FIFTH EDITION 2012

AGREEMENT TO LEASE

This form is approved by Auckland District Law Society Inc and the Real Estate Institute of New Zealand Inc

DATE:

LANDLORD: HAWKEXMOLE LIMITED

TENANT: BELLEZA HAIR DESIGN LIMITED

GUARANTOR: THANOUSONE XUENTHAH

THE LANDLORD agrees to grant and the Tenant agrees to take a lease of the premises and the carparks (if any) described in the First Schedule together with the right to use the common areas of the property for the term from the commencement date and at the annual rent (subject to review if applicable) as set out in the First Schedule.

THE LANDLORD AND THE TENANT agree

(1) as set out in the First and Second Schedules

(2) that the Landlord's fixtures, fittings and chattels contained in the premises are those described in the Third Schedule.

THE GUARANTOR (and if more than one jointly and severally), in consideration of the Landlord entering into this Agreement at the Guarantor's request, agrees with the Landlord to guarantee to the Landlord the obligations of the Tenant and to sign the Lease as a guarantor.

SIGNED by the Landlord

SIGNED by the Tenant

SIGNED by the Guarantor

WARNINGS *(These warnings do not form part of this contract)*

1. This contract is binding on all parties upon signing. All parties should seek legal advice **before signing.**
2. Before signing this contract the tenant should make sure that the status of the property under the Resource Management Act 1991 is satisfactory for the tenant's intended use of it.
3. The parties should agree upon and record the Landlord's fixtures, fittings and chattels and their condition in the Third Schedule.
4. The parties are advised to insert a clause requiring inclusion of a report of the condition of the premises as at the commencement of the lease.

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FIRST SCHEDULE

1. **PREMISES:** Ground floor retail shop in the Landlord's building at 79-83 Molesworth Street known as Shamrock House being an area of 41m2 as delineated on the attached plan.

2. **CAR PARKS:** Nil

3. **TERM:** Six (6) years
4. **COMMENCEMENT DATE:** 1 November 2013 subject to special condition 8.6 13·1·14
5. **RIGHTS OF RENEWAL:** One of three (3) years
6. **RENEWAL DATES:** 1 November 2019 subject to special condition 8.6
7. **FINAL EXPIRY DATE:** 31 October 2022 subject to special condition 8.6

8. **ANNUAL RENT:** (Subject to review if applicable)

Premises	$ 20,500	plus GST
Car Parks	$ nil	plus GST
TOTAL	$ 20,500	plus GST

9. **DEPOSIT:** (advance rent) $ 3,416.67 plus GST payable to Wellington Realty Trust account

11. **RENT REVIEW DATES:** (Specify review type and insert dates for initial term, renewal dates and renewal terms. Unless dates are specified there will be no reviews. Where there is a conflict in dates, the market rent review date will apply.)
    1. Market rent review dates: On renewal
    2. CPI rent review dates: Annual rent to increase by 5%on each anniversay from commencement date other than renewal date

12. **PROPORTION OF OUTGOINGS:** (subclause 3.1 of the Lease) 100 % relating to the premises
13. **DEFAULT INTEREST RATE:** (subclause 5.1 of the Lease) 15 % per annum
14. **BUSINESS USE:** (subclause 16.1 of the Lease) Hair salon

15. LANDLORD'S INSURANCE: (subclause 23.1 of the Lease)

(Delete or amend extent of cover as appropriate)

~~(1) Cover for the building against damage and destruction by fire, flood, explosion, lightning, storm, earthquake, and volcanic activity;~~

on the following basis:

(a) Full replacement and reinstatement (including loss damage or destruction of windows and other glass).

(Delete either (a) or (b): if neither option is deleted, then option (a) applies)

OR at the option of the Landlord

(b) Indemnity to full insurable value (including loss damage or destruction of windows and other glass).

