2014

SHIRE OF WYNDHAM EAST KIMBERLEY

AND

NORTHERN AIRPORT SERVICES PTY LTD (ACN 076 624 729)

LEASE

Lease of East Kimberley Airport ticketing area, back office, veranda, tarmac parking and store

TABLE OF CONTENTS

1.0	DEFINITIONS AND INTERPRETATION			
	1.1	Definitions	1	
	1.1			
	1.2	Interpretation Business Days		
	1.3	Acts		
	1.4	ACIS	0	
2.0	OPEF	RATIVE PART	8	
3.0			-	
	3.1	Rent	-	
	3.2	Rent Review		
	3.3	Interest on Overdue Moneys		
	3.4	Rates, Taxes and Outgoings		
	3.5	Costs		
	3.6	Maintain and Repair Premises	12	
	MAIN	TENACE OF LESSOR'S PLANT AND EQUIPMENT		
	3.7	Use of Premises		
	3.8	Entry by Lessor and Others		
	3.9	Alterations and Installations		
	3.10	To Report Certain Matters to the Lessor		
	3.11	No Assignment		
	3.12	Trust		
	3.13	Comply with Acts Etc		
	3.14	Insurance		
	3.15	Not to Invalidate Insurance		
	3.16	Indemnities Etc		
	3.17	No Absolute Caveat	21	
	3.18	Not to Cause Rent Reduction		
	3.19	Yielding Up	21	
4.0	LESS	OR'S COVENANTS	22	
5.0	Μυτι	JAL AGREEMENTS	22	
	5.1	Default By Lessee	22	
	5.2	Damages for Breach of Essential Term	23	
	5.3	Holding Over	23	
	5.4	Lessee's Obligations at Risk and Expense of Lessee	24	
	5.5	Abatement of Rent	24	
	5.6	Destruction of Building	24	
	5.7	Acceptance of Rent Not to Prejudice Lessor's Right	24	
	5.8	Lessor May Remedy Lessee's Default	24	
	5.9	Waiver	24	
	5.10	Notices	24	
	5.11	Easements		
	5.12	Lessor Not Liable to Third Parties		
	5.13	Severance		
	5.14	Acts by Agent		
	5.15	Exercise of Powers		
	5.16	Statutory Powers		
	5.17	Proper Law		
	5.18	Effect of Execution		
	5.19	Dedicated Parking		

			26 26	
6.0	TIME	OF THE ESSENCE	27	
7.0	RENE	WAL OF TERM2	7	
8.0	WHOL	E OF AGREEMENT	28	
9.0	MORA		28	
THE SCHEDULE				
ANNEXURE A				

LEASE

day of

DEED dated

2014

BETWEEN

SHIRE OF WYNDHAM EAST KIMBERLEY of PO Box 614, Kununurra, Western Australia, 6743 ("the Lessor")

AND

NORTHERN AIRPORT SERVICES PTY LTD (ACN 076 624 729) PO Box 757, Kununurra, Western Australia, 6743 ("the Lessee")

RECITALS

- A. The Lessor is registered or is entitled to be registered as proprietor of the land known as Kununurra Airport being Lot 181 on Deposited Plan 28266 the whole of the land in Certificate of Title Volume 2526 Folio 60.
- B. The Lessor has agreed to lease the Premises to the Lessee on the terms and conditions contained in this Lease.

OPERATIVE PART

1.0 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless the context otherwise requires:

"Acts" includes all Acts and statutes (State or Federal) and all rules, regulations, bylaws, local laws, requisitions or orders made under any Act from time to time by any statutory, public, local or other competent authority;

"Air-conditioning Plant" means any plant machinery or equipment for heating, cooling or circulating air in the Premises;

"Annexure" means the annexures to this Lease and 'annexed' has a similar meaning;

"**Corporations Law**" means the Corporations Law as referred to in the Corporations Act 2001 (Cth);

"Consumer Price Index" means the consumer price index compiled by the Australian Bureau of Statistics for the National Consumer Price Index;

"CPI Rent Review Date" means each CPI Rent Review Date specified in item 7 of the Schedule;

"**Current CPI**" means the Consumer Price Index number last published before the relevant CPI Rent Review Date, or if an actuary is appointed under clause 3.2(b)(iii) to determine an index, the number certified by that actuary;

"Current Market Rental Value" means the fair current open market annual rental value that can be reasonably obtained for the Premises:

- (a) on the basis that the Premises are available for leasing for the balance of the Term and any additional options for renewal to a willing but not anxious Lessee from a willing but not anxious Lessor;
- (b) assuming that the Premises may be used for their highest and best use without reference to any limitation imposed by this Lease;
- (c) on the basis that the Lessee's Covenants have been fully performed at the Rent Review Date;
- (d) having regard to current open market annual rental values of comparable Premises, whether vacant or occupied and whether any rental value thereof has been arrived at through new lettings or rent reviews or renewals of existing tenancies or otherwise;
- (e) in the event that the Premises have been damaged or destroyed assuming that the Premises have been reinstated;
- (f) making no reduction for any rent free period, financial contribution or other concessions customarily or likely to be offered to new tenants of vacant premises;
 - a. but ignoring;
- (g) the Lessee's trade fixtures and fittings and any other improvements and installations erected or installed at the Lessee's expense which the Lessee may remove at the expiration of the Lease;
- (h) any value attaching to goodwill created by the Lessee's occupation of the Premises;
- (i) any value attaching to any licence or permit the property of the Lessee in respect of the business carried on by the Lessee at the Premises;
- (j) any want of repair or damage to the Premises resulting from a breach by the Lessee of the Lessee's Covenants;

"Date of Commencement" means the date of commencement of the Term mentioned in the Schedule;

"Date of Expiration" means the date of expiration of the Term mentioned in the Schedule;

"Gross Lettable Area" means the aggregated floor area of the Kununurra Airport Terminal as certified by a licensed surveyor appointed by the Lessor using the Method of Measurement and which the Lessor designate as available for letting from time to time;

"GST" has the same meaning as in the A New Tax System (Goods and Services Tax) Act 1999 (Cth);

"Insured Risk" means an event that the Lessor have insured against, including fire, explosion, earthquake, riot, civil commotion, act of war, lightening, storm, tempest, act of God, fusion, smoke, rainwater, water damage, impact by aircraft or vehicles, machinery breakdown and malicious acts or omissions;

"Joint User Access Areas" means the part of the Land leased and shaded purple on Annexure A;

"Land" means the Land mentioned in the Schedule;

"Lease" means this Lease including any schedules and annexures hereto, as amended or supplemented from time to time and any attachments;

"Lessee" includes the servants and agents of the Lessee;

"Lessee's Covenants" means the covenants contained or implied in this Lease on the part of the Lessee to be obeyed;

"Lessor's Powers" means the rights powers and remedies contained in or implied by this Lease or at law exercisable by the Lessor;

"Lessee's Proportion" means, in relation to Outgoings, an amount which bears the same proportion to the amount of Outgoings as the Lettable Area bears to the Gross Lettable Area or those parts of the Gross Lettable Area to which the service or supply is provided, as the case may be.

