LEGAL CONSOLIDATED
BARRISTERS & SOLICITORS
National Law Firm
Head Office
18 Stirling Highway
Nedlands WA 6009
T: 1800 141 612
legalconsolidated.com.au

Your Reference: Wattle Ridge Properties

31 October 20

*Prepared with your landlord and property details.*
legalconsolidated.com.au/commercial-lease-agreement-intro/

Wattle Ridge Properties Pty Ltd ACN 123 456 780
25 Victoria Avenue
Castle Hill NSW 2154
Australia

Dear Landlord,

# Commercial Lease Agreement

Attached is your Commercial Lease Agreement, prepared from your answers and selections. It records the rent, rent reviews, outgoings and other terms of the letting.

**How to print your document**
When you are satisfied that the document is according to your instructions please:

1. Download the PDF (Don't print directly from the browser.)
2. Print the PDF Printer settings: A4 paper
   100% scale (turn off 'fit to page')
3. Print single sided (NOT duplex).

This Commercial Lease Agreement creates legally enforceable rights between the Landlord and Tenant.

## Landlord due diligence on the Tenant and the Premises

We have not verified who owns the Premises, whether the Landlord has been correctly identified or described, or its authority to grant the Lease. We have not conducted title, company, trust, planning or credit searches. We have not assessed the Tenant, Guarantors, condition of the Premises, commercial terms, tax or duty consequences.

Before signing, have your advisers check the parties, title, Premises, permitted use, rent, outgoings, security and any consents or registration requirements. Your accountant and managing agent should review the commercial and tax details; your property lawyer should check the legal requirements for the transaction.

Perform due diligence, identification and credit checks on the Tenant and the Guarantors (if any).

Further, as the Landlord seek legal, accounting and professional advice, (Legal Consolidated does not provide this advice):

- whether the Premises are correctly described and are correct

*Liability limited by a scheme approved under Professional Standards Legislation*

- whether you have authority to so lease the Premises
- do a title search of the Premises and check local council and other regulations including any town planning restrictions or authorities and permissions that are required including any region schemes and zoning and obtain any required certificates
- check for any previously unknown interests, caveats, easements, restrictive covenants, notifications, memorials, town planning, local council rules or other encumbrances or leases that may prohibit you leasing the Premises in this way
- check details of any unregistered interests, including car parking arrangements, if any, particularly with local authorities or adjoining owners.

## Features of this Commercial Lease Agreement include:

### 1. Assignment and subletting

The Tenant has no authority to sublet or assign, under this agreement, unless the Landlord and Tenant mutually agree otherwise – the 'waive and variation' clause will permit subletting and assignment, should it be the mutual wishes of the Landlord and Tenant.

### 2. Damages

If the Tenant defaults, the Lease provides remedies and a method for calculating the Landlord's loss. Recovery remains subject to the law, including the duty to mitigate loss and the rule against penalties.

### 3. Waiver and variation

Subject to a written agreement, signed by the Landlord and Tenant, the Landlord or Tenant has the power to waive a term of the lease. A term of an agreement that is 'waived' is one that no longer applies, and therefore one that parties are not bound by.

### 4. Variable Outgoings

The Tenant pays the Variable Outgoings allocated to it in the Lease and the items Separately Assessed. Check that the selected allocation reflects your agreement.

## Who we act for and the limits of our work

Our limited retainer is to prepare this Commercial Lease Agreement from the information and selections supplied to us. We act only for the first-named Landlord in the Reference Schedule. We do not act for any other Landlord, the Tenant or a Guarantor.

If the first-named Landlord acts as trustee or for another person, we act for that Landlord only in its personal capacity. We do not act for the beneficiaries, members, co-trustees or persons it represents. Where that Landlord is a company, our client is the company, not its directors or shareholders. This describes our client relationship; it does not change the capacity in which the Landlord grants the Lease.

Our work does not include investigating the transaction, negotiating the Lease, checking title or ownership, assessing the Tenant or supervising signing, registration or performance. Any additional service expressly agreed with us has its own agreed scope. This letter does not retrospectively reduce an existing agreed retainer or exclude duties or liability that the law does not permit us to exclude.

## If the Premises are held for an SMSF

This section applies where the Landlord holds the Premises as trustee of an SMSF or as custodian for its trustee. It does not apply to other landlords.

An SMSF must meet the superannuation and tax rules when leasing property. A lease to a related party requires particular care. The property must qualify for the relevant exception, including the business real property exception where relied on.

The Lease includes SMSF provisions. The fund's trustee and advisers must also check the property's actual use, the agreed terms and how the parties carry out the Lease.

*An office or warehouse may still fall within retail leasing laws. Check the actual use and the State or Territory rules before signing.*

Build this document here:
legalconsolidated.com.au/commercial-lease-agreement-intro/

roperty owned by a self-managed

annot give 'special treatment' to a
ial property belonging to the fund. The

the terms of the commercial lease

edy or enforce breaches of the

Keep the market rent evidence, signed Lease, payment records and records of any concession, variation or enforcement action for the fund's auditor. The Lease alone does not establish compliance.

## Check that retail leasing legislation does not apply

This document is prepared for non-retail commercial premises. Before giving it to the Tenant, the Landlord and its advisers must confirm that retail leasing legislation in the State or Territory where the Premises are located does not apply.

The test depends on the relevant legislation and the premises and their use, not the title of the Lease. If retail leasing legislation applies, obtain an appropriate retail lease before proceeding. Legal Consolidated has not assessed that classification for you.

### Mandatory laws take priority

State and Territory laws regulate landlord and tenant rights and change from time to time. The Lease is subject to every mandatory law that applies to it, including applicable changes during the Term. A clause cannot take away a statutory protection that the parties cannot lawfully exclude.

If retail leasing legislation applies, calling this a commercial lease does not avoid it. Disclosure, charges, rent reviews, notices and termination rights may differ from the Lease. Obtain advice promptly and comply with those requirements. The mandatory law and severance clauses do not correct a missed disclosure or authorise recovery of a prohibited charge through extra rent.

**Before signing and during the Lease**

Check the title and obtain any required mortgagee, co-owner, trustee or other consent. Confirm who signs for each party and any Guarantor. Arrange any required registration, disclosure or bond lodgement. We do not carry out those steps under this retainer.

Keep evidence of rent payments, reviews, insurance, notices and agreed changes. Before granting a concession, changing the use, enforcing a default or ending the Lease, check the law then in force. For SMSF property, also check the superannuation and tax requirements. We do not monitor the Lease or notify you of later changes in the law.

## Redevelopment and relocation

A redevelopment clause may allow the landlord to terminate a lease early so you can carry out major works to renovate or redevelop the premises. In these circumstances the tenant finds itself without premises or relocated to alternative premises. This could severely affect their business.

Often the tenant tries to negotiate to have the redevelopment and relocation clauses removed from the lease. If you agree cross out the clause and all parties initial the change.

If you are unsure seek legal advice.

This now concludes the matter. Thank you for your instructions.

