 Rights of support etc

- (a) The Landlord may grant any right or enter into any arrangement for the Land to provide:
 - (1) access to the Premises or the Building;
 - (2) Services to the Premises; or
 - (3) support for structures on the Land or adjoining land.
- (b) The Landlord must not exercise its rights under this clause 19.5, if it prejudices the Tenant's rights.

19.6 Landlord's reservations

The Landlord reserves the right to:

- (a) pass any Services through the Premises;
- (b) have access to those Services to maintain, repair or replace them and to install additional Services; and

- (c) erect and display advertising signs and for sale signs on the roof and external walls of the Building and to authorise others to do so.

19.7 Inspection with prospective purchaser etc

- (a) The Landlord may enter and inspect the Premises with:
 - (1) a prospective purchaser;
 - (2) a prospective tenant; or
 - (3) a prospective mortgagee of the Building.
- (b) The Landlord must give the Tenant reasonable notice.

20. Cleaning of the Premises and Building

20.1 Landlord to clean

- (a) The Landlord must provide for the cleaning of the Building including the Premises.
- (b) The Building must be cleaned by a cleaner who the Landlord engages.
- (c) The Landlord is not responsible to the Tenant for any loss or damage to the Tenant's Goods by a cleaner.
- (d) The Tenant must permit access outside ordinary business hours for a cleaner to clean the Building.
- (e) The Tenant must permit access to a cleaner at any time for the cleaning of the interior surface of windows.
- (f) For the purpose of this clause 20, "cleaning" includes the cleaning of carpets, windows and the removal of garbage, rubbish and other waste.

20.2 Payment

- (a) The Tenant must, by way of additional rental during the Term, pay to the Landlord per month in advance the Cost per month of the Landlord cleaning the Premises.
- (b) The Landlord is entitled to estimate the amount payable by the Tenant per month under this clause 20.
- (c) The Landlord must determine and notify the Tenant the amount payable by the Tenant for each month as soon as practicable.
- (d) If the amount exceeds the amount which the Tenant pays on account, then the Tenant must pay the difference to the Landlord on demand.

- (e) If the amount is less than the amount which the Tenant pays on account, then the Landlord must credit the excess against future payments under this clause 20.
- (f) The Landlord must keep accurate records of the Cost of cleaning it provides under this clause 20.
- (g) A certificate of the Landlord is prima facie evidence of the Landlord's Cost of cleaning under this clause 20.

21. GST

21.1 Amounts otherwise payable do not include GST

All Payments, including all rent and other charges expressed or determined to be payable by the Tenant under this Lease, have been set or determined without regard to the impact of GST.

21.2 Liability to pay any GST

If the whole or any part of a Payment by a party (including amounts referred to in clause 21.3) is the Consideration for a Taxable Supply, the GST Amount in respect of the Payment must be paid to the payee as an additional amount, at the same time and in the same manner as the Payment is otherwise payable or as otherwise agreed in writing.

21.3 Reimbursements

If this Lease requires a party to pay for, reimburse or contribute to any expense or liability (reimbursable expense) incurred by the other party (payee) to a third party, the amount to be paid, reimbursed or contributed shall be reduced by the amount of the Credit.

21.4 Tax Invoice

A party receiving payment under clause 21.2 must provide a valid Tax Invoice to the party from which such payment is received.

22. Dispute Resolution

22.1 If Dispute Arises

If a dispute or difference arises between the Landlord and the Tenant in respect of any fact, matter or thing arising out of, or in any way in connection with Making Good the Premises, or any matter in respect of this Lease, the dispute or difference must be determined in accordance with the procedure in this clause 22.

22.2 Notice of Dispute

If a dispute or difference arises, either party may give a notice in writing to the other party specifying:

- (a) the dispute or difference;
- (b) particulars of the party's reasons for being dissatisfied; and
- (c) the position which the party believes is correct.

22.3 Expert Determination

If the dispute or difference is not resolved within 14 days after a notice is given under clause 22.2, the dispute or difference must be submitted to an expert determination.

22.4 The Expert

The expert determination under clause 22.3 is to be conducted by an independent industry expert agreed by the parties or, failing agreement within 7 days after the date the dispute or difference must be submitted to an expert for determination, by an appropriate industry expert (having regard to the nature of the dispute or difference) appointed by the chairperson of LEADR (or other senior office holder if the chairperson declines) at the request of either the Landlord or the Tenant.

22.5 Reappointment

If an independent industry expert appointed under this clause 22.4:

- (a) is unavailable;
- (b) declines to act;
- (c) does not respond within 14 days to a request by one or both parties for advice as to whether he or she is able to conduct the determination; or
- (d) does not make a determination within the time required by clause 22.10,
- (e) another industry expert must be appointed under clause 22.4.

22.6 Not Arbitration

An expert determination conducted under this clause 22 is not an arbitration and the expert is not an arbitrator. The expert may reach a decision from his or her own knowledge and expertise.

22.7 Procedure for Determination

The expert will:

- (a) act as an expert and not as an arbitrator;
- (b) proceed in any manner the expert thinks fit;
- (c) conduct any investigation which the expert considers necessary to resolve the dispute or difference;

- (d) examine documents and interview persons as the expert may require; and
- (e) make directions for the conduct of the determination as the expert considers necessary.

22.8 Disclosure of Interest

The expert must:

- (a) disclose to the parties any interest the expert has in the outcome of the determination; and
- (b) not communicate with one party to the determination without the knowledge of the other.