"Lettable Area" means the floor area of the Premises as certified by a licensed surveyor appointed by the Lessor using the Method of Measurement, from time to time;

"**Method of Measurement**" means the method of measurement of lettable premises published by the Property Council of Australia Limited (formerly the Building Owners and Managers Association of Australia) in March 1997 or such version as nominated by the Lessor from time to time;

"Outgoings" means all the outgoings mentioned in item 9 of the Schedule;

"**Premises**" means the part of the Land leased and described in item 2 of the Schedule and all improvements and includes all carpets ad floor coverings curtains and blinds and other fixtures and fittings belonging to the Lessor located there all additions or modifications and replacements for the tie being;

"**Previous CPI**" means the Consumer Price Index number last published before the date which is twelve (12) months before the relevant CPI Rent Review Date, or if an actuary is appointed under clause 3.2(b)(iii) to determine an index, the number certified by that actuary;

"Rates and Taxes" means:

- (a) land tax on a single holding basis and metropolitan region improvement tax on a single holding basis;
- (b) council rates and charges;
- (c) water, drainage and sewerage rates and charges including meter rents, charges for disposal of sewerage and storm water, and water usage charges;
- (d) all other rates, taxes, charges, assessments and impositions; payable with respect to the Land or the use of the same, but excluding income tax and capital gains tax;

"**Rent**" means the rent specified in Item 5 of the Schedule as varied from time to time under this Deed;

"**Rent Review Dates**" means each date specified in Item 7 of the Schedule and the relevant rent method expressed for each date;

"Schedule" means the Schedule to this Lease;

"Term" means the term mentioned in the Schedule commencing on the Date of Commencement and expiring on the Date of Expiration and includes where appropriate any renewal or extension; and

"Valuer" means a natural person who:

- (a) is licensed under the Land Valuers Licensing Act 1978; and
- (b) has not less than 5 years' experience (including not less than 2 years' experience in Australia); and
- (c) is a member of the Australian Institute of Valuers and Land Economists (Inc) (Western Australian Division); and
- (d) has experience in assessing rental values of properties of a similar nature to the Premises.

1.2 Interpretation

Unless the context otherwise requires:

- (a) any covenant or agreement, expressed or implied, entered into by more than one person will bind those persons jointly and each of them severally;
- (b) reference to any thing includes any part of that thing;
- (c) reference to any party includes a reference to that party and its successors or personal representatives (as the case may be) and transferees;
- (d) the word "person" includes a corporation;
- (e) words importing of the feminine gender, masculine gender, singular or plural numbers include the masculine gender, feminine gender, plural number and singular numbers respectively; and
- (f) the covenants on the part of the Lessor being only the registered proprietor from time to time of the Land.

1.3 Business Days

Where the day or last day for doing something under this Lease is not a business day, the day or last day for doing that thing is deemed to be the next following business day.

1.4 Acts

Reference to an Act includes all amendments for the time being in force and any other Act enacted in substitution for that Act.

2.0 OPERATIVE PART

The Lessor leases to and the Lessee takes the Land for the Term subject to the Lessee obeying the Lessee's Covenants.

3.0 LESSEE'S COVENANTS

The Lessee covenants with the Lessor as follows:

3.1 Rent

To pay the Rent (free of all deductions) at the times mentioned in the Schedule to the Lessor at its address or as the Lessor may direct in writing from time to time, and in this respect time shall be of the essence of this Lease.

3.2 Rent Reviews

On each Rent Review Date the Rent shall be reviewed and in calculating the Rent Payable from each Rent Review Date the following will apply.

(a) Notice of Proposed Rent

No later than 2 months prior to each Rent Review Date the Lessor may give to the Lessee notice in writing of the annual Rent proposed by the Lessor to become payable from that Rent Review Date ("Proposed Rent") and the Lessee must within 14 days of receiving the notice give to the Lessor written notice that it agrees or does not agree to pay the Proposed Rent and if the Lessee neglects to give the Lessor that notice the Lessee will be deemed to have agreed to pay the Proposed Rent. If the Lessee agrees or is deemed to have agreed to pay the Proposed Rent then the Proposed Rent will apply from the Rent Review Date.

(b) CPI Rent Review

(i) With effect from each CPI Rent Review Date, if and only if the Current CPI exceeds the Previous CPI then the Rent shall be reviewed so that it is the sum calculated on the basis of the following formula:

$RR = (R \times CCPI) \div PCPI$

Where:

"PR"	=	the annual Rent as reviewed;
" R "	=	the annual Rent payable immediately before the

		relevant CPI Rent Review Date;
"CCPI"	=	the Current CPI; and
"PCPI"	=	the Previous CPI.

- (ii) Not earlier than three (3) months before a CPI Rent Review Date, the Lessor may give the Lessee a notice setting out the amount of the reviewed Rent which shall be payable from the CPI Rent Review Date ("CPI Rent Review Notice") except that any failure by the Lessor to give such a notice before the COP Rent Review Date does not preclude the Lessor from giving such a notice in respect of that CPI Rent Review Date at any later time.
- (iii) Determination of Current CPI or Previous CPI

If for the purposes of a CPI Rent Review, the Consumer Price Index number is not published or, in the Lessor's opinion there is a material change in the basis on which the Consumer Price Index is determined, or no Consumer Price Index number was published in the twelve (12) to fifteen (15) month period before the relevant Rent Review Date for the purposes of determining Previous CPI, then the Lessor may appoint an actuary from the Fellows of the Institute of Actuaries of Australia ("the Actuary") to determine:

- a) In respect of Current CPI, an index number which reflects the prevailing levels of prices for the Perth Metropolitan Area at the CPI Rent Review Date;
- b) In respect of Previous CPI, an index number which reflects the prevailing levels of prices for the Perth Metropolitan Area at the date which is twelve (12) months' prior to that Rent Review Date and the Actuary's determination will be binding on both the Lessee and the Lessor and the Lessee and the Lessor shall pay the Actuary's costs in equal shares.
- (iv) Adjustment of Rent after CPI Review

If the Rent is reviewed under this clause 3.2(b) ("CPI Reviewed Rent"), the Lessee shall not be liable to pay any increased Rent until such time as the amount of CPI Reviewed Rent is finally determined under this clause 3.2(b), after which the following provisions shall apply:

- A. on the date upon which the immediately subsequent instalment of Rent is due and payable under this Lease the Lessee shall pay to the Lessor any underpayment of Rent, being the difference between what the Lessee have actually paid as Rent from the CPI Rent Review Date and what the Lessee would have been liable to pay had the Lessee been paying the CPI Reviewed Rent from the CPI Review Date; and
- B. commencing on the date upon which the immediately subsequent instalment of Rent is due and payable under this Lease, the Lessee shall pay instalments of the CPI Reviewed Rent.