~~(2) Cover for the following additional risks:~~

~~(a) 12 month indemnity in respect of consequential loss of rent and outgoings.~~

~~(b) Loss damage or destruction of any of the Landlord's fixtures fittings and chattels.~~

~~(c) Public liability.~~

16. NO ACCESS PERIOD: (subclause 27.6 of the Lease)

(Delete option (1) and complete option (2) if required. If option (1) is not deleted and option (2) is completed then option (2) applies)

~~(1) 9 months~~

OR

(2) 12 Months

FURTHER TERMS (if any)

OUTGOINGS *(amend as necessary)*

1. ~~Rates or levies payable to any local or territorial authority.~~
2. Charges for water, gas, electricity, telecommunications, and other utilities or services, including line charges.
3. Rubbish collection and recycling charges.
4. New Zealand Fire Service charges and the maintenance charges in respect of all fire detection and fire fighting equipment.
5. Any insurance excess (but not exceeding $2000) in respect of a claim and insurance premiums and related valuation fees.
6. ~~Service contract charges for air conditioning, lifts, other building services, and security services.~~
7. ~~Cleaning, maintenance and repair charges including charges for repainting, decorative repairs and the maintenance and repair of building services to the extent that such charges do not comprise part of the cost of a service maintenance contract, but excluding charges for structural repairs to the building (minor repairs to the roof of the building shall not be a structural repair), repairs due to defects in design or construction, inherent defects in the building and renewal or replacement of building services.~~
8. The provisioning / and cleaning of toilets and other shared facilities.
9. ~~The cost of ground maintenance of lawns, gardens and planted areas including plant hire and replacement, and the cost of repair of fences.~~
10. ~~Yard and carparking area maintenance and repair charges but excluding charges, for repaving or resealing.~~
11. ~~Body Corporate charges for any insurance premiums under any insurance policy effected by the Body Corporate and related valuation fees and reasonable management administration expenses.~~
12. ~~Management expenses.~~
13. ~~The costs incurred and payable by the Landlord in supplying to the territorial authority a building warrant of fitness and obtaining reports as required by sections 108 and 110 of the Building Act 2004 but excluding the costs of upgrading or other work to make the building comply with the Building Act 2004.~~

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SECOND SCHEDULE

Definitions, notices and interpretation

1.1 Definitions

(1) Unless the context requires a different interpretation, words and phrases not otherwise defined have the same meaning as in section 4 of the Property Law Act 2007.

(2) "Agreement" means this document including the front page, any further terms and any schedules and attachments.

(3) "Working day" means any day of the week other than:

(a) Saturday, Sunday, Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's Birthday, and Labour Day; and

(b) A day in the period commencing on the 24th day of December in any year and ending on the 5th day of January in the following year, both days inclusive; and

(c) The day observed as the anniversary of any province in which the premises are situated.

(4) A Working day shall be deemed to commence at 9.00 am and to terminate at 5.00 pm.

(5) Any act done pursuant to this agreement by a party after 5.00 pm on a Working day, or on a day which is not a Working day, shall be deemed to have been done at 9.00 am on the next succeeding Working day.

(6) Where two or more acts (including service of notice) done pursuant to this Agreement are deemed to have been done at the same time, they shall take effect in the order in which they would have taken effect but for subclause 1.1(5).

1.2 Notices

All notices must be in writing and must be served by one of the following means:

(1) In the case of a notice under sections 245 or 246 of the Property Law Act 2007 in the manner prescribed by section 353 of that Act; and

(2) In all other cases, unless otherwise required by sections 352 to 361 of the Property Law Act 2007:

(a) in the manner authorised by sections 354 to 361 of the Property Law Act 2007, or

(b) by personal delivery, or by posting by registered or ordinary mail, or by facsimile, or by email.

(3) In respect of the means of service, a notice is deemed to have been served:

(a) In the case of personal delivery, when received by the addressee.

(b) In the case of posting by mail, on the second working day following the date of posting to the addressee's last known address in New Zealand.

(c) In the case of facsimile transmission, when sent to the addressee's facsimile number.

(d) in the case of email, when acknowledged by the addressee orally or by return email or otherwise in writing except that return emails generated automatically shall not constitute an acknowledgement.

(4) In the case of a notice to be served on the Tenant, if the Landlord is unaware of the Tenant's last known address in New Zealand or the Tenant's facsimile number, any notice placed conspicuously on any part of the premises shall be deemed to have been served on the Tenant on the day on which it is affixed.

(5) A notice shall be valid if given by any director, general manager, lawyer or other authorised representative of the party giving the notice.

(6) Where two or more notices are deemed to have been served at the same time, they shall take effect in the order in which they would have been served but for subclause 1.1(5).

(7) Any period of notice required to be given under this agreement shall be computed by excluding the date of service.

1.3 Interpretation

(1) Headings are for information only and do not form part of this Agreement.