Yours sincerely,

Legal Consolidated

Legal Consolidated Barristers & Solicitors

# Commercial Lease Agreement

The land being 10 Anella Avenue, Castle Hill NSW 2154 comprising an area of approximately 450 square metres and together with all other improvements on the land (**Premises**)

# Commercial Lease Agreement between

Wattle Ridge Properties Pty Ltd ACN 123 456 780
25 Victoria Avenue, Castle Hill NSW 2154, Australia

and

Yarra Precision Engineering Pty Ltd ACN 987 654 321
88 Whitehorse Road, Balwyn VIC 3103, Australia

## Reference Schedule

| | |
|---|---|
| **Landlord:** | Wattle Ridge Properties Pty Ltd ACN 123 456 780<br>25 Victoria Avenue, Castle Hill NSW 2154, Australia |
| **Tenant:** | Yarra Precision Engineering Pty Ltd ACN 987 654 321<br>88 Whitehorse Road, Balwyn VIC 3103, Australia |
| **Premises:** | The land being 10 Anella Avenue, Castle Hill NSW 2154 comprising an area of approximately 450 square metres and together with all other improvements on the land |
| **Lease Start Date:** | 01 November 2026 |
| **Option to renew lease** | Renew the lease<br>renew the lease |
| **Rent and Payment Date:** | $5500 monthly, v<br>Date and subsec<br>each calendar m |
| **Rent Review** | On 01 Novembe<br><br>On 01 Novembe<br><br>On 01 Novembe<br>whichever is high<br><br>On 01 Novembe<br>rent (Market Rev |
| **Term:** | For 60 month(s) commencing on the Lease Start Date |
| **Permitted Use:** | Engineering design and administration offices |
| **Bond:** | $16500 |

*Set the review dates and methods before the tenant moves in. Choose fixed percentage, CPI, a combined review or market rent as you build.*

Build this document here:
legalconsolidated.com.au/
commercial-lease-agreement-intro/

This Commercial Lease Agreement is between:

Wattle Ridge Properties Pty Ltd ACN 123 456 780
25 Victoria Avenue, Castle Hill NSW 2154, Australia

(**Landlord**)

and

Yarra Precision Engineering Pty Ltd ACN 987 654 321
88 Whitehorse Road, Balwyn VIC 3103, Australia

(**Tenant**)

Peter Michael Lawson
42 Racecourse Road, Hamilton QLD 4007, Australia

(**Guarantor**)

# 1 Rent

**Renting out the Premises**

1.1 The Tenant rents the Premises from the Landlord under the terms of this Lease.

**Payment of Rent**

1.2 The Tenant pays Rent to the bank account or location notified by the Landlord. The first payment is due on the Lease Start Date for the remainder of that calendar month. Subsequent payments are due on the first day of each calendar month in advance during the Term.

1.3 For the avoidance of doubt, the Tenant may elect (but only with the Landlord's permission) to pay Rent for any future period in advance. The acceptance of such advance payment by the Landlord shall not constitute a waiver or variation of any other term of this Lease.

**Accrual of Rent**

1.4 Rent accrues daily. For part of a calendar month, the Tenant pays the monthly Rent multiplied by the number of days in that part of the month and divided by the total number of days in that calendar month.

**Tenant to seek advice**

1.5 Before signing, the Tenant must obtain its own advice about this Lease, the suitability of the Premises, its proposed business, permitted use, planning retail leasing legislation. Council emises suit the Tenant's business or

or the first-named Landlord under a ise the Tenant or any Guarantor. ith advice about commercial viability, ation. They must obtain their own clude liability for misleading conduct not permit the parties to exclude.

*Who pays the rates, repairs and insurance? Agree the outgoings as well as the monthly rent. The schedule records your selections.*

legalconsolidated.com.au/commercial-lease-agreement-intro/

**Lease subject to mandatory rules**

1.7 The Lease is subject to and is to be read down so as to comply with all related mandatory laws from time to time.

# 2 Variable Outgoings

| **Variable Outgoings** | **Payable by:** |
|---|---|
| Water drainage and sewerage Rates | Tenant |
| Local authority Rates | Tenant |
| Land Tax | Landlord |
| Interest charges on outstanding Rates and Taxes | Tenant |
| Water consumed beyond allowance | Tenant |
| Fire services | Tenant |
| Cleaning, including window and rubbish removal | Tenant |
| Ground repairs and maintenance | Tenant |
| Building repairs and maintenance of a non-structural nature | Tenant |
| Building insurance | Tenant |
| Plate glass insurance and public liability insurance (minimum $10,000,000) | Tenant |
| Property management fees | Tenant |
| Common area lighting and power | Tenant |
| Security | Tenant |
| Toilet requisites | Tenant |
| Hot water systems running and repairs and maintenance | Tenant |
| Electricity and gas and telephone services consumed in the premises | Tenant |
| Air-conditioning running and repairs and maintenance | Tenant |
| Lift running and repairs and maintenance | Not Applicable |
| Strata Company levy | Tenant |

unless otherwise indicated in this Deed.

**Management Fees**

2.1 The Tenant pays reasonable
Tenant under Variable Outg
on request. No amount is pa

**Security Bond**

2.2 The Tenant deposits with th
the Tenant's compliance wit
pay the Landlord for any br
and all costs of the Landlord

*A company signs through its authorised officers. Check its name and ACN against the company records, and check who owns the premises.*

legalconsolidated.com.au/
commercial-lease-agreement-intro/

# 3 Assignment and Subletting

**No assignment or subletting**

3.1 The Tenant may not create, transfer or allow to exist in favour of any other person any interest in the Premises or in this Lease, including an assignment, a sublease or any other right to possess.

**Costs and Expenses**

3.2 The Tenant must pay to the Landlord on demand all fees and expenses payable by the Landlord to any agent or consultant engaged by the Landlord in connection with a proposed assignment transfer or subletting.

# 4 Use of Premises

**Permitted Use**

4.1 The Tenant must not, unless the Landlord consents in writing, use the Premises other than for the Permitted Use.

**Comply with necessary authorisation**

4.2 The Tenant must obtain, comply with and renew on time every authorisation necessary to carry on the Tenant's Business.

**No warranties**

4.3 The Tenant acknowledges that no promise, representation, warranty or undertaking has been given by or suitability of the Premises for any p the Premises or as to the fittings, f and all warranties if any implied by negatived.

*A bond gives you another source of recovery if the tenant defaults. Agree the amount and keep a record of what you receive.*

Build this document here:
legalconsolidated.com.au/commercial-lease-agreement-intro/

**Signs**

4.4 The Tenant must obtain the Landlo sign, notice or advertisement on an outside the Building. The Landlord size, design, colours, materials, lighting, location, fixing, maintenance and removal to protect the Building's appearance, character, safety and value. Compliance with council or other Authority requirements does not alone entitle the Tenant to consent. The Landlord must exercise its discretion reasonably and comply with mandatory law.

# 5 Insurance

**Building Insurance**

5.1 The Landlord may maintain building insurance for the full replacement value of the Building. The building insurance may include cover for all usual industrial special risks including, but not limited to, architects and other consultants' fees and the costs of demolition and removal of debris, loss of Rent, Variable Outgoings and machinery breakdown insurance.

**Tenant's insurance**

5.2 The Tenant must:

5.2.1 maintain with insurers approved under the *Insurance Act 1973* in the names of the Tenant and the Landlord and, if required by the Landlord, any mortgagee of the Landlord, for their respective rights and interests:

(a) public risk insurance to a sum insured of at least $10,000,000. The Landlord may at any time reasonably require the Tenant to vary this amount by giving notice to the Tenant of the varied amount;
(b) plate glass insurance against risks specified by the Landlord for the full replacement cost of the plate glass;
(c) burglary insurance in respect of the Tenant's Property and damage to the Premises arising from any actual or attempted unauthorised entry;
(d) other insurances in connection with the Premises which a prudent tenant leasing premises comparable with the Premises would take out or which are reasonably specified by the Landlord; and

5.2.2 for the insurances required by the above sub-clause the Tenant will:

(a) deposit with the Landlord certificates of insurance;
(b) pay each premium at least 28 days before the due date and, immediately send to the Landlord receipts for the payments;
(c) immediately rectify anything that might prejudice any insurance and reinstate the insurance if it lapses; and
(d) notify the Landlord immediately if an event occurs that gives rise or might give rise to a claim under a policy or that could prejudice a policy or if any policy is cancelled.

**Claims**

5.3 The Landlord may, but the Tenant may not unless the Landlord consents, enforce, conduct or compromise claims under any policy of insurance required by the above sub-clause.

