

Proposed Licence Terms

Premises at Suite 8, Level 8, Goldfields House, 1 Alfred Street, Sydney

Landlord	The Co-Tenancy Company Pty Ltd ACN: 161 542 490
Tenant	Talos Services Pty Ltd ABN 25 159 118 724
Premises	Suite 7, Level 8, Goldfields House, 1 Alfred Street, Sydney
Area	Approx 67 sqm
Permitted Use	Commercial Offices
Term	2 Years
Commencement Date	12 th August 2013
Expiry Date	11 th August 2015
	In the event that the parties agree, a further on year tenancy will be available following the expiry of the Licence on the same terms and conditions of that Licence.
Annual Gross Rent	\$7,083.33 per calander month plus GST from the Commencement Date until 11 August 2014.
Outgoings	These are included in the base rental.
Payment of rent	Rent, cleaning contribution and all other charges are payable by electronic transfer in advance on the first day of the month throughout the term of the Licence.
Incentive	The Landlord will supply the Tenant with fitout for the duration of the Licence comprising of 7 desks, 7 chairs and storage. The Tenant may take possession of the premises prior to the commencement date provided that the terms of Access have been met by the tenant.
	NOTE : The Landlord reserves the right to and may alter the incentive should the Licence terms contained in this proposal vary.

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Annual Net Rent review	The Annual Rent will be \$7,250.00 per calendar month plus GST from 12 August 2014 until the Expiry Date.
Building operating hours	<p>Building hours of operation are 8.00am to 6.00pm on normal business days. However, the Tenant will have access 24 hours per day, seven days per week, by means of access cards.</p> <p>8 access cards will be issued upon execution of the Licence. Any additional or replacement cards will be provided at a cost of \$50.00 per card.</p>
Cleaning	<p>The Landlord will provide a cleaning service for the Building. The Tenant must use the Landlord's cleaning contractor for the cleaning of its Premises.</p> <p>The Tenant's Cleaning Contribution is 10% of the floor cleaning costs.</p> <p>The current cost of cleaning as provided by the Valad, the building owner is \$21.00 per square metre per annum for the year ending 31 December 2013.</p>
Insurance	<p>The Tenant must take out:</p> <ul style="list-style-type: none"> • public liability insurance for at least \$20million in the names of the Tenant and the Landlord (and any other person nominated by the Landlord) covering their respective rights and interests • plate glass insurance • insurances required by law • insurances in connection with works done by the Tenant
Assignment/ subletting	The Tenant may assign or sublet the whole of the Premise subject to the landlord's consent and requirements set out in the legally binding Licence.
Other Lessee Costs	In addition to the Annual Rental and Outgoings, the Lessee must pay a percentage of the costs associated with the operation of the Tenant's business on the Premises including consumable charges such as electricity, milk, tea and coffee. These will be a per head percentage of all invoices paid by the Landlord for the above. These charges are to be actual charges and the Landlord will provide evidence to this effect.

Tenant signage The Tenant may install tenant signage on the tennancy door, subject to the Landlord's approval (which will not be unreasonably withheld) as to size, colour and design. In addition the tennant will have signage on tenency boards (electronic or other) that will be place in the reception area. The Tenant will bear all costs (including removal and make good when the Licence ends) in relation to the Tenant's signs.

Tenant fitout Should the tenant wish to modify the already existing fit out then plans with proposed alterations must be submitted to the Landlord before they are submitted to relevant authorities. Before the fitout works commence, the Tenant must obtain all necessary approvals from authorities and must give copies to the Landlord. After the fitout works are completed, the Tenant must obtain any certificates (such as an occupation certificate) necessary for the lawful occupation of the Premises, and provide copies of those certificates to the Landlord. The Tenant must pay the costs of any consultants the Landlord engages in approving and inspecting the Tenant's fitout plans and works.