22.9 Costs

Each party will:

- (a) bear its own costs in respect of any expert determination; and
- (b) pay one-half of the expert's costs.

22.10 Conclusion of Expert Determination

- (a) Unless otherwise agreed between the parties, the expert must notify the parties of the expert's decision upon an expert determination conducted under this clause 22 within 28 days from the acceptance by the expert of the expert's appointment.

22.11 Agreement with Expert

- (a) Except in the case of fraud, the expert will not be liable to the parties arising out of, or in any way in connection with, the expert determination process.

22.12 Determination of Expert

The determination of the expert:

- (a) must be in writing; and
- (b) will be final and binding.

22.13 Survive Termination

This clause 22 survives the termination of this Lease.

22.14 Continuation of Works

Despite the existence of a dispute or difference between the parties the Tenant and the Landlord must comply with their respective obligations under this Lease.

23. Work Health & Safety

23.1 The Tenant:

- (a) acknowledges and agrees that for the purpose of WHS Laws, the Tenant has control of the Premises and all plant, substances and activities within the Premises;
- (b) warrants that its use and occupation of the Premises and its activities at the Premises (including the activities of its employees, contractors and agents) and on Common Areas will not give rise to any risk to the health and safety of any person;
- (c) must implement procedures to identify all risks to the health and safety of any person arising from its use and occupation of the Premises and activities at the Premises and on Common Areas and take all necessary steps to minimise those risks as far as reasonably practicable; and
- (d) must not breach WHS Laws and must not do or allow to be done, or omit or allow to be omitted anything which may result in the Landlord being in breach of WHS Laws.

23.2 The Tenant must consult, cooperate and coordinate its activities with the Landlord in connection with the Premises and Common Areas to ensure that the parties comply with WHS Laws, including but not limited to taking reasonable steps to participate in any meetings, furnish and maintain current information and to take any other steps as agreed between the parties.

23.3 The Tenant must immediately notify the Landlord of any accident, notifiable incident (being an incident which is notifiable under WHS Laws) or injury which occurs on the Premises, in connection with the activities at the Premises or on Common Areas.

23.4 The Tenant releases and indemnifies the Landlord from and against any obligation or liability of the Landlord arising in connection with WHS Laws with respect to the Premises.

23.5 If the Tenant commissions a construction project (as the term 'construction project' is defined in the WHS Regulations) on the Premises, the Tenant must appoint a principal contractor for that project.

23.6 Subject to the Tenant's obligations under this Lease, to the extent of any inconsistency or conflict between this clause 23 and any other clause in this Lease, this clause 23 prevails.

24. Rent Reduction

24.1 Reduction

Whilst ever the Tenant in occupation or possession of the whole of the Premises is Professional Standards Council ABN 54 844 972 531 the Incentive Amount must be

taken as a reduction in Rent on a monthly pro rata basis over the Term of this Lease.

24.2 Notice to Tenant

- (a) The Landlord will, subject to clause 24.2(b), apply the Incentive Amount as defined in clause 24.1 above to Rent payable on a monthly pro rata basis over the Term of this Lease.
- (b) The Landlord cannot be required to apply any Incentive Amount in any Month in accordance with clause 24.1 and 24.2 while the Tenant is in default under this Lease

25. Ownership of Deductible Items

25.1 Tenant's Acknowledgement

- (a) The Tenant acknowledges and agrees that on the Commencing Date of this Lease all title to those items of Tenant's Works which formed part of the Landlord's Equipment as specified in clause 3.1(i) of the Agreement ("Deductible Items") vests with the Tenant and forms part of the Tenant's Goods for the price of \$1.00.
- (b) The Tenant is required to maintain the Deductible Items during the Term of the Lease.
- (c) For the avoidance of doubt, the Tenant is required to remove the abovementioned Deductible Items on the termination of this Lease or any extension of this Lease pursuant to exercise of the option whichever is the later. For the avoidance of doubt, the Deductible Items are part of the Tenant's Goods and clause 8.5 applies to the Deductible Items as it does to the remainder of the Tenant's Goods.

26. Existing Fitout

26.1 Acknowledgement by Tenant

The Tenant acknowledges that the Existing Fitout remains in the Premises as at the Commencing Date and accepts the Premises and the Existing Fitout on an "as is" basis.

26.2 No Warranty

The Landlord gives no warranty as to the condition or suitability for use for any of the Existing Fitout. The Tenant shall not raise any objection or claim for compensation in relation to the condition of the Existing Fitout installed in the Premises at the Lease Commencing Date or any such earlier occupation of the Premises.

26.3 Maintenance & Repair

The Tenant is required to maintain the Existing Fitout in good repair during the Term of the Lease.

26.4 Make Good

For the avoidance of doubt, the Tenant is required to remove the Existing Fitout on the termination or expiry of this Lease or any extension of this Lease pursuant to exercise of the Option (if any) or any holding over whichever is the later. For the avoidance of doubt, the Existing Fitout is part of the Tenant's Goods and clause 8.5 applies to the Existing Fitout as it does to the remainder of the Tenant's Goods.

Execution by Landlord

Certified correct for the purposes of the Real Property Act 1900 by the corporation named below the common seal of which was affixed pursuant to the authority specified and in the presence of the authorised person(s) whose signature(s) appear(s) below.
Corporation: **TANERT PTY LIMITED ACN 000 634 024**
Authority: Section 127 of the Corporations Act 2001