(c) Market Rent Review – Reference to Valuer

With effect from each Market Rent Review Date,

- A. the Rent to be paid from that Rent Review Date will be the then Current Market Rental Value determined by a Valuer by whom each of the Lessee and the Lessor agree to be bound or, where the Lessor and the Lessee do not agree to be bound by that Valuer within a second period of 14 days commencing upon the expiration of the 14 day period specified in clause 3.2(a), by agreement between two Valuers, one of whom is nominated by each of the Lessor and the Lessee and where those two Valuers fail to reach agreement the differences between those two Valuers will be resolved by a third Valuers acting as an arbitrator appointed at the request of either party by the President for the time being of the Australian Institute of Valuers and Land Economists (Inc) (Western Australian Division) and the provisions of the Commercial Arbitration Act 1985 shall apply PROVIDED THAT:
 - I. in any arbitration proceedings either party may be represented by his solicitor or other legal representative; and
 - II. if the Lessor and the Lessee do not agree to be bound by one Valuer or either the Lessor or the Lessee fail to immediately appoint or nominate one of the two Valuers, the appointment shall be made by the President for the time being of the Australian Institute of Valuers and Land Economists (Inc) (Western Australian Division) at the request of either party;
- B. the costs of determining the Rent will be borne equally by the Lessee and the Lessor; and
- C. until the annual Rent from a Rent Review Date is agreed or determined the Lessee must pay to the Lessor a rental equivalent to the Proposed Rent. If the annual Rent agreed or determined from a Rent Review Date is less than the Proposed Rent, then the difference between the Rent paid in respect of that period and the rent which should have been paid for that period must be applied by the Lessor against any moneys which next become due and payable by the Lessee to the Lessor pursuant to this Lease. If the annual Rent agreed or determined from a Rent Review Date is more than the Proposed Rent, then the difference between the rent paid in respect of that period and the rent which should have been paid by the Lessee to the Lessor, on demand.

(d) Lessor's Failure to Give Notice

If the Lessor fails to give notice of the Proposed Rent in accordance with clause 3.2(a) then the Lessor does not lose its right to have the Rent from that Rent Review Date reviewed and the Lessor's notice whenever given will be of the same force and effect as if it were given in accordance with clause 3.2(a) and the rate at which the Rent is payable from that Rent Review Date shall date back to and be payable from such Rent Review Date.

3.3 Interest on Overdue Moneys

Without prejudice to the Lessor's Powers, the Lessee must pay to the Lessor on demand interest on any moneys due but unpaid by the Lessee, that interest to be computed from the due date for the payment of the moneys in respect of which the interest is chargeable until payment of those moneys in full and to be recoverable in the same manner as Rent in arrears. For the purpose of this clause "interest" means

the then current rates per annum charged by the Lessor's principal trading bank on overdraft loans of less than \$100,000 plus 3%.

3.4 Payment of Rates, Taxes and Outgoings

(a) Separately Assessed

To duly and punctually pay:

- (i) all Rates and Taxes to the Lessor or if the demand is made to the Lessee by any statutory authority, then to that authority, on demand, in full all Rates and Taxes separately assessed or imposed by any statutory authority solely in respect of the Premises,
- (ii) to the Lessor or if the demand is made to the Lessee by any authority, then to that authority, on demand, in full all Outgoings separately assessed or imposed by any authority solely in respect of the Premises
- (iii) all charges and assessments including all telephone electric light power and gas charges which charges assessments and costs now are or during the Term shall be charged upon or in respect of the Premises or be payable by the owner or occupier in respect of the Premises at the respective days or times upon which those outgoings become due or payable;
- (iv) a period which includes the whole or any part of the Term together with a period outside the Term;
- (v) the whole or any part of either or both of the Land and the Premises any other land or premises.

(b) Not Separately Assessed

Where Rates and Taxes, Outgoings or services are not separately assessed then to duly and punctually pay to the Lessor the Lessee's Proportion of:

- i. Rates and Taxes;
- ii. The Outgoings

3.5 Costs

To pay on demand to the Lessor or as the Lessor directs, all the Lessor's reasonable costs, charges and expenses in connection with:

- (a) The negotiation, preparation, execution, settlement and stamping of this Lease;
- (b) Any consent, approval or exercise of any right, waiver, variation, release, surrender or discharge in connection with this Lease, including but not limited to al costs and expenses of and incidental to the preparation and service of a notice under Section 81 of the Property Law Act 1969;
- (c) Any inspection or report concerning the Premises;
- (d) Any breach or default by the Lessee under this Lease;
- (e) Any work done at the request of the Lessee;
- (f) The exercise or attempted exercise of the Lessor's Powers; and

(g) Any action, suit or proceeding to which the Lessor is joined as a party as a result of the Lessee's occupation of the Premises,

And such costs, charges and expenses include, but are not limited to:

- (h) taxes and fees and fines and penalties which may be payable in connection with this Lease;
- (i) all legal costs and expenses on a full indemnity basis or solicitor and own client basis whichever is higher; and
- (j) all interest which the Lessor is entitled to claim.

3.6 Maintain and Repair Premises

(a) Generally

To maintain repair and keep the Premises including all gardens and parking areas and all additions to the Premises installed by the Lessee including (without limitation) the external and internal surfaces, entrances floors, glass, plate glass windows, flooring, floor coverings, partitions, fire sprinkler system fixtures. conditioning plant and equipment, elevators. air toilet accommodation, all water sewerage and electrical installations and exterior signs and also all other permanent fixtures and fittings in good and substantial repair order and condition, damage by earthquake, aircraft riot civil commotion, fire, flood, lightening, storm tempest, and reasonable wear and tear, act of God and war excepted (unless the damage is caused by the neglect, default or misconduct of the Lessee of the Lessor's insurances are invalidated by an act, neglect or default or the Lessee or its customers) PROVIDED THAT this clause does not impose on the Lessee any obligation in respect of any structural maintenance replacement or repair except when made necessary by any act neglect default or omission on the part of the Lessee or by the Lessee's particular use of the Premises.

(c) Window Treatments

Not without the prior written consent of the Lessor (which consent may not be unreasonably withheld) to install any other form of window treatment to the windows of the Premises either in addition to or in replacement of the existing curtains and blinds until those window treatments have become worn or damaged.

(d) Cleansing, Rodent Control, Nuisance

At the Lessee's own expense to:

- (i) keep and maintain the Premises and the sumps and drains well cleaned and drained and in good sanitary condition and properly disinfected;
- (ii) remove from the Premises all rubbish, trade waste, carton boxes, produce containers or accumulation of useless property remaining on the Premises or in the immediate surroundings;
- (iii) not leave any rubbish bins or other containers outside the Premises;

- (iv) take any action necessary to keep the Premises free from rodents and vermin and from time to time employ pest exterminators for that purpose;
- (v) not cause or permit a nuisance or anything in the nature of or which may be deemed to be a nuisance by the Lessor or any properly constituted authority or within the meaning of any Act relating to the Premises to arise or continue upon or in connection with the Premises; and
- (vi) forthwith abate any nuisance.

(e) Carpets

Not without prior written consent of the Lessor to use or permit the use of casters or rollers on any chairs or other furniture upon carpeted areas of the Premise except where the carpet is protected by rubber or other protective mats and to make good or replacement and relaying of carpet damaged byt the use of the caster or rollers on unprotected carpet surfaces.

(f) Air-conditioning Plant

To employ properly qualified contractors under maintenance agreements to regularly check, repair and replace minor parts (normally regularly replaced in the normal course of maintenance) and maintain the Air-conditioning Plant in good and efficient working order.