(2) The terms, conditions and covenants contained in this Agreement shall not merge insofar as they either have not been fulfilled at the time of the execution of the Lease or are not reflected in the Lease but shall remain in full force and effect.

1.4 If there is more than one Landlord or Tenant, the liability of the Landlords or the Tenants as the case may be is joint and several.

1.5 Where the Tenant executes this Agreement with provision for a nominee or on behalf of a company to be formed, the Tenant shall remain liable for all the obligations on the part of the Tenant hereunder until such time as the Tenant and the Guarantor have signed the Lease.

1.6 This agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument. Communication of execution of this agreement may be made by each party transmitting by facsimile to the other party or their respective agents a counterpart of this agreement executed by the party sending the facsimile.

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Deposit

2.1 The Tenant shall pay as a deposit an advance rental payment of the amount specified in the First Schedule. The deposit shall be payable to the Landlord or the Landlord's agent immediately upon execution of this Agreement by all parties and/or at such other time as is specified in this Agreement. The person to whom the deposit is paid shall hold it as a stakeholder until this Agreement is unconditional or is avoided.

2.2 The Landlord shall not be entitled to cancel this Agreement for non-payment of the deposit unless the Landlord has first given to the Tenant three working days' notice in writing of intention to cancel and the Tenant has failed within that time to remedy the default. No notice of cancellation shall be effective if the deposit has been paid before the notice of cancellation is served.

2.3 Without prejudice to any of the Landlord's rights or remedies, including any right to claim for additional expenses and damages, if the deposit or any portion thereof is not paid upon the due date for payment the Tenant shall pay to the Landlord interest at the default interest rate on the portion of the deposit so unpaid for the period from the due date for payment until payment. Unless a contrary intention appears on the front page or elsewhere in this agreement the default interest rate is equivalent to the interest rate charged by the Inland Revenue Department on unpaid tax under the Tax Administration Act 1994 during the period for which the default interest is payable, plus 5 per cent per annum.

Lease payments

3.1 The Tenant shall pay the annual rent by equal monthly payments in advance as from the commencement date specified in the First Schedule.

3.2 The Tenant shall pay the Goods and Services Tax payable by the Landlord in respect of the rent and other payments payable by the Tenant pursuant to the Lease.

3.3 In addition to the rent the Tenant shall pay the outgoings specified in the First Schedule and where any outgoing is not separately assessed in respect of the premises then the Tenant shall pay such proportion thereof as is specified in the First Schedule or if no proportion is specified then a fair proportion.

Lease

4.1 The Tenant shall enter into a formal lease with the Landlord to be prepared by the Landlord's lawyer at the cost of the Landlord, using the sixth edition of the Auckland District Law Society Inc Deed of Lease form amended in accordance with the provisions of this Agreement ("Lease").

4.2 Unless otherwise set out in the Third Schedule, it is agreed that the Landlord's fixtures, fittings and chattels contained in the premises as more particularly described in the Third Schedule are in a good state of repair.

4.3 Notwithstanding that the Lease may not have been executed, the parties shall be bound by the terms, covenants and provisions contained in this Agreement and in the Lease as if the Lease had been duly executed.

Dispute resolution

5.1 Unless otherwise provided in this Agreement, if a party considers that there is a dispute in respect of any matters arising out of, or in connection with this Agreement, then that party shall immediately give notice to the other party setting out details of the dispute. The parties will endeavour in good faith to resolve the dispute between themselves within five (5) working days of the receipt of the notice, failing which the parties will endeavour in good faith within a further ten (10) working days to appoint a mediator and resolve the dispute, time being of the essence.

5.2 Neither party will commence legal proceedings against the other except for injunctive relief before following the procedure set out in subclause 5.1.

No Assignment

6.1 The Tenant shall not assign or agree to assign this Agreement or the Tenant's interest under this Agreement and the Tenant shall not register any caveat against the land in respect of its interest under this Agreement. The Tenant shall not be entitled to exercise the right of assignment contained in the Lease until such time as the Tenant has signed the Lease.

Agent

7.1 If the name of a licensed real estate agent is recorded on this Agreement it is acknowledged that the lease evidenced by this Agreement has been made through that agent whom the Landlord appoints as the Landlord's agent to effect the Lease. The Landlord shall pay the agent's charges including GST for effecting such Lease.