**Reinstatement**

5.4 If the Building is damaged so th
necessary for the Building to b
the whole or a substantial par
money payable under the insu
damage will be payable to th
reinstatement if the Landlord s
Building, all money payable und

5.5 In the case of any other damag
of the insurances effected by
received by virtue of such insurances in reinstating the Premises and will make up any deficiency out of the Tenant's own money. This is unless such deficiency has been caused by the voiding of the insurances by the act or omission of the Landlord or its employees agents or contractors.

*A fire interrupts the rent. Check the building and tenant policies together so the cover matches the risks each party carries.*

legalconsolidated.com.au/
commercial-lease-agreement-intro/

**Restrictions on Tenant's activities**

5.6 The Tenant must not unless the Landlord consents:

5.6.1 do or permit anything to be done on the Premises which increases or may increase the premium payable for any insurance taken out by the Landlord in connection with the Premises;

5.6.2 store or use inflammable, volatile or explosive substances on the Premises;

5.6.3 otherwise do or permit anything which adversely affects any insurance in connection with the Premises; or

5.6.4 vary, cancel or allow to lapse any insurance referred to in this clause.

If the Landlord gives its consent under this clause, the Tenant must pay any increased premium payable.

**Fire requirements**

5.7 The Tenant must comply with the requirements of any Authority, the Insurance Council of Australia Limited and of any insurer in relation to fire protection of the Premises and the position of fire equipment.

# 6 Indemnities and Exclusions

**Indemnities by Tenant**

6.1 Except to the extent covered by any of the insurances to be taken out by the Landlord or the Tenant, the
liability, cost or expense inc
officer or agent of the Landlo

6.1.1 any damage to the Pr
and

6.1.2 any injury to any pers

caused or contributed to
Agents and Customers, wh

*Keep the tenant insurance certificates with the lease. A promise to insure is not the same as evidence of a current policy.*

legalconsolidated.com.au/
commercial-lease-agreement-intro/

**Release of Landlord**

6.2 The Landlord is not liable for any liability or loss resulting from:

6.2.1 any act or omission of any other person on the Premises, whether lawfully or not;

6.2.2 any malfunction, breakdown or interruption for the supply of Services to the Premises or for the Air-conditioning Equipment or any other plant, equipment or machinery in or on the Premises;

6.2.3 any other accident, damage or malfunction affecting the Premises including any blocked drains, pipes or conduits, any overflow of water or any break in wires or cables; or

6.2.4 damage to or loss of any property or injury to any person in or near the Premises due to any cause.

**No right to terminate**

6.3 Subject to the Damage to the Building or Premises clause and mandatory law, those events do not alone give the Tenant a right to terminate or reduce payments. This does not exclude liability for the Landlord's negligence, wilful misconduct or breach of this Lease.

# 7 Compliance with Laws and Requirements

The Tenant must comply on time with all requirements of any Authority and all laws in connection with the Premises and the Tenant's Property, but the Tenant need not carry out work of a structural nature unless it is made necessary by the nature of the Tenant's Business or the Tenant's use of the Premises.

# 8 Repair, Alteration, Cleanliness and Security

**Tenant's obligations**

The Tenant must:

8.1 keep the Premises in good repair and condition;
8.2 keep the Tenant's Property and the Landlord's Property in or on the Premises in good repair and condition;
8.3 promptly repair damage to the Premises or the Landlord's Property caused or contributed to by the Tenant or the Tenant's Employees, Agents and Customers;
8.4 if in the Landlord's reasonable opinion, items of the Tenant's Property, or the Landlord's Property which are not plant or equipment, are worn or damaged, promptly replace them with items of the same or similar quality to those items when they were first installed;
8.5 promptly replace damaged plate glass and other glass in the Premises with glass of the same or similar quality to that in place on the Lease Start Date;

*Repairs cost money. Record who pays before work starts. Read the repair obligations together with the outgoings schedule.*

Build this document here:
legalconsolidated.com.au/commercial-lease-agreement-intro/

y heating, lighting and other electrical
rescent tubes installed on the Premises
ty to those items when they were first

ises;
s and other conduits originating in or
free-flowing condition;
ing the Premises, whether or not within

8.10 if, in the reasonable opinion of the Landlord, the Tenant's use of the Premises requires the provision of additional drainage or water supply facilities to the Premises, pay to the Landlord on demand the cost of the installation of the additional drainage or facilities;

The generality of any of the above obligations of the Tenant are not limited by any of the other obligations of the Tenant set out in the preceding section.

# 9 Exceptions to repair obligations

The Tenant has no obligation to maintain or repair where:

9.1 any loss or damage is covered by any insurances taken out by the Landlord or the Tenant under this Lease, except where due to some act or omission of the Tenant or of the Tenant's Employees, Agents and Customers any of such insurances is prejudiced or made void or payment of policy money is refused by the insurer;
9.2 any loss or damage is caused by latent or inherent defects in the Premises; and
9.3 the maintenance and repairs to the Building are of a structural nature and are not caused by the negligence of the Tenant or the Tenant's Employees, Agents and Customers.

**Clean**

9.4 The Tenant must keep the Premises clean, and free from refuse, including daily cleaning of the inside of the Building, periodic cleaning the windows of the Building and arranging regular rubbish removal services.

**Maintain landscaped and other areas**

9.5 The Tenant must re-plant, maintain and reticulate the landscaped areas on the Premises and keep all parking areas, access ways and other areas on the Land outside of the Building in good repair and condition.

**Pest Control**

9.6 The Tenant must control and eradicate all vermin from the Premises including employing pest contractors to periodically inspect and carry out treatment for such eradication.

**Security**

9.7 The Tenant is responsible for all security of the Premises including employing security contractors and installing and maintaining all devices for the purpose of security.

**Drainage**

9.8 The Tenant is not, unless the Landlord consents, to modify or in any other way interfere with the drainage or water supply facilities serving the Premises or any equipment connected to those facilities.

**Notice of damage**

9.9 The Tenant must inform the Landlord in writing of any damage to the Premises or ervices immediately once the Tenant

f any part of the Air-conditioning pital expenditure, the Tenant must ood working order and condition and n with reputable contractors a fully e agreement.

*Structural repairs and everyday maintenance are different costs. Check the exceptions before agreeing who pays.*

legalconsolidated.com.au/commercial-lease-agreement-intro/

**Tenant to redecorate**

9.11 The Tenant must redecorate the Premises every 3 years or upon expiration of the Term and at any other time if deemed necessary by the Landlord. The colours and materials used must be approved by the Landlord who may not unreasonably withhold its approval. The redecoration of the Premises includes repainting or retreating all painted or other treated interior and exterior surfaces of the Building and replacing curtains, blinds and other furnishings and decorations which are worn or damaged.

**Carpets**

Where there is a carpet installed in the Premises, the Tenant must:

9.12 if the carpet has been installed by the Landlord:

9.12.1 protect the carpet from excessive wear by the use of protective devices reasonably required by the Landlord;

9.12.2 employ qualified and experienced contractors to clean the carpet when reasonably required every 3 months; and

9.13 if the carpet is damag quality to the existing carpe quality approved by the Land

*Record the condition when the tenant moves in. Dated photographs help explain what damage occurred during the tenancy.*

legalconsolidated.com.au/commercial-lease-agreement-intro/

**Structural Alterations to the Prem**

9.14 The Tenant may no Premises unless the Landlord consents and that consent is not to be unreasonably withheld.

**Damage to Building or Premises**

9.15 The Tenant is not to cause damage to the Premises or allow them to be damaged.

**Works**

9.16 In carrying out its obligations to maintain, repair and redecorate the Premises and when making any alterations to the Premises (to which the Landlord has consented if the alteration is structural) the Tenant must:

9.16.1 comply with all requirements of any Authority and all laws and standards;

9.16.2 carry out the works in a proper manner; and

9.16.3 before carrying out any works, obtain the Landlord's approval to the plans and specifications for the works.