(g) Maintenance of Lessor's Plant and Equipment

The Lessee must:

- (a) Maintain the Lessor's plant and equipment on the Premises in good condition and replace any damaged items excepting fair wear and tear and damage caused by an event which is the subject of an insured risk which the Lessor has insured against, but if payment of the insurance money in respect of that damage is refused or reduced by reason of a default of the Lessee, the Lessee must in respect of that damage maintain the Lessor's plant and equipment in the Premises in good condition to the extent that payment of that insurance money is refused or reduced, except that the Lessee's obligation is reduced to the extent that payment of insurance money under the Lessor's insurance policy is refused or reduced by reason of an act or default of the Lessor;
- (b) If the Lessee is liable to replace any of the Lessor's plant and equipment in the Premises, replace that Lessor's plant and equipment with an item of similar quality, colour and design, and carry out the replacement to the satisfaction of the Lessor.

3.7 Use of Premises

(a) Generally

Not to use or permit to be used as the residence or sleeping place of any person or for auction sales but to use the Premises only for the purpose mentioned in the Schedule and for no other purpose whatsoever.

(b) Offensive Activities

Not to carry on or permit any person to carry on in the Premises any noxious noisome or offensive act trade business occupation or calling or any act matters or thing whatever which may cause nuisance damage or disturbance to the Lessor or occupier of any building in the neighbourhood.

(c) Bird, Animals

Not to keep any birds or animals in the Premises save for the animals in transit, carried as part of the Lessee's business.

(d) Lavatories etc

Not to use or permit the lavatories toilets, sinks and drainage and other plumbing facilities in the Premises to be used for any purpose other than for which they were constructed or provided and any damage caused by any misuse of those facilities must immediately be made good by and at the cost of the Lessee.

(e) Chemicals etc

Not to use or permit to be used any chemicals or inflammable gases fluids or substances in the Premises.

(f) Signs

Not without the prior written consent of the Lessor (which consent may not be unreasonably withheld) to construct, display, affix or exhibit on or to the exterior of the Premises any signs lights embellishments, advertisements, names or notices visible from outside the Premises.

(g) Floor Overloading

Not to do or permit to be done upon the Premises anything which would result in excessive strain or floor loading to any part of the Premises except to those parts of the Premises designated in writing by the Lessor.

(h) Air-conditioning Plant

To comply with and observe the reasonable requirements of the Lessor in regard to the Air-conditioning Plant and not to do or permit to be done anything which might interfere with or impair the efficient operation of the Air-conditioning Plant including (without limitation) equipment which may place a demand on the Air-conditioning Plant beyond its designated limits.

(i) Security of the Building

(i) The Lessee must not leave the Premises unattended unless every door of the Premises giving access to a common area or an adjoining part of the Building is securely fastened and locked

- (ii) The Lessee must not have in the Lessee's possession or control any key to any lock or security access device to an outside door of the Airport terminal except as provided by the Lessor.
- (iii) The Lessee shall if required by the Lessor open up prior to plane arrival or departure and lock up and secure the Airport terminal and the Premises after a plane arrival or departure without charge to the Lessor.

(j) Use of Joint User Access Areas

The Lessee will ensure that the Joint User Access Areas (as shown in Annexure A), are kept clean, tidy and free of plant, equipment and materials at all times unless storage has been previously agreed with the Lessor.

3.8 Entry by Lessor and Others

To permit the Lessor or any person authorised by the Lessor to enter the Premises at reasonable times after giving the Lessee reasonable written notice of entry, or on demand in the case of an emergency, with or without workmen and others, and with or without plant, equipment and materials, to:

- (a) inspect the state of repair of the Premises and to ensure that there is no breach of the Lessee's Covenants;
- (b) maintain or repair the Premises;
- (c) maintain, repair or alter any services or any cables, pipes or wires within the Premises;
- (d) carry out structural alterations to the Premises or other works required by a statutory authority;
- (e) rebuild the Building or any part damaged;
- (f) maintain, service, install or remove any plant and equipment;
- (g) remove harmful substances;
- (h) comply with any requirement, notification or order of an authority having jurisdiction or authority over or in respect of the Premises for which the Lessor is liable under this Lease; and
- view the Premises with persons having or seeking an interest in the Building or any part of the Building, financiers, insurers and other similarly interested persons;
- (j) affix re-letting signs or notices to the Premises during the last three (3) months of the Term and the Lessee covenants that it will not remove damage or obscure such signs or notices or allow or cause such signs or notices to be removed damaged or obscured.

And the Lessor must use its best endeavours not to cause any undue inconvenience to the Lessee.

3.9 Alterations and Installations

(a) Generally

Not to make or permit to be made to the Premises any alterations or external projection or any structural alterations or to cut maim or injure any of the principal structure or walls without the prior written consent of the Lessor (which consent may not be unreasonably withheld).

(b) Plant and Equipment

Not to make any alterations or additions to any plant, equipment, fixtures or fittings, forming part of the Premises (including any Air-conditioning, Plant, electrical fittings, plumbing and fire warning or prevention systems) without the prior written consent of the Lessor (which consent may not be unreasonably withheld) and where in setting up any fixtures of fittings in the premises it is necessary or desirable to make alterations or additions to or otherwise affect the performance of any plant equipment fixtures or fittings forming part of the Premise the work will only be done under the supervision of the Lessor's Architect and any other architects or consultants approved by the Lessor (which approval may not be unreasonably withheld) and to pay all reasonable fees incurred by the Lessor in inspecting or supervising the work (including issuing approvals and arranging contracts) and on expiry or earlier termination of the Term should the Lessor so request to reinstate and restore the Premises as nearly as possible having regard to the age of the Premises as are consistent with the Lessee's Covenants to its original state so much of the Premises as may have been altered added to or removed by the Lessee pursuant to the terms of this clause.

(c) Fixtures and Fittings

To repair and make good any damage which may be caused to the Premises by the installation or removal by the Lessee of any fixtures or fittings supplied and fitted by the Lessee or on behalf of the Lessee.

(d) Partitions

Not to erect any partitions in the Premises or make any alterations or additions to any partitions without the prior written consent of the Lessor (which consent may not be unreasonably withheld) and any application for consent may be accompanied by detailed plans and specifications and may be accompanied by detailed plans and if approved by the Lessor may be constructed under the supervision of the Lessor's architects and (unless otherwise agreed by the Lessor) at the reasonable cost of the Lessee in all things including the reasonable fees of such architects.

3.10 To Report Certain Matters to the Lessor

(a) Broken Glass and Equipment

To immediately report to the Lessor any breakage of glass and exterior windows and all damaged or broken heating, lighting, electrical equipment and plumbing installed on the Premises.

(b) Defects

To give to the Lessor prompt notice in writing of any accident to or defect or want of repair in any service or fixtures, fittings, plant or equipment in the Premises and of any circumstances likely to be or to cause any danger, risk or hazard to the Premises or any person in the Premises.