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THIRD SCHEDULE

LANDLORD'S FIXTURES, FITTINGS AND CHATTELS (If any)

Automatic front door
Suspended ceiling
Air conditioning

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Special Conditions

8.0 Landlord Works

8.1 The Landlord shall create at its cost the shop space as generally in line with the attached plan and to also include a suspended ceiling, exposed concrete floor with existing double automatic doors to remain as per attached plan.

8.2 The Landlord shall carry out the Landlord's works in a proper and workmanlike manner and in accordance with the proper local authority building requirements.

8.3 The lease commencement date shall be 1 November 2013 provided the Landlord has provided a certificate of practical completion of the Landlord's works to the Tenant on or before 14th October 2013. If the Landlord has not provided a certificate of practical completion to the Tenant for the Landlord's works on or before 14th October 2013 then the lease commencement date will be twenty working days after the Landlord has provided the Tenant such certificate of practical completion. The parties agree the certificate of Practical Completion is to be issued by the Landlord's architectural design manager in respect of the Landlord's works.

8.4 The Landlord shall:

(a) use reasonable endeavours to ensure that the date of practical completion is not later than 1st November 2013;

(b) keep the tenant fully informed of any likely change to the estimated completion date as construction proceeds; and

(c) give as much notice as is reasonably possible of the proposed date of practical completion and in any event not less than four weeks prior to the actual date of practical completion.

8.5 For the avoidance of any doubt the practical completion date specified in clause 8.4(a) is an estimate, and the tenant shall not be entitled to, nor purport to, cancel this agreement consequent upon the landlord's failure to secure practical completion on such date.

8.6 If the lease commencement date is delayed beyond 1 November 2103 there will be a corresponding adjustment to the renewal date, the final expiry date and the rent review dates.

8.7 "Practical completion" shall mean where the Landlord's works **and the major construction work on the landlord's building** have been substantially completed so that the premises are capable of being occupied used and enjoyed without material inconvenience, notwithstanding that there may be items of a minor nature that require finishing, alteration or remedial action.

9 Tenants fitout

9.1 The tenant shall in compliance with the conditions set out in clauses 9.2 to 9.6 (inclusive), carry out the construction in the premises of the tenant's work and other fitting out works reasonably necessary for the purposes of the tenant's occupation.

9.2 The tenant shall not commence the tenant's work and any other fitting out work without the Landlord's prior written approval of that work. The tenant shall submit plans and specifications of the proposed work to the Landlord and the Landlord may require as a condition of approval that:

(a) the work be executed by reputable contractors or tradesmen experienced in completing the type of work required by the Tenant;

(b) the tenant obtains all approvals or consents necessary to enable the proposed work to be lawfully effected and on request produces copies of them to the Landlord; and

(c) upon completion of the work the tenant produces to the Landlord any certificates of compliance issued by the relevant authority.

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9.3 The tenant shall:

(a) with all due speed carry out and complete the tenant 's work and other approved fitting out in a good and professional manner;

(b) complete the interior of the premises to a high and tasteful standard and in accordance with:

(i) the plans and specifications submitted to and approved by the Landlord; and

(ii) all building consents issued for the tenant's work; and

(c) make good any damage caused by the tenant during the fitting out period.

9.4 The tenant shall remove from the premises and surrounds all rubbish and trade waste so as to leave the premises and surrounds in a clean and tidy condition. If the tenant fails to comply with this requirement the Landlord may attend to such removal and cleaning work and recover the full costs of so doing from the tenant on demand.

9.5 The premises shall be at the risk of the tenant during any fit out work. The tenant shall during any tenant fitout work maintain in full force in the name of the Landlord and the tenant comprehensive insurance (including contractors all risks and public liability) in respect of the tenant 's work and other approved fitting out with an approved insurance company.

9.6 The tenant shall keep the Landlord indemnified against all claims, actions, losses and expenses of any nature which the Landlord may suffer or incur or for which the Landlord may become liable in respect of the carrying out and existence of the tenant's work.

9.7 The Landlord agrees to pay the sum of $5,000 plus GST towards tenant fitout works. The $5,000 plus GST payment shall be made within 5 working days from the Landlord receiving a copy of a code compliance certificate from Wellington City Council for the tenant's fitout works.