# 10 Tenant's General Obligations

**Positive obligations**

The Tenant must:

10.1 carry on the Tenant's Business in a proper and efficient manner;

10.2 observe the maximum floor loading weights for the Premises;

10.3 if, at the request of the Tenant, the Landlord alters a Service to accommodate equipment which the Tenant wants to install in the Premises, pay the Landlord on demand the cost to the Landlord (including consultants' fees) of altering the Service, and the Landlord may require the Tenant to deposit with the Landlord the estimated cost of the work before it is commenced;

10.4 securely lock all exterior doors and windows in the Premises when the Premises are not occupied;

10.5 permit persons having an estate or interest in the Premises superior to the Landlord's estate or interest to exercise the Landlord's or those other persons' rights and otherwise perform their obligations in connection with the Premises;

10.6 immediately deliver to the Landlord a copy of every notice received by the Tenant relating to the Premises; and

10.7 immediately notify the Landlord if the Tenant receives any threat of damage to the Premises and comply with any directions given by the Landlord for the purpose of protecting the safety of any property or persons in the Premises.

**Negative obligations**

The Tenant may not unless the Landlord consents:

10.8 do anything in the Premises or the Building which in the reasonable opinion of the Landlord is noxious, offensive or audibly or visually a nuisance;

10.9 interfere with the Services;

10.10 obstruct access to or overload the Services;

remises, for any improper purpose;

of the Building;

ere with the walls in the Building except

signs, blinds or fittings approved by the

er this Lease);

Premises;

Land except a 'subject to claim' caveat

se and any option to renew the Term;

Lease, or abandon the Premises.

*Your tenant wants a new activity at the premises. Check the permitted use and any council approvals before agreeing.*

Build this document here:
legalconsolidated.com.au/
commercial-lease-agreement-intro/

**Security Interests**

10.18 The Tenant may not create or allow to exist in favour of any person any Security Interest in or over the Premises or this Lease unless the Landlord consents.

**Other persons**

10.19 If by this Lease, the Tenant is not to do any matter or thing, the Tenant must do everything necessary to ensure that the Tenant's Employees, Agents and Customers do not do that matter or thing.

# 11 Landlord's Obligations

**Quiet Enjoyment**

11.1 Subject to the rights of the Landlord, if the Tenant complies with its obligations under this Lease, the Tenant may hold the Premises during the Term without interruption by the Landlord.

**Change of Landlord**

When another person becomes the registered owner of the Premises, that person becomes the Landlord under this Lease to the extent permitted by law.

11.2 The outgoing Landlord remains liable for its accrued obligations and
d from obligations arising after the
andlord assumes them.
Tenant written notice of the transfer
the incoming Landlord for any Bond,
nant.
documents recording the change
an SMSF custodian transfers the
f Landlord takes effect on the legal
loan.

*Selling the property does not erase the lease. Check the tenant rights and landlord obligations before negotiating the sale.*

legalconsolidated.com.au/
commercial-lease-agreement-intro/

**Insurance**

11.5 The Landlord may maintain with insurers approved under the Insurance Act 1973 in the name of the Landlord insurance in respect of property owners' liability.

# 12 Landlord's Rights

**Right to enter**

The Landlord or a person authorised by the Landlord may enter the Premises at reasonable times to:

12.1 inspect the state of repair;
12.2 repair or maintain the Premises;
12.3 repair, maintain or alter the Services;
12.4 carry out structural alterations to the Premises or other works if required by an Authority; or
12.5 remove harmful substances,

subject to the Landlord giving the Tenant reasonable notice or 24-hours' notice whichever is earlier of the intended entry. If the Landlord decides that there is an emergency, then the Landlord and persons authorised by the Landlord may enter the Premises at any time without notice.

**Inspection by prospective tenants or purchasers**

The Landlord or a person authorised by the Landlord may:

12.6 enter the Premises to allow prospective purchasers of the Premises to inspect the Premises; and

12.7 within 3 months before the end of the Term display a sign containing any information that the Landlord sees fit;

subject to the Landlord giving the Tenant reasonable notice of the intended entry or display.

**Ownership of partitions and other structures**

If partitions or any other structure which form an integral part of the Premises are installed by the Tenant:

12.8 those partitions or other structure cease to be part of the Tenant's Property on the expiration of the Term or the earlier termination of this Lease and ownership of them then vests in the Landlord; and

12.9 if those partitions or s
the Tenant shall remove thos
good any damage caused
contribute to any damage t
other structures. Should the
removal of those partitions
such damage and in any e
condition. If the Tenant fails
the Premises at the cost of t
Landlord of doing so as a liquidated debt payable on demand.

*Keep written approvals for signs and alterations. Record what you approved and what must be removed when the tenant leaves.*

legalconsolidated.com.au/
commercial-lease-agreement-intro/

**Failure to remove partitions and other structures**

12.10 If the Tenant fails to remove those partitions and structures as required above, or in the occurrence of an Event of Default, the Landlord may at its option:

12.10.1 cause any such partitions and structures to be removed and stored in such manner as the Landlord in its absolute discretion deems fit at the risk and cost of the Tenant; or

12.10.2 subject to applicable uncollected goods and other laws, treat the partitions and other structures as abandoned, and deal with them only as the law permits. The Landlord must account for any proceeds as required by law.

12.11 The Tenant shall:

12.11.1 indemnify and keep indemnified the Landlord for the removal and storage of the partitions and other structures and also for all claims which the Landlord may suffer or incur at the suit of any person claiming an interest in the Tenant's partitions and other; and

12.11.2 pay to the Landlord as a liquidated debt payable on demand and costs incurred by the Landlord.

**Landlord may rectify**

12.12 The Landlord may do anything which should have been done by the Tenant under this Lease but which has not been done or which the Landlord considers has not been done properly and for that purpose, the Landlord and

other persons authorised by the Landlord may enter the Premises and remain there for as long as is necessary.

**Creation of Security Interest or transfer of Land**

12.13 The Landlord may at any time create or allow to exist a Security Interest over the Land or transfer or otherwise deal with the Land or its rights under this Lease as the Landlord thinks fit.

# 13 Management of the Building

**Managing Agent**

13.1 The Landlord may:

13.1.1 appoint a Managing Agent to manage the Premises and authorise the Managing Agent to represent the Landlord in all or nominated matters relating to this Lease; and

13.1.2 at any time vary or terminate the authority of the Managing Agent.

13.2 Communications from the Landlord supersede those from the Managing Agent if there is any inconsistency between them.

**Tenant to deal with Managing Agent**

13.3 The Tenant must deal with the Managing Agent in relation to all matters in which the Managing Agent is authorised to represent the Landlord until the Landlord notifies the Tenant that the Managing Agent is no longer its agent for those purposes. The Tenant may treat the acts of the Managing Agent as the acts of the Landlord.

# 14 Default

**Essential terms**

14.1 The Tenant's obligations to pay Rent and comply with the Permitted Use are essential terms. Other breaches permit termination only as provided below and to the extent permitted by law.

**Events of Default**

An Event of Default occurs if:

a fundamental breach of this Lease;
n due and does not pay it within 7 days
ment;
each of another obligation and, if it can
reasonable period specified in written

nce is enforced or becomes enforceable
se, the Tenant's Property, or any other
nt's Business; or
ect of the Tenant.

*Rent has stopped. Keep the rent ledger and follow the notice requirements before enforcing your rights.*

Build this document here:
legalconsolidated.com.au/
commercial-lease-agreement-intro/

**Landlord's right to terminate**

14.7 The Landlord may terminate this Lease or re-enter the Premises for an Event of Default only after complying with every applicable statutory notice, remedy period, restriction and stay. Nothing in this Lease excludes a right to relief against forfeiture or permits unlawful re-entry.