3.11 No Assignment

Not to assign sublet mortgage charge or otherwise part with the possession of or dispose of the Premises or the benefit of this Lease without the prior written consent of the Lessor first had and obtained provided that:

(a) **Consent May be Withheld to Sub-Lease**

The Lessor may in its absolute discretion withhold its consent in respect of a sublease of the Premises without providing any reason for refusing consent.

(b) Consent May be Withheld to Assignment

The Lessor may in its absolute discretion withhold its content in respect of an assignment of the lease of the Premises without providing any reason for refusing consent.

(c) Conditions if Consent Given to Assignment or Sub lease

If the Lessor does consent to the Lease sub leasing or assigning the whole or part of the Premises and the benefit of this Lease the Lessor may impose conditions including but not limited to:

- (i) the proposed assignee is a respectable responsible and solvent person (the onus of proof of which shall be upon the Lessee);
- (ii) the Lessee procures the execution by the proposed assignee of a deed of assignment of this Lease to which the Lessor is a party prepared and completed by the Lessor's solicitors at the cost of the Lessee in all respects and the covenants and agreements on the part of any proposed assignee will be deemed to be supplementary to this Lease and will not in any way relive the Lessee from its liability under this Lease;
- (iii) all Rent and Outgoings then due of payable have been paid and there is not any existing un-remedied breach of any of the Lessee's Covenants;
- (iv) the deed of assignment contains a covenant by the assignee with the Lessor that the assignee will at all times during the continuance of the Term duly observe and perform all the Lessee's Covenants;

(v) the Lessee pays to the Lessor all proper and reasonable costs, charges and expenses incurred by the Lessor of and incidental to the deed of assignment and any enquiries which may be made by or on behalf of the Lessor as to the respectability responsibility and solvency of any proposed assignee.

(d) Corporate Assignee or Sub Lessee

If the assignee or sub-lessee is a company (the shares in which are not listed on any Stock Exchange in Australia) then it is a condition of the Lessor's consent to any deed of assignment or sub-lease that the directors and the shareholders of that company guarantee to the Lessor:

- (i) in the case of an assignment the observance and performance by the assignee of the Lessee's Covenants; or
- (ii) in the case of a sub-lease the observance and performance by the sub-Lessee of the Lessee's Covenants.

(e) **Deemed Assignment**

For the purposes of this clause 3.11:

- (i) any change in the shareholders of any corporate Lessee; or
- (ii) where the Lessee has executed this Lease as the trustee of a trust and any change in the person eligible to be beneficially entitled to the trust assets occurs, or the trust deed is amended to change or add to the persons or classes of persons defined as beneficiaries,

that change is deemed an assignment of the Lease and requires the prior consent of the Lessor in the manner referred to in this clause 3.11.

(f) Exclusion of Sections

Sections 80 and 82 of the Property Law Act 1969 are excluded from any assignment or sub-lease.

3.12 Trust

(a) Consent

Without the prior written consent of the Lessor the Lessee must not:

- (i) hold the Lessee's interest in this Lease on trust for any party other than pursuant to the trust (if any) described in the Schedule;
- (ii) declare a trust of the Lessee's interest pursuant to this Lease;
- (iii) if the Lessor approves of a trust by the Lessor pursuant to the terms of this clause, vary, amend, alter or revoke the terms contained in any trust deed creating that trust or add to or vary the beneficiaries thereunder; or

(iv) distribute or join in the distribution of any or all of the capital of the trust or in any other way vest the trust.

(b) Deemed Assignment

Any declaration, amendment, alteration, revocation or distribution in terms of clause 3.12(a) is deemed to be an assignment to which the provisions of clause 3.11 apply.

3.13 Comply with Acts etc

(a) Generally

Despite anything in or implied by this Lease to immediately comply with all Acts relating to the Premises or the use of the Premises provided that the Lessee shall not be under any liability in respect of any structural alteration required by any Act other than caused or contributed to be the Lessee's particular use of the Premises.

(b) Fire Regulations

In the positioning of partitions upon or within the Premises to comply with all Acts relating to fire detection and alarm and to pay to the Lessor the cost of effecting any alterations to the thermal detectors or other fire alarm installations which may be required or necessary to comply with any Act or the requirements of the Fire and Accident Underwriters' Association the Insurance Council of Australia and the Fire Brigades Board of Western Australia.

3.14 Insurance

(a) **Building Insurance**

To reimburse the Lessor on demand for all premiums paid or payable by the Lessor for insurance of the Premises for the full replacement value under a reinstatement or like policy against loss or damage by fire, fusion, explosion, smoke, lightening, flood, storm, tempest, rainwater, earthquake, riot, civil commotion, malicious damage, aircraft and articles dropped from them and all the usual and necessary risks against which an owner can and does insure including in respect of such insurance all architects and other consultants fees and the cost of demolition and removal of debris.

(b) Other Insurance

At the Lessee's expense to affect and at all times maintain with a public insurance office approved by the Lessor (which approval may not be unreasonably withheld) on behalf of the Lessee and the Lessor for their respective rights and interests:

 a policy to cover the Lessee's fixtures, fittings, plant and equipment and stock in the Premises for their full value in respect of loss from burglary damage by fire, fusion, explosion, smoke, lightening, flood, storm, tempest, rainwater, commotion, malicious damage, impact by vehicles, sprinkler leakage water damage, aircraft and articles dropped from aircraft and other risks against which in the opinion of the Lessor from time to time a tenant should ordinarily insure;

- (ii) workers compensation and employer's indemnity insurance in respect of the Lessee's employees;
- (iii) a policy to cover all (if any) plate glass in the Premises against damage or destruction to the full value thereof;
- (iv) a public liability policy with a cover of not less than \$10,000,000.00 or any greater sum as the Lessor from time to time specify in respect of any one occurrence; and
- (v) any other policy of insurance which the Lessor acting reasonably may from time to time require the Lessee to effect and maintain with an amount of cover as may reasonably be specified by the Lessor.

All moneys recovered in respect of any insurance under paragraphs (i) and (iii) above shall be immediately expended by the Lessee in the satisfaction reinstatement or replacement of those items for which those moneys are received to the extent that those moneys are sufficient for that purpose and the Lessee must make up any deficiency from the Lessee's own moneys.

Not later than 7 days prior to the date for payment specified in the first premium notice or demand received in respect of the insurances the Lessee must pay all premiums in respect of the insurances to be effected and maintained by the Lessee as provided in this Lease and on demand must produce evidence of the policies and of the renewal of the policies as the Lessor may from time to time require.

3.15 Not to Invalidate Insurance

Not to do, or permit any act, matter or thing upon the Premises or bring or keep anything on the Premises which could cause the insurances required to be taken out by the Lessee, or taken out by the Lessor, to be voided, or which could cause the rate of premium on those insurances to be increased, and the Lessee will pay all additional premiums of insurance in respect of the Premises (if any) required on account of the additional or increased risk caused by the use to which the Premises are put by the Lessee.

