

Deed of Renewal and Variation of Lease

between

PWMC PROPERTY INVESTMENTS
LIMITED

and

PLUMBING WORLD LIMITED

FitzherbertRowe
LAWYERS

MAS-003236-787-3-V10-e

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Deed of Renewal and Variation of Lease

Date:

22 February 2021

2020

Parties

PWMC PROPERTY INVESTMENTS LIMITED (Landlord)

PLUMBING WORLD LIMITED (Tenant)

Background

- A. By Agreement to Lease in 2011 (undated) (**Agreement to Lease**) Balanced Investments Limited agreed to lease to Plumbing World Limited the premises known shortly as 40 Bouverie Street, Petone, Lower Hutt and more particularly described in the Agreement to Lease (**Premises**) for the term at the rental and on and subject to the terms set out in the Agreement to Lease.
- B. The parties have now entered into a formal Deed of Lease in relation to the Premises, dated of even date (**Lease**).
- C. The interest of Balanced Investments Limited is now vested in the Landlord.
- D. The Lease provides that the Tenant may take a renewal of lease of the Premises on giving the prescribed notice.
- E. The Tenant has given the prescribed notice to the Landlord and the parties have agreed upon the rent for the renewed Lease.
- F. The parties have agreed to vary the terms of the Lease as previously varied (if at all) in the manner set out in this deed.
- G. The Landlord is carrying out works on the buildings at the Premises (**Buildings**) on certain terms which the parties wish to record.

This deed records

1. Renewal

- 1.1 The term of the Lease is renewed for 6 years from 1 June 2020.
- 1.2 This deed is the grant of a new lease pursuant to a right of renewal contained in the Lease but does not extend the term of the Lease beyond the final expiry date of the Lease (being the date on which the Lease expires after all rights of renewal have been exercised as provided in the Lease).
- 1.3 The annual gross rent payable under the Lease from 1 June 2020 is \$186,080.00 per year plus GST payable in advance by equal calendar monthly payments of \$15,506.67 plus GST commencing with a first payment on 1 June 2020. ✓
- 1.4 During the renewed term:



- (a) the annual rent may be reviewed on the rent review dates (if any) in accordance with the provisions of the Lease; and
- (b) in addition to the annual rent, the Tenant will pay all other amounts as provided in the Lease.

1.5 The Tenant acknowledges and agrees that it:

- (a) continues to hold the Premises on the terms expressed or implied in the Lease subject to the provisions of this deed; and
- (b) will observe the provisions of the Lease as varied by this deed.

2. Variation

2.1 The terms of the Lease are varied as follows:

- (a) By amending the First Schedule to add 3 further rights of renewal of 3 years each, exercisable on 1 June 2026, 1 June 2029 and 1 June 2032 respectively.
- (b) By adding the following new clause 20 to the Further Clauses:

“20.1 The Landlord will not lease the remaining warehouse space adjoining the Premises on the Landlord’s property contained in Record of Title WN55C/47 (**Warehouse Space**) to a third party without first offering a lease of the Warehouse Space to the Tenant in accordance with the provisions of this clause 20 (**Landlord’s Offer**).

20.2 The Landlord’s Offer will remain open for acceptance by the Tenant for 20 working days after the Tenant receives it (**Offer Period**).

20.3 If the Tenant accepts the Landlord’s Offer within the Offer Period, then the parties will endeavour to negotiate the terms of the lease in good faith and if agreed upon will enter into a lease in the then current edition of the Auckland District Law Society Deed of Lease form amended in accordance with the negotiated terms.

20.4 If the parties are unable to agree on the terms of the lease within 3 months from the date the Tenant accepts the Landlord’s Offer, then the Landlord may grant a lease to a third party on terms no more favourable than those negotiated by the Landlord with the Tenant, subject to clause 21.”

2.2 Except as expressly provided in this deed, all the terms of the Lease are confirmed and remain in full force and effect.

3. Landlord Works

3.1 The Landlord has obtained a Detailed Seismic Assessment Report in relation to the Building (**DSA Report**).

3.2 The Landlord will, at the Landlord’s cost (but subject to clause 3.8), engage Whakatiki Engineering Limited (**WE**) to carry out earthquake strengthening works on the Buildings



as outlined in the DSA Report (**Landlord Works**), and otherwise in accordance with this clause 3, to achieve Practical Completion, being:

- (a) the provision of a producer statement of construction review to the relevant local authority or authorities; and
- (b) the issue of a code compliance certificate (as that term is defined in section 7 of the Building Act 2004 (**Act**)) in respect of the Landlord Works and the Buildings in accordance with the Act;

both recording that the earthquake rating of the building (as that term is defined in section 7 of the Act) is 67 per cent or higher.

- 3.3 The Landlord will make all reasonable endeavours to ensure Practical Completion is achieved by 31 March 2022.
- 3.4 If Practical Completion is not achieved by 30 June 2022, the Tenant may, at any time until Practical Completion is achieved, terminate the Lease by providing the Landlord with 3 months' written notice.
- 3.5 The Landlord will ensure that the Landlord Works are completed in a good and workmanlike manner and to the reasonable satisfaction of the Tenant.
- 3.6 The Landlord Works will be carried out in stages and in a manner and at times agreed with the Tenant to ensure as little disruption possible to the Tenant's business.
- 3.7 In carrying out the Landlord Works, the Landlord must:
 - (a) comply with, and will procure that WE and any other contractors or agents carrying out the Landlord Works comply with:
 - (i) any relevant legislation, regulations, approved codes of practice, industry guidance or position statements, or safe work instruments;
 - (ii) all safety or environmental instructions, procedures, or policies of the Tenant; and
 - (iii) requirements specified by the Tenant in the form of its own health and safety policy, procedures, or instructions; and
 - (b) ensure, so far as is reasonably practicable:
 - (i) the health and safety of WE and any other contractors or agents carrying out the Landlord Works; and
 - (ii) that the health and safety of other persons is not put at risk from work carried out during the performance of the Landlord Works.
- 3.8 The parties agree to work together in good faith to complete the Landlord Works including in the negotiation and sharing of increases to the cost of the Landlord Works for changes in the initial scope of the Landlord Works (such as further work being undertaken outside "normal hours of work" as quoted by the WE), provided that any cost increases will be discussed between the parties prior to such costs being incurred.
- 3.9 It is the parties' intention that the Tenant will occupy the Premises for the duration of the Landlord Works. If the Tenant relocates to a different premises because the



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Landlord Works cause more than a minor disruption to the Tenant's business, then the Landlord will be liable for the Tenant's reasonable costs of relocation, including but not limited to the costs of:

- (a) removing racking at the Premises;
- (b) relocating stock at the Premises; and
- (c) locating an alternative storage space for relocated stock and any rental for the alternative storage space.

Signed by

Signed by **PWMC PROPERTY INVESTMENTS LIMITED** as Landlord in the presence of:

B.C. Hollow
Director's signature

NJ Kent
Director's signature

Bruce Charles Hollow
Director's full name

NEVILLE JOHN KENT
Director's full name

Signed by **PLUMBING WORLD LIMITED** as Tenant by:

[Signature]
Director's signature

[Signature]
Director's signature

John Ido DeBernardo
Director's full name

Brett Allan Cruickshank
Director's full name

Bill

The logo for Bayleys, featuring the word "BAYLEYS" in a bold, white, sans-serif font. The text is contained within a dark blue rectangular box with a thin white border.

DISCLOSURE STATEMENT

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