**Damages**

14.8 If the Landlord terminates this Lease under this clause, then the Landlord is entitled to recover from the Tenant as liquidated damages, the difference between:

14.9 T in the formula, **T = R + C - RB**

where

***R*** = the total of the Rent and all other amounts which would have been payable by the Tenant under
time, calculated at the rate pa

***C*** = costs and expenses in
Default, including in relation t

***RB*** = a rebate calculated at
termination (but for this claus
ought to have been paid earli

*Keep evidence of unpaid rent, reletting costs and your efforts to reduce the loss. The lease addresses recovery without double recovery.*

legalconsolidated.com.au/
commercial-lease-agreement-intro/

14.10 the rent and other amounts the Landlord could reasonably obtain by reletting the Premises for the balance of the Term. The Landlord must take reasonable steps to mitigate its loss and must not recover the same loss twice.

**Indemnities**

The Tenant indemnifies the Landlord against any loss, liability, costs or expense incurred or suffered by the Landlord arising from or in connection with:

14.11 the occurrence of an Event of Default; or

14.12 if this Lease is lawfully terminated by the Landlord because of the Tenant's default:

14.12.1 the Landlord re-entering the Premises;

14.12.2 the Landlord not receiving the benefit of the Tenant fully and duly performing its obligations under this Lease from the date of that termination until the expiration of the Term; and

14.12.3 anything else relating to that termination, including the Landlord attempting to mitigate its loss,

including in each case, legal costs and expenses relating to any of those matters.

Each indemnity and exclusion of liability in this Lease is limited to the extent permitted by law. The Tenant is not liable under an indemnity for loss to the extent caused or contributed to by the Landlord's negligence, wilful misconduct or breach of this Lease. The Landlord must take reasonable steps to mitigate loss and must not recover the same loss twice.

**Calculation of benefit of Tenant performing obligations**

14.13 The benefit of the Tenant performing its above obligations is calculated on the assumption that this Lease continues in force until the expiration of the Term and taking into account the provisions in this Lease relating to Rent and the payment of Rates and Taxes and other outgoings (or any variation of them).

**Certain acts not to affect indemnities**

The indemnities are not affected by:

14.14 the Landlord re-entering the Premises or otherwise terminating this Lease;
14.15 the Landlord accepting a repudiation of this Lease by the Tenant;
14.16 the Tenant vacating or abandoning the Premises; or
14.17 the conduct of either party constituting a surrender by operation of law.

**Interest on overdue money**

14.18 The Tenant must pay interest at the Rate of Interest on overdue amounts from the due date until payment. Interest is calculated daily as simple interest and is payable on demand. Interest is not charged on interest.

**Acceptance of rent or mitigation**

The acceptance of Rent or other money under this Lease or an attempt by the Landlord to mitigate its loss is not:

14.19 a waiver of a preceding breach by the Tenant of its obligations under this Lease;
14.20 an acceptance of a repudiation of this Lease by the Tenant; or
14.21 a surrender by operation of law.

# 15 Tenant's Obligations on Termination

**Tenant to vacate**

15.1 The Tenant must vacate the Premises and remove the Tenant's Property on the termination of this Lease except that when the termination is prior to the expiration of the Term, the Tenant must remove the Tenant's Property within 3 days after the termination.

**Removal of Tenant's Property**

15.2 If the Tenant fails to remove its property as required, the Landlord may remove and store it at the T
with applicable uncollected g
15.3 The Tenant's Propert
after the expiration or earlier
15.4 The Tenant indemni
expense incurred or suffered
the Landlord arising from o
clause, or damage caused
Property.

*Inspect the premises when the tenant leaves. Record damage, keys returned and work that remains outstanding.*

legalconsolidated.com.au/
commercial-lease-agreement-intro/

**Condition of the Premises**

When the Tenant vacates the Premises:

15.5 the Tenant must leave the Premises in good repair and condition and in a good state of decoration taking into account the obligations of the Tenant under this Lease; and

15.6 the Tenant must have made good any damage to the Premises caused or contributed to by the Tenant or any of the Tenant's Employees, Agents or Customers.

**Reinstatement**

15.7 If the Tenant makes any alterations or additions to the Premises (whether or not the Landlord has consented to them) and the Landlord so requires, the Tenant must reinstate the Premises before the expiration or earlier termination of this Lease so that the Premises are returned to the condition they were in before the alteration or addition was made.

**Compensation**

15.8 If the Tenant's failure to vacate or complete reinstatement prevents reletting, the Tenant must pay reasonable compensation for the resulting loss. The daily amount for lost Rent is the monthly Rent at termination divided by the number of days in the relevant calendar month. Recoverable outgoings are apportioned for the same period. The Landlord must mitigate its loss and must not recover the same loss twice.

# 16 Holding Over

If the Tenant with the consent of the Landlord continues to occupy the Premises after the
onthly tenant of the Premises and:

the Landlord or the Tenant, giving to the
ay expire on any day;
nly Rent payable immediately before

sions of this Lease apply (with necessary
ept any option for a new lease of the

*A tenant stays after expiry. Check the holding-over terms. Do not assume the original fixed term has simply restarted.*

Build this document here:
legalconsolidated.com.au/
commercial-lease-agreement-intro/

# 17 Damage to the Building or Premises

**Procedure following damage**

If the Building is:

17.1 damaged so that, in the reasonable opinion of the Landlord, it is necessary for the Building to be demolished; or

17.2 so damaged that the whole or a substantial part becomes unfit for use by the Tenant,

then the Landlord must give a notice to the Tenant within 6 months after the damage occurs.

**Termination by Tenant**

17.3 If the Landlord gives a notice and does not make the Premises fit for use by the Tenant within 12 months of the date of the Landlord's notice, the Tenant may give a notice of intention to terminate this Lease if the Landlord does not make the Premises fit for use by the Tenant within one month after the date it receives the Tenant's notice. If the Landlord does not comply with the Tenant's notice under this clause, the Tenant may terminate this Lease by notice to the Landlord.

17.4 If the Landlord does not give notice under this clause, this Lease will terminate at the end of the 6 months referred to in this clause.

# 18 Costs, Expenses and Duties

**Enforcement and consents**

The Tenant must pay or reimburse the Landlord on demand for:

18.1 all the Landlord's costs and expenses relating to:

18.1.1 the exercise or enforcement by the Landlord of any right under this Lease; and

18.1.2 any act or omission by the Tenant causing cost or expense to the Landlord;

18.2 obtaining or giving any consent or approval under this Lease, or a variation or surrender of this Lease; and

ed to in this clause, the Landlord's
nt or agent.

d expenses.

e Landlord on demand for all stamp
in respect of any of them, that may

*Legal and management costs affect your rental return. Read the allocation of costs before signing.*

legalconsolidated.com.au/
commercial-lease-agreement-intro/

**Preparation of Lease**

18.5 The Tenant must pay to the Landlord on demand the Landlord's legal costs of and incidental to the instructions for and preparation, stamping and registration of this Lease.

# 19 Power of Attorney

The Tenant, for valuable consideration, irrevocably appoints the Landlord and every manager, director and secretary (all jointly and severally) its attorney for the purpose of withdrawing any caveat required to be withdrawn under this Lease, and agrees to ratify anything done by an attorney under this clause.

# 20 Notices

**Notices**

A notice or other communication in connection with this Lease must be in writing and:

20.1 may be given by the solicitors or agents of the relevant party; and

20.2 may be left at the Premises or at the address of the addressee or sent by ordinary post to the address of the addressee or sent by email.

**When notice takes effect**

20.3 Unless a later time is specified in it, a notice or other communication takes effect from the time it is received.

**Receipt of notice**

A letter is taken to be received:

20.4 if left at the Premises or the address of the addressee, at the time it is left; and

20.5 in the case of a posted letter, on the third business day after posting.