9.8 The Landlord shall allow the tenant to install a fire rated door from the shop premises into the lobby of the building subject to approval of the Landlord's fire engineer approving any work and that there is no additional cost to the Landlord. The Landlord shall determine the exact position of the fire rated door if installed.

10.0 Rent Review

10.1 The Annual Rent for the time being payable under this Lease shall increase by an amount of five (5%) per cent of the Annual Rent applying prior to the relevant Rent Review Date on each anniversary of the Commencement Date, except where such date coincides with a Renewal Date. During the lease the rent review dates shall be each anniversary of the lease commencement date. From the renewal date the annual rent shall not be less than the Annual Rent payable as at the renewal date.

11 Tenant acknowledgement

11.1 The Landlord does not warrant the accuracy of any statement made by any servant or agent of the Landlord, whether in relation to the said premises or otherwise. Nor does it warrant the suitability of the said premises for any purpose and the Tenant acknowledges that it enters into this Agreement solely in reliance upon its own judgement.

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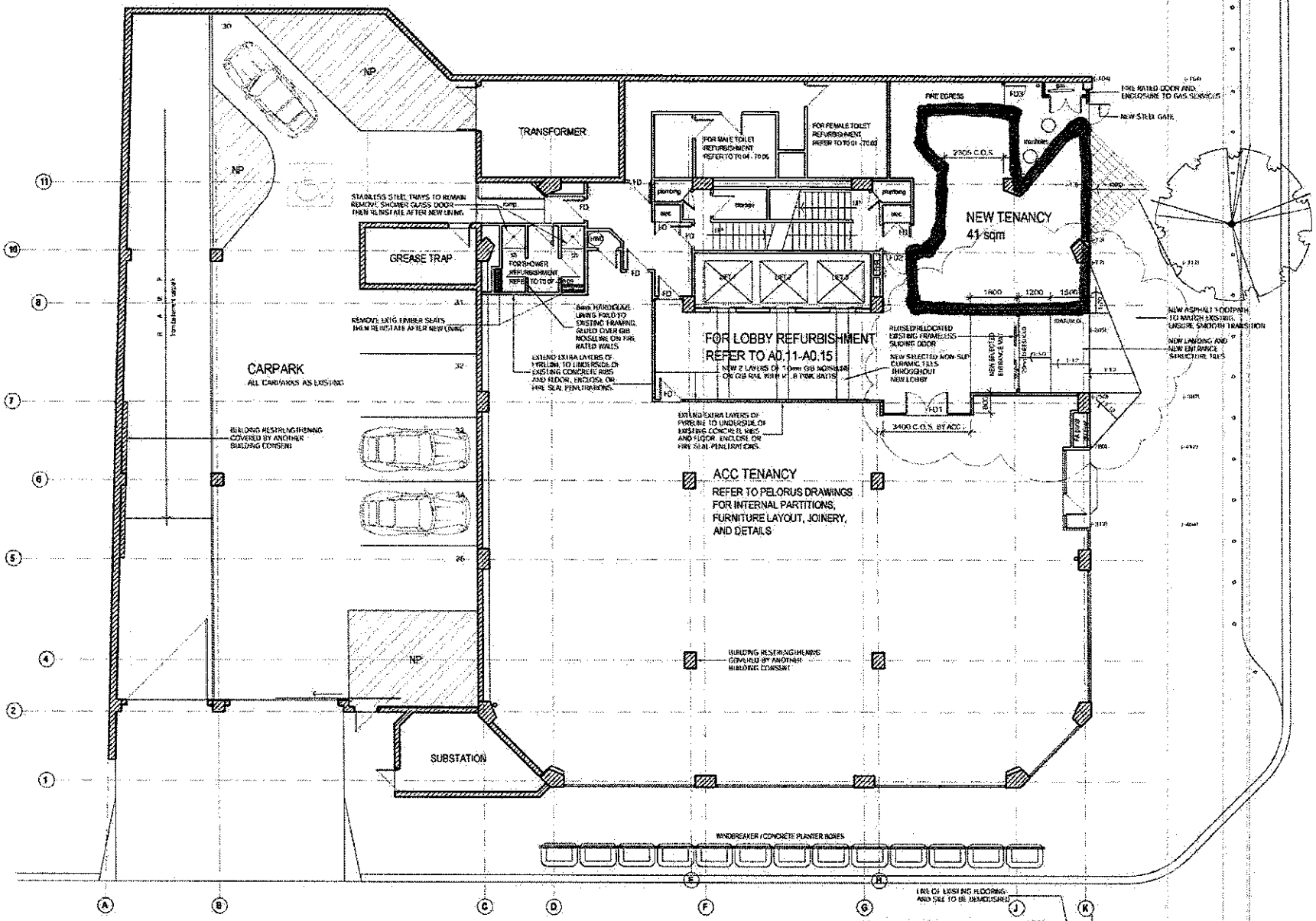
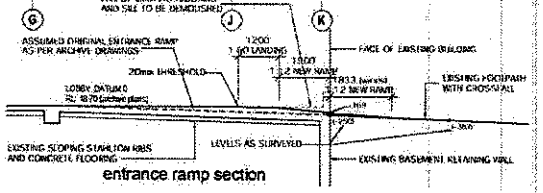