3.16 Indemnities etc

(a) General

To the extent that the terms and conditions of any insurances effected by the Lessee or any moneys paid to the Lessor out of insurances effected by the Lessee do not fully indemnify the Lessor from and against all actions, claims, demands, notices, losses, damages costs and expenses to which the Lessor becomes liable in respect of all or any of the matters referred to in paragraphs (i) (ii) and (iii) of this sub-clause and except to the extent caused or contributed to by the negligence or act, default or omission of the Lessor or its servants, agents or contractors to indemnify and keep indemnified the Lessor from and against all actions, claims, demands, notices, loses, damages, costs and expenses to which the Lessor shall or may be or become liable in respect of all or any loss or damage to property or death to injury to any person that:

(i) is caused or contributed to by the use of occupation of the Premises;

- (ii) results from any act default or omission by the Lessee hereunder;
- (iii) results from any notice claim or demand to pay do or perform any act matter or thing to be paid done or performed by the Lessee under this Lease.

(b) Loss of Water overflow or Leakage

Without limiting the generality of clause 3.16(a) of this clause to indemnify the Lessor from and against all actions, claims, demands, losses, damages, costs and expenses for which the Lessor becomes liable in respect of or arising from the overflow or leakage of water and other fluids in or from the Premises except to the extent that the same is caused or contributed to by the negligence of the Lessor.

3.17 No Absolute Caveat

Not to lodge an absolute caveat over the Land or any part of the Land to protect the interest of the Lessee under this Lease and the Lessee irrevocably appoints the Lessor (and where the Lessor is a corporation then every manager and other officer of the Lessor for the time being authorised in that behalf by the Lessor jointly and severally) to be true and lawful attorney for the Lessee in his name and on his behalf to execute and to lodge at the Office of Titles Perth a withdrawal of any absolute Caveat and, upon the expiration or sooner determination of the Term, to execute and lodge at the Office of Titles, Perth a withdrawal of any "subject to claim" caveat lodged by the Lessee and the Lessee ratifies and confirms and agrees to ratify and confirm all that the attorney does, or causes to be done, under this clause and will pay the Lessor's costs and expenses of, and incidental to, the withdrawing of any caveat lodged by, or on behalf of, the Lessee affecting the Land as provided by this clause.

3.18 Not to Cause Rent Reduction

Not to do, or fail to do, anything which could directly or indirectly reduce the Rent or impose on the Lessor any liability of the Lessee under this Lease.

3.19 Yielding Up

(a) Generally

Upon the expiration or sooner determination of the Term to peaceably surrender and yield up to the Lessor the Premises clean and free from rubbish and in good and substantial repair and condition in accordance with the Lessee's Covenants.

(b) Removal of Lessee's Fixtures

At or prior to the determination or termination of the Term to:

(i) Remove from the Premises all signs, fixtures, fittings, plant, equipment or other articles upon the Premises in the nature of trade or tenant's fixtures brought upon the Premises by the Lessee (other than Air-conditioning Plant and fire equipment, walls, basins, lavatories, shop fronts, plumbing and electrical equipment and other fixtures and fittings which in the reasonable opinion of the Lessor form an integral part of the Premises) and the Lessee must immediately following that remove and make good to the reasonable satisfaction of the Lessor any damage which may be occasioned by that removal; and

(ii) If required by the Lessor re-alter any alterations (whether structural or otherwise) made to the Premises during the Term so that the Premises are restored to their condition as at the Date of Commencement. Any fittings, fixtures, plant, equipment and furnishings not removed by the Lessee either as of right or by requirement of the Lease will be deemed to have been abandoned by the Lessee and will become the property of the Lessor without any right by the Lessee to make any claim whatever against the Lessor in respect of them.

4.0 LESSOR'S COVENANTS

Subject to this Lease and the Lessee observing and performing the Lessee's Covenants, the Lessor covenants with the Lessee that the Lessee may peaceably possess and enjoy the Premises during the Term without any interruption or disturbance from the Lessor or any other person or persons lawfully claiming by, from or under the Lessor.

5.0 MUTUAL AGREEMENTS

The Lessor and the Lessee mutually agree as follows.

5.1 Default by Lessee

lf:

- (a) the Rent or other moneys payable by the Lessee under this Lease are not paid within 7 days of becoming due (whether formally demanded or not); or
- (b) the Lessee commits a breach of any of the Lessee's Covenants which is capable of remedy and the breach continues for fourteen (14) days after notice has been served on the Lessee by the Lessor requiring the Lessee to remedy the breach; or
- (c) the Lessee commits a breach of a Lessee's Covenant which is incapable of remedy; or
- (d) the Lessee being a company goes into liquidation whether compulsory or voluntary (except for the purpose of amalgamation or reconstruction) or a receiver, manager or administrator is appointed; or
- (e) any mortgagee of the Lessee's property enters into possession of the Premises; or
- (f) any execution or process is made against the property of the Lessee; or
- (g) the Lessee being a natural person shall commit an act of bankruptcy, or
- (h) the Lessee abandons or vacates the Premises; or

(i) the Lessee enters into any deed of arrangement or composition with its creditors;

then, and in any of such cases (but subject to the *Bankruptcy Act 1966*), the Lessor may, at its option at any time after that event and without any notice or demand, enter and repossess the Premises and as a result of that the Term and the estate and interest of the Lessee in the Premises will immediately determine, but without prejudice, to any other of the Lessor's Powers and without releasing the Lessee from liability in respect of the Lessee's Covenants.

5.2 Damages for Breach of Essential Term

The covenants by the Lessee contained or implied in:

- (a) clauses 3.1, 3.2, 3.3, 3.4 and 3.5 to pay the Rent, Rates, Taxes, interest, Outgoings and costs;
- (b) clause 3.7 to use the Premises only for the purpose described in that clause; and
- (c) clause 3.11 and 3.12 not to assign, sub-let or mortgage the Premises except as provided in that clause,

are essential terms of this Lease and the breach, non-observance or nonperformance of any one or more of those covenants is deemed to be a fundamental breach of the provisions of this Lease by the Lessee. The presence of this clause in this Lease does not mean that there are no other essential terms in this Lease. Without prejudice to any other of the Lessor's Powers, should the Lessor pursuant to clause 5.1 terminate the Term following a fundamental breach, the Lessee covenants with the Lessor (and agrees with the Lessor that this covenant will survive the determination of the Term) that the Lessor will be entitled to recover from the Lessee liquidated damages for that breach being the difference between:

- (i) the aggregate of the Rent, Rates Taxes and Outgoings which would have become payable by the Lessee to the Lessor if this Lease had expired by effluxion of time calculated at the rate payable at the date of determination (less a rebate in respect of instalments of Rent, Rates Taxes and Outgoings [calculated as aforesaid] not then accrued or due to be ascertained by applying a rate of 10% per annum to each instalment over the period by which the date for payment is brought forward by this clause) together with any costs and expenses incurred by the Lessor, or which the Lessor reasonably estimates are likely to be incurred by the Lessor, as a result of such breach including the cost to the Lessor of reletting or attempting to relet the Land; and
- (ii) the aggregate of the Rent, Rates Taxes and Outgoings which the Lessor by taking proper steps to relet the Land, obtains, or could reasonably be expected to obtain, by releting the Land after the date of determination to the date this Lease would have expired by effluxion of time provided that in so doing the Lessor will not be required or obliged to offer or accept in respect of the releting terms covenants conditions or stipulations which are the same or similar to the terms, covenants, conditions or stipulations contained or implied in this Lease.