20.6 In this clause, a 'business day' is a day on which banks are open for business, other than a Saturday or a Sunday.

# 21 Miscellaneous

**Waiver and variation**

21.1 A waiver must be in writing and signed by the party giving it. A variation must comply with the Updating the Lease clause. A waiver of one breach does not waive another breach.

**Approvals and consents**

21.2 The Landlord may, whenever its approval or consent is required under this Lease, give it conditionally or unconditionally or withhold it unless this Lease specifies otherwise.

**Remedies cumulative**

21.3 The rights, powers and remedies provided in this Lease are cumulative with and not exclusive of the rights, powers or remedies provided by law independently of this Lease.

**Set-off**

apply, without notice, any funds
wards satisfaction of any amount
r this Lease.

nt must execute and cause its
everything else necessary or
s under this Lease.

*Put changes in writing. Keep signed variations and notices with the original lease so the agreed terms stay clear.*

legalconsolidated.com.au/commercial-lease-agreement-intro/

**Accrued rights**

21.6 The expiration or earlier termination of this Lease does not affect the rights of either the Landlord or the Tenant in relation to a breach of this Lease by the other before the expiration or termination.

**Severance**

21.7 Read this clause with the Lease subject to mandatory rules and Supervening legislation clauses. If a provision is invalid or unenforceable, read it down only so far as the law permits. If it cannot be read down, sever it to the extent necessary. The remainder continues only so far as it is lawful and capable of operating without that provision. [illegible] remove a remedy contrary to manda[illegible]

*The SMSF provisions apply where the property is held for an SMSF. This sample uses a company landlord in its own capacity.*

Build this document here:
legalconsolidated.com.au/commercial-lease-agreement-intro/

**Supervening legislation**

21.8 Mandatory laws prevail ove[illegible] laws that apply or change during [illegible] restricts or modifies a right, obligati[illegible] permit the parties to exclude, restr[illegible] any resulting invalidity or unenforc[illegible] convert a prohibited outgoing into [illegible] recovery right.

**Premises held for an SMSF**

21.9 This clause applies only where the Premises are held for a self-managed superannuation fund (SMSF), whether by its trustee or by a custodian for that trustee. It does not apply where the Premises are not held for an SMSF.

21.10 Where this clause applies:

(a) the parties must conduct the leasing arrangement on arm's-length commercial terms;

(b) any concession, prepayment, variation or waiver must satisfy that requirement and applicable Superannuation law;

(c) the Landlord must keep records supporting the agreed terms and any later changes;

(d) the Tenant must obtain the Landlord's written consent before changing the actual use of the Premises, even where the proposed use falls within the Permitted Use; and

(e) the Landlord must assess the proposed change with the fund's advisers before consenting, including any effect on business real property status where that exception is relied on.

21.11 Applicable Superannuation law prevails to the extent of any inconsistency. An inconsistent provision must be read down or severed only to the extent necessary. This clause does not authorise a prohibited transaction or establish compliance merely because the parties signed this Lease.

21.12 A transfer from a custodian to an SMSF trustee remains subject to applicable title registration and duty requirements. This Lease does not itself transfer title or confer a duty exemption.

**Non-retail commercial premises**

21.13 This Lease is prepared for premises outside the retail leasing legislation of the State or Territory where the Premises are located. The Landlord and its advisers must ascertain that position before the Lease is entered into. The parties' description of the Lease does not determine whether that legislation applies. Any mandatory retail leasing requirements prevail if they apply.

**Payments**

With respect to payments to be made under this Lease:

21.14 the Tenant must make payments without deduction, set-off or counterclaim; and

21.15 the Landlord need not make demand for payment of any amount required to be paid by the Tenant unless a demand is expressly required.

**Counterparts**

21.16 This Lease may consist of separate counterparts and the counterparts taken together constitute one and the same instrument.

**Updating the Lease**

hange and be approved in writing by
presentatives. It may be recorded:

or

"Variation of Commercial Lease
greement, where the applicable law
ed, witnessing, registration or other
riation that increases a Guarantor's
or without its written consent.

*Mandatory leasing laws prevail where they apply. Calling a lease non-retail does not decide its legal classification.*

legalconsolidated.com.au/
commercial-lease-agreement-intro/

# 22 Trust Warranties

**Tenant's Capacity**

22.1 Where the Tenant acts as trustee of the Trust, the Tenant enters into this Lease as trustee of the Trust, and it does so both for itself and as trustee of the Trust, and in this Lease each, reference to the Tenant is a reference to it in each capacity.

**Tenant's Warranties**

The Tenant warrants to the Landlord that:

22.2 the Tenant is the only trustee of the Trust;

22.3 the Trust is lawfully and validly constituted and the copies of the trust documents and instruments relating to the Trust produced to the Landlord disclose all the terms of the Trust;

22.4 the Trust is and throughout this Lease will remain unrevoked and not varied;

22.5 the Tenant has power under the trust deed to enter into and observe its obligations under this Lease and the Tenant has entered into this Lease in its capacity as trustee of the Trust and for the benefit of the beneficiaries of the Trust;

22.6 it has a right to be fully indemnified out of the trust fund in respect of obligations incurred by it under this Lease;

22.7 the assets of the Trust will at all times be sufficient to satisfy that right of indemnity and all other obligations in respect of which the Tenant has a right to be indemnified out of the assets of the Trust;

22.8 the consents or approvals of all parties necessary to execute this Lease so as to bind the property of the Trust have been obtained and all necessary

met;

r is the Tenant aware of anyone

und-up or otherwise administered

diction or to charge the Tenant or

Tenant or acting on behalf of the

ion of trust moneys in connection

*A tenant acting as trustee raises extra questions. Identify the trustee and its capacity correctly when answering the building questions.*

legalconsolidated.com.au/
commercial-lease-agreement-intro/

ık in priority to the interests of the

22.11 the Tenant has complied with its obligations in connection with the Trust; and

22.12 that no facts are known to the Tenant where the Trust might be wound-up voluntarily or otherwise or the trustee changed or the assets of the Trust vested in any other person or that the Trust may cease to operate or be deprived of funds prior to expiration of the Term.

# 23 Interpretation

In this Lease, unless the contrary intention appears:

23.1 a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them occurring at any time before or after the Lease Start Date;

23.2 the singular includes the plural and vice versa;

23.3 the word ‘person’ includes a firm, a body corporate, an unincorporated association or an Authority;

23.4 a reference to 'Landlord' or 'Tenant' includes a reference to its executors, administrators, successors, and assigns;

23.5 an obligation, representation or warranty in favour of two or more persons is for the benefit of them jointly and severally;

23.6 an obligation of, or a representation or warranty by two or more persons binds them jointly and severally;

23.7 a reference to a clause or a schedule is a reference to a clause or a schedule in this Lease;

23.8 a reference to anything (including any amount or the Premises) is a reference both to the whole and any part of it;

23.9 each obligation of the Landlord or the Tenant to the other of them has effect as a covenant; and

23.10 a reference to a month is a reference to a calendar month.

**Meaning of 'including' and 'include'**

Where in this Lease, the word 'including' or 'include' is used, it is to be taken to be followed immediately by the words: 'but not limited to' or 'but are not limited to' as the case requires.

# 24 Governing law and jurisdiction

This Lease is governed by the law of the State or Territory where the Premises are located. Each party submits to the non-exclusive jurisdiction of its courts and any tribunal with jurisdiction. Mandatory laws applying to the Premises are not excluded.

# 25 Guarantee

25.1 In consideration of and to induce the Landlord, to enter into this Deed, the Guarantor hereby:

25.1.1 Unconditionally and absolutely guarantees to the Landlord, the full and prompt payment and performance by the Tenant of all of its obligations under and pursuant to the Lease including Rent, Variable Outgoings and Bond, together with the full and prompt payment of any and all costs and expenses of and incidental to the enforcement of this guarantee, including, without limitation, reasonable lawyer and accounting fees.