PROPOSED GROUND FLOOR BASE BUILD PLAN
1:100



entrance ramp section

LEGEND:

- EXISTING CONCRETE WALLS AND COLUMNS TO REMAIN
- EXISTING WALLS TO REMAIN CONFIRM ON SITE FIRE RATING REQUIREMENT. REFER TO FIRE REPORT
- NEW WALLS AND RELINED WALLS JGW40 TWO WAY FIRE RATED WALLS STC55 - 2 LAYERS OF 10mm GIB NOISEINE BOTH SIDES OF STUDS W1 GIB RAIL ON ONE SIDE. JH FIBRE CEMENT CLADDING TO EXTERIOR ON JH UNDERLAY CAVITY BATTENS WITH BUILDING PAPER AND INSULATION.
- EXISTING DOORS TO REMAIN FD = FIRE RATED DOORS CONFIRM ON SITE FIRE RATING REQUIREMENT. REFER TO FIRE REPORT
- NEW DOORS / RELOCATED DOORS FD = FIRE RATED DOORS REFER TO FIRE REPORT

BASEBUILD NOTES:

1. CONSTRUCT NEW WALLS, PARTITIONS, AND SHOPFRONTS. REFER TO DETAILS, FIRE REPORT, AND CONSULTANTS DRAWINGS.
2. CONSTRUCT NEW ACCESSIBLE RAMP AT ENTRANCE.
3. INSTALL NEW DOORS AND RELOCATED DOORS. MAKE SURE DOORS MEET REQUIRED FIRE RATING. REFER TO FIRE REPORT AND CONSULTANTS' DRAWINGS
4. UPGRADE ALL EXISTING TOILETS AND SHOWERS. REFER TO DRAWINGS T0.01 - T0.11
5. INSTALL NEW LIGHTING AND OTHER ELECTRICAL FITTINGS. REFER TO CONSULTANTS DRAWINGS.
6. INSTALL NEW HVAC GRILLES AND OTHER MECHANICAL FITTINGS. REFER TO CONSULTANTS' DRAWINGS
7. UPGRADE EXISTING LOBBY. REFER TO DRAWINGS A0.11 - A0.15
8. INSTALL NEW CARPET AND OTHER FLOOR COVERING. REFER TO FINISHES PLAN A0.05
9. APPLY PAINT AND OTHER FINISHES. REFER TO FINISHES PLAN A0.05
10. CLEAN AND MAKE GOOD CARPARK AREA. REPAINT PARKING LINES.

PRIMEPROPERTY GROUP

ACC
SHAMROCK HOUSE LEVELS 0 - 3
81-83 EADESMOOR ST THORNDON WGTN

GROUND FLOOR
BASE BUILD PLAN

A0.02

PRELIMINARY

FIFTH EDITION 2012

DATED _____

BETWEEN

Landlord C/- Primeproperty Group Ltd

Ph (04) 499 1773

Fax _____

Email andrew@primeproperty.co.nz

AND

Tenant _____

Ph _____

Fax _____

Email _____

AGREEMENT TO LEASE

_____

Landlord's lawyer (indicate individual acting)

_____

Tenant's lawyer (indicate individual acting)

Deposit paid to _____

Amount: $ _____

Date paid _____

LEASE NEGOTIATED BY:

Licensed Real Estate Agent

Office Wellington Realty

Address Wellington

Telephone (04) 499 9546

Manager Peter Ward

Salesperson Yvonne Masurkewicz

T.T
P.V