

# **AGREEMENT TO LEASE PREMISES**

The Lessor hereinafter described HEREBY AGREES TO LEASE to the Lessee hereinafter described who HEREBY ACCEPTS such lease of the premises hereinafter described on the following terms and conditions:-

**1. LESSOR:** Barossa Land Developments  
Address: of PO Box 382  
Tanunda SA 5352

**LESSEE:** NH and CD Hambour  
Trading as Luxaflex Gallery Barossa  
12 Ward Street  
Eudunda SA 5374

**2. PREMISES**  
(hereinafter called "the premises")

Shop 1  
46 Murray Street,  
Tanunda SA 5352

## **3. RENTAL**

\$24,433.56 per annum inclusive of GST of \$2,221.23 payable in equal monthly instalments of \$2,036.13 inclusive of GST of \$185.10 on the first working day of every month, payable to the offices of Brock Harcourts Barossa, 88 Murray Street, Tanunda, SA, 5352.

## **4. RENT REVIEW**

The rent will be increased annually during the term to the Consumer Price Index (all groups) for South Australia and at the end of the initial term and at the end of each subsequent term if the options are exercised to market rental.

## **5. TERM OF LEASE**

Agreement is for a term of three (3) years commencing on the 1<sup>st</sup> Day of September 2008 expiring on the 31st day of August 2011.

## **6. RIGHT OF RENEWAL**

One (1) further term of three (3) years.

## **7. LEASE COMMENCEMENT DATE**

Lease to commence on the 1<sup>st</sup> Day of September 2008

## **8. RENTAL COMMENCEMENT DATE**

Rental to commence on the 1<sup>st</sup> Day of September 2008

## **9. UTILITY CHARGES AND OUTGOINGS**

As from the Lease Commencement Date, the Lessee shall be responsible for the payment of:

- (a) All utility charges directly attributable to the tenancy including charges for electricity, gas, telephone, cleaning and other like services.

## **10. INSURANCES**

The LESSEE shall insure all fixtures, equipment and fittings owned by the Lessee within the designated area marked on the attached plan to this lease agreement.

The LESSEE will effect and maintain during the term at its own expense a public risk insurance policy against liability for any damage occasioned to any person by way of bodily injury or property damage arising from ownership or occupation of the premises for an amount adequate to the nature of their business but at least no less than **ten million dollars (\$10,000,000)** for the initial term of the lease and any options of renewal.

The LESSOR will effect and maintain during the term Insurance against damage by fire, lightening, storm and tempest (including rain water and flood water damage) explosion, riots, strikes and malicious damage, impact by aircraft and other vehicles including the Lessor's own vehicles earthquake and sprinkler leakage, insurance on the building and all structural appurtenances fixtures fittings attached and belonging thereto for their full replacement value including the cost of demolition and removal of debris, all professional and other fees and expenses incurred by reason of the necessity to comply with any governmental municipal or local or licensing authorities requirements and together with all other contingencies and risks associated therewith.

## **USE OF PREMISES**

- The intended use of the premises by the Lessee and the use permitted by the Lessor is: Luxaflex Gallery

## **11. BUILDING ALTERATIONS**

All internal partitioning, alterations and/or modifications to the premises will be made by the Lessee at the Lessee's own expense and will be subject to the prior written consent of the Lessor.

## **12. BUILDING MAINTANCE**

The LESSOR will at all times keep the building (including common areas) and the Lessor's fixtures and fittings therein, in a good and substantial state of repair and the building services in good order.

## **13. SIGNS**

The tenant shall not erect, affix or exhibit any sign, name, writing or advertisement in, on or around the premises or any part of them without the prior written consent of the Lessor and the relevant statutory approving authority (local council or otherwise).

## **14. RATES, TAXES AND CHARGES**

The Lessor shall pay as and when the same fall due for payment, all taxes, rates impositions and charges whatsoever now and hereafter imposed or assessed upon the land and building and all fees and charges (including the costs of operating the air-conditioning equipment and any associated equipment for building services, **other** than those which the tenant is obliged to pay for in clause 10 of this agreement.

## **15. TAX REFORM RENT COMPONENT AND BASE RENT ADJUSTMENT FOR GST**

If the rental supply under this agreement is a taxable supply then on and from 1 July 2000 the Lessor must supply to the tenant a Tax Invoice in respect of the supply and the tenant is not obliged to make any payment under this agreement unless the Lessor has provided a Tax Invoice in respect of the supply attributed to the tenant.

## **16. SPECIAL CONDITIONS**

Tenant can have access prior to the Lease commencement date as advised by the builder.

## 17. GUARANTEES

1. The Lessee to pay a bond equivalent to one month's rental; and/or
2. Provide A Bank Guarantee for three months rental; and/or
3. Sign Director's Guarantees.

### IMPORTANT NOTICE

The Lessor does not warrant that the premises you are about to lease will for the duration of the agreement be structurally suitable for the type of business you intend to carry on.

### EXECUTION

SIGNED BY THE LESSEE

Haley Coralee D'Hambour

in the presence of:

Eppa

DATED this 22<sup>nd</sup> day of September 2008

SIGNED BY THE LESSOR

James L. Glia

in the presence of:

G. S. Sublack

DATED this 23 day of September 2008