Make good At the expiration or sooner termination of the Licence, the Tenant must make good the Premises in accordance with the Licence. The minimum requirements are:

- Return the Premises to the same condition that it was in at the date on which the Tenant first obtained access to the Premises, and otherwise in accordance with the premises condition report to be prepared by the Landlord before the Commencement Date
- Repaint the Premises if damaged/ marked beyond fair wear and tear

The Tenant must repair damage to the carpet caused by the Tenant (including any necessary replacement, but excluding fair wear and tear), and steam clean.

Form of Licence A pro forma Licence agreement as attached will be used as the basis of this agreement

Legal Costs Each party must pay their own legal costs in connection with the negotiation, preparation and execution of the legally binding licence documentation.

Access

The Tenant will be given access to the Premises on or before the Commencement Date subject to the Tenant delivering to the Landlord:

- legally binding occupation Licence signed by the Tenant
- evidence of required insurance
- Two months Gross rent, to be held as a deposit for the duration of the Licence

anything else required to be delivered under the Licence documentation.

Holding deposit

The Tenant must deposit an amount equal to \$2,000 into the Landlord's account before the Landlord will instruct their solicitor to prepare the legally binding Licence documentation.

The holding deposit will be held in that account until the Licence has been executed, when the landlord will return it to the Tenant in full.

The trust account details are:

Bank:	Bank Of Queensland
Account name:	The Co-Tenancy Company Pty Ltd
Branch no:	122 710
Account no:	21973707

If the Tenant withdraws from negotiations after the Landlord has instructed its solicitors to prepare the legally binding Licence documentation, the Landlord may deduct any reasonable legal costs (capped at \$1,000) it has incurred in connection with that documentation.

Goods & Services Tax (GST)

All dollar amounts stated in this proposal are exclusive of GST. The Lessee must pay any GST payable by it under the Licence documentation.

Other Conditions

1. This proposal, and any subsequent correspondence, are confidential and may not be given, in any form, to a third party without the prior written consent of the Landlord. However, they may be given to the Tenant's professional or financial advisers.
2. The Tenant must satisfy itself as to the suitability of the Premises for the Tenant's use.

3. The Tenant must provide sufficient financial information for the Landlord to complete a credit assessment of the Tenant. The Landlord must be satisfied with the assessment.
4. The Landlord reserves the right to vary this proposal, Licence the Premises to another person, or withdraw the Premises from the market until the Heads of Agreement is signed by the Tenant and delivered to the Landlord.
5. The Tenant will be allowed access to and use of common areas including kitchens, boardrooms, meeting rooms, front office facilities and waiting room. Free WiFi access will also be provided.

Environmental Initiatives:

The Tenant must comply with any environmental initiative implemented by the Landlord in the Building, including recycling, Earth Hour, etc.

This proposal is not legally binding on either party and is subject to:

- Landlord's approval
- Tenant's approval; and
- Execution and exchange of the Licence documentation.

This proposal remains valid until 5.00 pm on Wednesday 7th August 2013 ("Availability Period"), after which time it will be taken to have been withdrawn.

If you agree with this proposal, please sign the attached copy of this letter where indicated and return it to Jonathan Gill, Managing Director, The Co-Tenancy Company Pty Ltd along with a cheque for the holding deposit payable to the Landlord. A receipt will be provided for the holding deposit. If those documents are received before the Availability Period ends, the Landlord's solicitors will be instructed to prepare the legally binding Licence documentation.

Tenant Confirmation

The Tenant agrees with the terms of the above proposal and acknowledges that no promise, representation, warranty or undertaking (other than those contained in the proposal) have been made by or on behalf of the Landlord to the Tenant in connection with the Premises or its use or occupation.

M. Ryan
Signed for and on behalf of

Talos Services Pty Ltd

MARK RYAN
Print full name of person signing

Position: MANAGER

Date: 7/8/2013

Tenant's Solicitors' details:

Firm: RYAN ADVISORY SERVICES

Contact Name: MARK RYAN

Address: _____

Telephone: 0431 658 271

Fax: _____

Email: MARK.RYAN@RYANADVISORY.COM