5.3 Holding Over

If the Lessee remains in possession of the Premises after the expiration of the Term with the consent of the Lessor, then the Lessee will be a monthly tenant of the Lessor at a rent equivalent to the Rent payable by the Lessee at the expiration of the Term and otherwise on the same terms and conditions as this Lease. Any holding over may be terminated by either party first giving one month's written notice to the other party of its intention to so determine.

5.4 Lessee's Obligations at Risk and Expense of Lessee

Whenever the Lessee is obliged or required by this Lease to do, or effect, or omit to do, any thing then the doing or the omission to do (as the case may be) of that thing will (unless this Lease otherwise provides) be at the sole risk and expense of the Lessee.

5.5 Abatement of Rent

If the Premises during the Term are destroyed or so damaged as to render the Premises unfit for occupation or use then (unless the damage or destruction was caused by any act or default of the Lessee or any insurance policy in respect of the Premises has been forfeited or payment of any policy moneys refused in consequence of any act or default of the Lessee) the Rent and Outgoings or a fair and just proportion according to the nature and extent of the damage sustained will from the date of the damage or destruction and until the Premises are reinstated and made fit for occupation and use be suspended and cease to be payable and any dispute concerning the provision shall be determined by a single arbitrator in accordance with the provision of the Commercial Arbitration Act 1985 PROVIDED THAT the Rent and Outgoings must be paid by the Lessee until the date of the award of the arbitrator or agreement between the parties (whichever is the earlier) whereupon the Lessor will refund to the Lessee any Rent and Outgoings overpaid by the Lessee. Either party may be represented by his solicitor or other legal representative in any arbitration proceedings.

5.6 Destruction of Building

If during the Term the Premises are destroyed or substantially damaged so as to require rebuilding or reconstruction of the Premises either party may by notice in writing to the other terminate this Lease as from the date of the giving of such notice without prejudice to any rights in respect of any antecedent breach by the other of any of the covenants in this Lease PROVIDED THAT the Lessee may only terminate the Lease if the Lessor has failed to rebuild or reinstate the Premises within a reasonable time of being requested to do so by the Lessee.

5.7 Acceptance of Rent Not to Prejudice Lessor's Right

Demand for, or acceptance of, Rent by the Lessor after default by the Lessee under this Lease will be without prejudice to the exercise by the Lessor of the Lessor's Powers and will not operate as an election by the Lessor either to exercise or not to exercise any of the Lessor's Powers.

5.8 Lessor May Remedy Lessee's Default

If the Lessee fails to obey the Lessee's Covenants then without prejudice to any of the Lessor's Powers the Lessor may (but is not obliged to) pay the money or to do the thing required to be done as if it were the Lessee and for that purpose the Lessor may without regard to the Entry Qualifications enter the Land for the purpose of doing that thing and any moneys expended by the Lessor will be repayable by the Lessee to the Lessor upon demand.

5.9 Waiver

No waiver by the Lessor of any breach of the Lessee's Covenants will operate as a waiver of another breach of the Lessee's Covenants.

5.10 Notices

Any notice required to be served under this Lease will be sufficiently served on the Lessee if left on the Premises or forwarded to the Lessee by security post to the registered office of the Lessee, and will be sufficiently served on the Lessor if addressed to the Lessor and sent by security post to the Lessor's registered office for the time being and a notice sent by post will be deemed to be given at the time when it ought to be delivered in due course of post unless the contrary is shown.

5.11 Easements

The Lessor may, for the provision of public or private access to and egress from the Premises or support of structures erected on the Premises or on adjoining lands or the provision or maintenance of services (including water, drainage, gas and electricity supply and telephone and electronic communications services) grant such easements or rights of way or rights of support or enter into any arrangement or agreement with any of the owners lessees tenants or occupiers or persons interested in any land adjacent to or near the Premises or with any public authority as the Lessor thinks fit and it may likewise for those purposes dedicate, transfer, grant or create any land easement or privilege in favour of any person over or affecting the Premises, and this Lease will be subject to any of those agreements, arrangements, rights, easements or privileges provided that in exercising its rights under this clause the Lessor must use its best endeavours not to unduly interfere with the Lesse's use and enjoyment of the Premises.

5.12 Lessor Not Liable to Third Parties

Except to the extent that any loss, damage or injury is caused directly by Lessor, the Lessor will not be liable for the loss of, or damage, or injury, to any person or any property of the Lessee or any other person in or about the Premises however occurring.

5.13 Severance

If any part of the Lease becomes unlawful, void or unenforceable then that part will be severed from this Lease to the intent that all parts that are not unlawful, void or unenforceable will remain in full force and effect and be unaffected by any severance.

5.14 Act by Agent

Anything which the Lessor is required or empowered to do under this Lease may be done by the Lessor or the solicitor, agent, contractor or employee of the Lessor.

5.15 Exercise of Powers

The Lessor may exercise the Lessor's Powers despite any laches, neglect or previous waiver by the Lessor in respect of any of the Lessee's Covenants or the exercise of any of the Lessor's Powers.

5.16 Statutory Powers

The Powers conferred upon the Lessor by or under any Acts are (except to the extent inconsistent with the terms and provisions expressed in this Lease) in addition to the Lessor's Powers.

5.17 Proper Law

The Lease is governed by the law of Western Australia and the parties submit to the jurisdiction of the courts of that State.

5.18 Effect of Execution

This Lease is binding upon each person who has executed it notwithstanding:

- (a) the failure of any person named as a party to execute it;
- (b) the avoidance or unenforceability of any part of this Lease; or
- (c) the avoidance of unenforceability of this Lease or any part of the Lease against any signatory or intended signatory.

5.19 Dedicated Parking

- (a) 6 dedicated vehicle bays within the car park are included within this lease for use by the Lessee.
- (b) The allocation of the location of the vehicle bays shall be at the Lessor's discretion.
- (c) Signage of the allocated parking bays is the responsibility of the Lessee, and all sigs shall be of a standard size and approved by the Lessor.
- (d) Policing of parking for these bays shall be the sole responsibility of the Lessee.

5.20 Additional Terms Covenants and Conditions

All (if any) of the additional terms covenants and conditions contained in the Schedule are incorporated into, and apply to, this Lease as if fully set out herein.

5.21 Goods and Services Tax

(i) In the Lease:

"GST" means any goods and services tax or similar value added tax levied or imposed in Australia pursuant to the GST Law or otherwise on a supply;

"GST Act" means A New Tax System (Goods and Services Tax) Act 1999 (Cth);

"GST Law" has the same meaning as in the GST Act;

"**Tax Invoice**" includes any document or record treated by the Commissioner of Taxation as a tax invoice or as a document entitling a recipient to an input tax credit.