25.1.2 Agrees that a waiver, extension of time or compromise does not release the Guarantor from existing obligations. A variation, renewal or extension that increases the Guarantor's obligations requires the Guarantor's written consent to bind it to that increase.

25.1.3 Agrees that this guarantee remains in full force and effect and is binding upon the Guarantor until the

25.1.4 Agrees that so long as any become due and owing by th not, without the prior writte collect from the Tenant the acquired by the Guarantor or

25.1.5 Agrees to execute this Deed this document alone does no

25.1.6 Agrees that this guarantee successors and assigns of the Guarantor, and inures to the benefit of the Landlord and its successors, assigns and legal representatives.

25.1.7 Agrees that the Guarantor may be joined in any action or proceeding started against the Tenant in connection with or based upon the Lease and recovery may be had against the Guarantor in any such action or proceeding or in any independent action or proceeding against the Guarantor should the Tenant fail to duly and punctually pay and perform any of the obligations of the Lease without any requirement that the

*A company director is not automatically liable for company rent. Add a guarantor and obtain a properly signed guarantee.*

Build this document here:
legalconsolidated.com.au/
commercial-lease-agreement-intro/

Landlord first assert, prosecute or exhaust any remedy or claim against the Tenant.

25.1.8 Agrees that the guarantee is governed by the law of the State or Territory where the Premises are located. An invalid provision is read down or severed only to the extent necessary, without affecting the remaining provisions.

25.1.9 Agrees that no failure on the part of Landlord to exercise, and no delay in exercising, any right or remedy operates as or constitute a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy granted hereby or by any related document or by law.

25.1.10 Agrees that, where there is more than one Guarantor, they are liable jointly and severally.

25.2 The Guarantor agrees that (i) the Guarantor has received legal and adequate consideration for the providing of this Guarantee and has executed and delivered this Guarantee to Landlord in good faith in exchange for reasonably equivalent value; (ii) the Guarantor is not presently insolvent or bankrupt and will not be rendered insolvent or bankrupt by virtue of the execution and delivery of this Guarantee; (iii) the Guarantor has not executed or delivered this Guarantee with actual intent to hinder, delay or defraud the Guarantor's creditors; and (iv) that Landlord has entered into the Lease in reliance upon this Guarantee.

## 26 Review to Current Market Rent

26.1 If there is a Rent Review by way of Current Market Rent requirement in the Reference Schedule, then the Landlord gives the Tenant notice of what the Landlord says is the current market rent for the Premises at least 30 days before the Market Review Date (**Notice Date**). Until the Landlord gives such notice the Tenant pays the old rent and any adjustment is calculated from the Market Review Date.

26.2 **Disputes**

26.3 If the Tenant disputes
applies. A late notice does not
because the time limit expired; e

26.4 **Review procedure**

26.4.1 If the Tenant disputes t
give the Landlord notice
Landlord gives the Landl

26.4.2 The Tenant and the Lar
on a new Rent within 14 days or if the new Rent is not agreed, on the appointment of a Valuer to decide the new Rent.

*A market review compares more than the monthly rent. Consider the use, outgoings and other terms of comparable premises.*

legalconsolidated.com.au/
commercial-lease-agreement-intro/

26.4.3 If the parties do not agree on the new Rent or a Valuer within those 14 days, either may ask the Nominator to appoint a Valuer. The Valuer must be independent, appropriately qualified and experienced in rental valuations of comparable premises in the locality. If the Nominator declines or does not nominate within 28 days of the request, either party may seek an appointment or other appropriate relief from a court with jurisdiction.

26.5 **New rent applies from the Market Review Date**

26.6 The new Rent applies from the Market Review Date. Until the review is resolved, the Tenant pays the previous Rent. The parties must account for any overpayment or shortfall with the next monthly payment.

26.7 **Valuer's decision**

26.8 The Valuer acts as an independent expert and not as an arbitrator. The Valuer:

26.8.1 gives the decision in writing;

26.8.2 gives detailed reasons for the decision; and

26.8.3 specifies the matters considered in making the decision.

26.9 **Valuing the current market rent**

In the valuation the current market rent is to be taken as the rent obtainable at the time of the review in a free and open market, between a willing landlord and a willing tenant in an arm's length transaction, having regard to these matters:

26.9.1 the provisions of this Lease;

26.9.2 the rent that would reasonably be expected to be paid for the Premises if they were unoccupied
similar, use

26.9.3 the Landlord's outgo
contribute to those ou

26.9.4 rent concessions an
unoccupied premises

26.9.5 but excludes the Ter
must state the monthly Rent on the same GST basis as the Reference Schedule, identifying any GST included. Any annual rental comparison must be converted to a monthly amount.

*If you cannot agree on market rent, the lease sets out a valuation process. Keep the evidence supporting your position.*

legalconsolidated.com.au/
commercial-lease-agreement-intro/

26.10 **The Valuer's costs**

The Tenant and the Landlord must share the Valuer's costs equally.

# 27 Review to CPI

27.1 **Formula for increase by CPI rent increases (if applicable)**

If there is a Rent Review by way of CPI in the Reference Schedule, then the Rent is increased to a new rent calculated using the formula:

NMR = CMR × (A ÷ B)

where:

**NMR** is the new rent

**CMR** is the rent payable immediately before the CPI Review Date;

**A** is the level of the CPI at the end of the calendar quarter immediately preceding the CPI Review Date;

**B** is the level of the CPI at the end of the calendar quarter immediately preceding the date which is 12 months before the CPI Review Date; and

**CPI** is the Consumer Price Index Australia, All Groups as published quarterly by the Australian Bureau of Statistics (**ABS**).

CPI Review Date each date on which the Reference Schedule requires a CPI rent review, including a review using the greater of CPI and a stated percentage. Market Review Date means a date requiring a current market rent review. Fixed percentage reviews take effect on their scheduled dates.

The CPI review does not reduce Rent. If the formula produces a lower amount, the existing Rent continues, subject to mandatory law.

27.2 **Changes made by the ABS**

27.2.1 If the ABS updates the bas
preserve the intended conti
arithmetical factor determine

27.2.2 If the ABS stops publishing t
replace the CPI with any othe

27.2.3 If the parties cannot agree c
may ask the Nominator to
published replacement index
The Valuer acts as an exper
the cost equally.

*Diary each rent review. Keep the calculation and apply the method selected for that date in the Reference Schedule.*

Build this document here:
legalconsolidated.com.au/
commercial-lease-agreement-intro/

27.3 **New rent applies from CPI Review Date**

The new Rent applies from the CPI Review Date. Until it is calculated, the Tenant pays the previous Rent. Any overpayment or shortfall is accounted for with the next monthly payment.

# 28 Option to renew Lease

28.1 **Exercise of option**

If there is an 'Option to renew lease' provided in the Reference Schedule, only then the Landlord gives the Tenant, the option to require the Landlord to grant to it a new lease of the Premises exerciseable by the Tenant giving notice to that effect to the Landlord no later than 3 months before the expiration of the applicable Term.

28.2 **Condition of exercise**

The Landlord is not obliged to grant a new lease if an Event of Default has occurred and has not been remedied or waived by the Landlord.

28.3 **Terms of new lease**

The new lease is on the same terms as this Lease except that:

28.3.1 the starting Rent is the rent expressly specified for that renewal in the Reference Schedule or determined under the F renewal commencement

28.3.2 rent reviews expressly sp term apply. If none are s each anniversary of the r

28.3.3 the number of remaining one each time an optio stated renewal period a further option after all stated options have been used.