- (ii) Words used in this clause which have a defined meaning in the GST Law have the same meanings as in the GST Law unless the context indicates otherwise.
- (iii) The Rent and other moneys payable under this Lease have been calculated without regard to GST, and the Lessor and the Lessee agree that the Lessor shall be entitled to charge an additional amount if the Lessor becomes subject to GST as a result of the grant of this Lease or any supply to the Lessee under or in connection with this Lease, and the following provisions shall apply:
 - A. the Lessee must do everything reasonably requested by the Lessor to ensure this Lease is treated as taxable for the purposes of the GST, the Lessee must pay the GST to the Lessor at the same time as the payment to which GST relates, and the Rent and other amounts payable under this Lease are exclusive of GST.
 - B. the Lessee must pay to the Lessor on demand any GST charged on good and services acquired or payable or paid by the Lessor in connection with this Lease or the Leased Premises, including but not limited to any GST payable in connection with or in respect of the provision of any Services and the Rent; and
 - C. where the liability of the Lessee under this clause cannot be separately determined, the Lessee shall pay to the Lessor on demand an amount which is equal to the Lessee's Proportion of the relevant GST.
- (iv) A party's right to payment under this clause 5.21, is subject to a valid Tax Invoice being delivered to the party liable to pay for the taxable supply.

5.22 Consents and Approvals

Except as otherwise specifically provided in this Lease, any consent or approval which may be granted by the Lessor pursuant to this Lease may be granted or refused, or granted subject to conditions, at the absolute discretion of the Lessor.

5.23 Arbitration

If at any time any dispute or difference shall arise between the parties hereto in respect of any of the matters here in before referred to or the meaning or construction of any of the provisions herein contained such dispute or difference shall be referred to an arbitrator or umpire to be appointed in accordance with the provisions of the Arbitration Act 1985 and its amendments and each part to the proceedings before an arbitrator or umpire may be represented by a duly qualified legal practitioner.

6.0 TIME OF THE ESSENCE

Time for the performance of the Lessee's Covenants shall be of the essence of this Lease.

7.0 RENEWAL OF TERM

If the Lessee desires to renew the Term and gives to the Lessor notice in writing not earlier than 6 calendar months but not later than 3 calendar months prior to the expiration of the Term and if at the time of giving that notice and at the expiration of the Term there is no outstanding breach or non-observance of any of the Lessee's Covenants and if in the meantime the Lessor's right of re-entry has not otherwise arisen then the Lessor must at the cost of the Lessee grant to the Lessee a renewal of the Term for the further period specified in the Schedule and otherwise on the same terms and conditions contained in this Lease (other than this right of renewal).

8.0 WHOLE OF AGREEMENT

- (a) The Lessee acknowledges and declares that in entering into this Lease the Lessee has not relied on any promise, representation, warranty or undertaking given by or on behalf of the Lessor in respect of the qualities, state or condition of the Premises or the fitness or suitability of the Premises for any purpose or use whatsoever and that prior to entering into this Lease it has satisfied itself by all appropriate searches, inspections and inquiries as to the state, condition, utility, fitness and suitability of the Premises and all faults or defects therein.
- (b) This Lease constitutes the entire agreement between the parties relating to the Premises and all terms, conditions, agreements, representations, warranties, undertakings and assurances relating to the Premises which are not expressed or contained herein are hereby negatived, excluded and disclaimed.

9.0 MORATORIUM NEGATIVED

The application to the Lease of any moratorium or other Act whether State or Federal having the effect of extending the Term reducing or postponing the payment of the Rent reserved or otherwise effecting the Lessee's Covenants or providing for compensation rights or privileges at the expense of the Lessor in favour of the Lessee or any other person is expressly excluded and negatived.

THE SCHEDULE

Item 1				
Land:	The land known as Kununurra Airport being Lot 181 on Deposited Plan 28266 the whole of the land in Certificate of Title Volume 2526 Folio 60			
Item 2				
Premises:	That part of the Land shaded in red on the plan annexed to this Lease.			
Item 3				
Term:	Three (3) years			
Date of Commence	ement: 1 February 2014			
Date of Expiration:	31 January 2017			
Item 4				
Term of Renewal:	Two (2) Years			
	The Lease may be renewed from 1 st February 2017 to 31 st January 2019, with the agreement of the Lessor and Lessee, and subject to satisfactory compliance with all conditions and requirements of the lease.			
Item 5				
Rent:	\$42,676.16 per annum plus GST payable monthly in advance in equal instalments of \$3,556.35, payable on the first day of each month during the Term commencing on 1 February 2014.			
Item 6				
Use of Premises:	Airline Passenger check in functions, ticketing, baggage handling, equipment storage, administration.			
Item 7				
Rent Review Dates:				
CPI	CPI Rent Review Dates			
	ebruary 2015, 1 February 2016, and if the option of renewal is exercised n 1 February 2017, and 1 February 2018.			

Item 8

Public Risk Insurance:

Item 9

Outgoings

"**Outgoings**" means all outgoings, costs and expenses of the Lessor, including Rates and Taxes assessed, charged, payable or incurred in respect of the Land or the Premises including, but not limited to, the cost of:

- (a) insuring the Premises or any part of the Premises and any equipment or appliance in the Land or the Premises against fire, explosion, earthquake, aircraft, riot, civil commotion, flood, lightening, storm, tempest, act of God, fusion, smoke, rainwater, water leakage, impact by vehicles, machinery breakdown and malicious acts and omissions, loss of rent, demolition and removal of debris, architects and other consultants fees, claims under Workers Compensation legislation, and statutory liability by employees of the Lessor working in or about the Premises, owners third party liability and all other risks which the Lessor insures against;
- (b) compacting, storing and removing rubbish;
- (c) landscaping and maintaining any part of the Land and the Premises;
- (d) providing, maintaining, repairing, replacing, decorating, managing, administering, controlling and securing any service or thing which the Lessor considers necessary or expedient or an improvement to the amenities of the Premises or the Land;
- (e) employing and providing facilities for staff for the matters mentioned in this definition;
- (f) cleaning, maintaining, repairing, renovating, replacing and refurbishing the Premises and the Land except for work of a structural nature;
- (g) providing, operating, maintaining, renovating, repairing, replacing, decorating, refurbishing, managing, administering, controlling, supervising and securing;
 - (i) services to the Premises including lighting, air conditioning, heating and cooling, ventilation, hot water systems, sanitary conveniences and accessories, firefighting and prevention systems, telephone systems, music and public address systems and emergency generators; and
 - (ii) security systems for the Land or the Premises, including but not limited to alarms and other anti-theft equipment of any kind;
- (h) legal fees and disbursements in relation to the matters mentioned in this definition;
- (i) providing motor vehicles, plant, equipment, tools and materials for the matters mentioned in this definition;
- (j) taxes and statutory charges associated with the matters mentioned in this definition including but not limited to payroll tax, financial institutions duty, bank debits tax, tax on goods or services and taxes of a type not charged at the Commencement Date; and
- (k) fees payable to the Managing Agent.

EXECUTED as a Deed.

THE COMMON SEAL of the) SHIRE OF WYNDHAM EAST KIMBERLEY) was hereunto affixed in the presence of:)

President

Chief Executive Officer

EXECUTED for and on behalf of) Northern Airport Services Pty Ltd) (CAN 076 624 729) by authority of its) Directors in accordance with section 127) Of the Corporations Law in the presence of:)

Director

Director/Secretary