*An option gives the tenant a valuable right. Check its notice deadline and the new term before the existing lease ends.*

legalconsolidated.com.au/
commercial-lease-agreement-intro/

# 29 Redevelopment, asset rationalisation and demolition

If as part of any redevelopment, asset rationalisation or other project conducted by the Landlord, the Landlord wishes to demolish or acquire vacant possession of the Premises or any part of the Premises, then the Landlord is entitled to terminate the Lease subject to the following provisions:

29.1 the Landlord provides the Tenant with details of the proposed redevelopment enough to indicate a genuine proposal to carry out that redevelopment within (unless the law requires a longer period) a reasonably practical time after this Lease is to be terminated

29.2 the Landlord may at any time after providing the Tenant with the above information give the Tenant a written notice of termination of the Lease (Termination Notice) saying the date on which this Lease is to end being a date (unless the law requires otherwise) not less than 6 months after the Termination Notice is given. The Lease, unless ended earlier by the Tenant, ends at midnight on the day stated in the Termination Notice

29.3 at any time after receiving the Termination Notice, the Tenant may end this Lease by giving not less than 7 days' written notice to the Landlord

29.4 when this Lease is terminated (whether by the Landlord or by the Tenant), the rights and obligations of the Landlord and the Tenant come to an end, however, if any breach by either party still exists at that time then the rights of the other party with regard to that existing breach continue

29.5 any reasonable costs incurred in relocating the Tenant are borne by the Landlord

# 30 Dictionary

In this Deed:

**Air-conditioning Equipment** all air-conditioning plant and equipment used in the Building

**Authority** any governmental or other public body, regulator, organisation or authority of any kind

**Bond** the amount set out in the Reference Schedule

**Building** the building or buildings erected on that part of the Land comprising the Premises and touching and concerning the Premises

**Corporations Law** the Corporations Act 2001 (Cth) and regulations under it

**Encumbrance** any mortgage, charge, lien, pledge, easement, writ, warrant, caveat (and the claims stated in the caveat), Personal Property Securities Register (**PPSR**) or other right or interest of any third party affecting the Premises

**Event of Default** any of the events so stated in the Lease

**Insolvency Event** the happening of any of the following events in relation to the Tenant:

(a) an application is m
liquidator be appoi
provisional liquidat
(b) it proposes to ente
or informal) with its
(c) a receiver or receiv
(d) it is, or is deemed
debts
(e) it becomes an insolvent under administration as defined in the Corporations Law

*Names and definitions matter. Read the defined terms with the schedule so the obligations apply to the right parties and premises.*

legalconsolidated.com.au/
commercial-lease-agreement-intro/

**Land** that part of the land comprising the Premises, and also to which the Premises touches and concerns

**Landlord** the person specified in the Reference Schedule

**Landlord's Property** all other plant and equipment, fixtures, fittings, furniture and furnishings including curtains, blinds and light fittings, in, on or fixed to the Premises that are not the Tenant's Property

**Lease** or **Deed** this deed, including the Reference Schedule and any other schedules or any attachments, and as it may be varied from time to time

**Lease Start Date** the date specified in the Reference Schedule

**Lettable Floor Area** the floor space calculated using the Property Council of Australia method of measurement for measuring the gross lettable area of premises of a similar kind to the Premises

**Managing Agent** a person appointed by the Landlord

Nominator the Chair of the Australian Property Institute's State or Territory office for the place where the Premises are located, or the Institute's authorised nominee

**Payment Date** the date set out in Reference Schedule in each month of the Term

**Permitted Use** the type of use limited to that set out the Reference Schedule

**Premises** as set out in the Reference Schedule (and as further outlined on the attached plan or sketch, if any) touching and concerning the Building and other improvements thereon and includes the Landlord's Property

**Property Council of Australia** or another similar reputable organisation as stated from time to time by the Landlord

**Rate of Interest** the rate being 4% in excess of the general overdraft rate charged on unsecured borrowings by the Commonwealth Bank of Australia on amounts not exceeding $100,000

**Rates and Taxes** rates, taxes (land tax to be assessed as if the Land was the only property owned by the Landlord), levies, duties and other charges assessed or imposed by an Authority for Lease or the Premises or property which includes the Premises or by a strata company including stamp and transaction duties, together with any related interest, penalties, fines and expenses in connection with them, except if assessed on the overall net income or capital gains of the Landlord

**Reference Schedule** the Reference Schedule at the front of this Lease, which forms and is part of the operative part of the Lease

**Rent** the amount set out in the Reference Schedule as varied under this Lease

**Retail Lease** a lease governed by retail leasing legislation in the State or Territory where the Premises are located

**Responsible Authority** as the case requires, the relevant body responsible for superannuation including the Australian Taxation Office, the Australian Prudential Regulation Authority and the Australian Securities & Investments Commission

**Security Interest** any mortgage, charge, sub-demise, lien, trust or power, which is a security for the payment of money or compliance with any other obligation

**Separately Assessed** in reference to Variable Outgoings all Rates and Taxes, Insurance Premiums and Services that are separately assessed to the Tenant, imposed on the Tenant or billed to the Tenant

**Services** the services running through or servicing the Premises including without limitation:

(a) cleaning of the Premises including cleaning of the windows, common areas and toilets
(b) toilet requisites including rental of sanitary disposal unit
(c) lighting and power including common area lighting and power
(d) provision and maintenance of fire fighting equipment including fire sprinklers
(e) all costs (including electric
associated with the running
ventilation heating or coolin
limiting the generality of t
specialist contractors and or
and the cost of materials use
or servicing of such plant
incurred in relation to ar
arrangements entered into
otherwise arranged or entere

*Check the services and outgoings together. Resolve who pays each cost before the tenant takes possession.*

Build this document here:
legalconsolidated.com.au/
commercial-lease-agreement-intro/

including the cost of any parts and or labour charged or incurred in relation to it

(f) water and sewerage
(g) gas
(h) telecommunications
(i) such other services as are properly and reasonably required for the proper care and conduct of the Premises

**SIS Act** *Superannuation Industry (Supervision) Act 1993*
**SIS Legislation** the SIS Act, SIS Regulations and other legislation applying to the SMSF, including amendments and replacements

**SIS Regulations** Superannuation Industry (Supervision) Regulations 1994

**Superannuation law** the SIS Legislation and other applicable law governing the SMSF, its investments and tax treatment, together with binding requirements lawfully imposed on the fund or its trustee by a Responsible Authority

**Tenant** the person specified in the Reference Schedule, and includes a reference to an assignee, a sub-tenant or any other person having a right to possess, use or occupy the Premises

**Tenant's Business** the business carried on, at or from the Premises

**Tenant's Employees, Agents and Customers** each of the Tenant's employees, officers, agents, contractors, service suppliers, sublessees, licensees, concessionaires, customers and those other persons who at any time are under the control of the Tenant and are in or ) of the Tenant

, furniture and furnishings or other enant. Except any item which has otherwise

e and includes a reference to any the Term and, when the context so additional term

edule

Valuer an independent property valuer appropriately qualified and experienced in rental valuations of comparable premises in the locality

*Keep the signed lease, rent ledger, inspection records and agreed changes together. They tell the story of the tenancy.*

legalconsolidated.com.au/
commercial-lease-agreement-intro/

**SIGNED as a Deed** on the ..... day of ..... 20 .....

EXECUTED for and on behalf of
**Wattle Ridge Properties Pty Ltd**
**ACN 123 456 780**

by authority of its Directors in
accordance with section 127
*Corporations Act* 2001 (Cth)

_____ _____

Signature of Director or Secretary | Signature of Director (if a 2nd)

EXECUTED for and on behalf of
**Yarra Precision Engineering Pty Ltd**
**ACN 987 654 321**

by authority of its Directors in
accordance with section 127
*Corporations Act* 2001 (Cth)

_____ _____

Signature of Director or Secretary | Signature of Director (if a 2nd)

SIGNED, SEALED AND DELIVERED by
**Peter Michael Lawson**

Guarantor:

_____

**Peter Michael Lawson**

_____

(Signature of witness)

_____

(Name of witness)