

Workshop lease agreement

Date of lease: 1 April 2023
The Landlord: Black Tag NZ Ltd
The Tenant: Added Energy Ltd
Lease of: 7 Pluto Road, Lumsden

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Schedule 1: Rights reserved

The Landlord is: Black Tag NZ Limited

of 466 Ellis Road, Acton

The Tenant is: Added Energy Limited

of 7 Pluto Road, Lumsden

The Guarantor is: Not Required

of

Start date of lease: 1 April 2023

End date of lease: 31 March 2028

1. Definitions

In this lease the following words shall have the meanings shown unless it is clear from the context that some other meaning is intended:

“Conduit”	means any medium through which a service is supplied to any property.
“Hazardous”	has the meaning defined in the Hazardous Substances and New Organisms Act 1996.
“Insurance Rent”	means the premium, net of any commission, paid by the Landlord to insure the Workshop as provided in this lease.
“Landlord”	includes the person or persons from time to time entitled to possession of the Workshop when this lease comes to an end.
“Lease Period”	means the total of the Term plus any extension or renewal, during which the Tenant or his assignee has any obligation.
“Plan”	means the plan of the Workshop attached to this lease and signed by the parties.

“Rent”	means \$26,000 per year payable without any deduction, in advance, by fifty two equal weekly instalments of \$500, on the Friday of each week.
“Rent Review Date”	means at the end of the lease period, or otherwise by mutual agreement.
“Security Deposit”	means the sum paid by the Tenant to the Landlord as a deposit against any breach by the Tenant of any provision of this lease.
“Sign”	means any sign, poster or advertisement or other visual message in any medium, painted onto or attached to any part of the Workshop, which may be seen by any person located outside the Workshop.
“Term”	means a term of 5 years from start date
“Workshop”	means the Workshop at 7 Pluto Road, Lumsden, the boundaries and details of which are as per the Southland District Council’s plans for this address.
“Use Allowed”	means: use as an electricians workshop or any other use to which the Landlord consents or allowed by the resource consent certificate or allowed by the law.

2. Interpretation

In this lease the following matters apply unless the context otherwise requires.

- 2.1. Whenever more than one person or company is the Tenant or the Guarantor, their obligations can be enforced against all or both of them jointly or against each individually.
- 2.2. An agreement by any party not to do or omit to do something is deemed to include an obligation not to allow or permit some other person to do or omit to do that same thing.
- 2.3. The headings to the paragraphs of this lease do not affect the interpretation.

- 2.4. The schedules to this lease are part of the lease and have the same force and effect.
- 2.5. All money sums mentioned in this lease are calculated net of GST, which will be charged when payment is due and so far as the law requires.
- 2.6. A reference to a right of the Landlord to have access to the Workshop is to be construed as extending to any head landlord or mortgagee of the Workshop and to all persons authorised in writing by any of them.
- 2.7. A reference to "the last year of the Term" or to the "end of the Term" is a reference to the last year or end of the Term whenever and however it terminates.
- 2.8. It is certified that there is no agreement for lease to which this document gives effect.

3. Entire agreement

- 3.1. This lease contains the entire agreement between the parties and supersedes all previous agreements and understandings between the parties.
- 3.2. Each party acknowledges that, in entering into this lease, he does not rely on any representation, warranty, information or document or other term not forming part of it.
- 3.3. Conditions, warranties or other terms implied by statute or common law are excluded from this lease to the fullest extent permitted by law.

4. The lease

- 4.1. By this lease the Landlord lets and the Tenant takes the Workshop for the Term at the Rent and subject to the terms and provisions set out in this lease.
- 4.2. The Workshop is let subject to all rights, easements, restrictions, covenants and stipulations of whatever nature affecting it.
- 4.3. The rights specified in Schedule 1 are expressly reserved to the Landlord.
- 4.4. All payments which may be due by the Tenant to the Landlord from time to time shall be treated as Rent for all purposes at law.

- 4.5. Except so far as provided in this lease, the Landlord warrants that he will not interfere with Tenant's peaceful use of the Workshop, nor allow anyone else to do so.
- 4.6. The tenant agrees to provide access to agents either of, or acting for, Yrless Limited in order to maintain and repair the internet equipment located within and on the south east corner of the building. The tenant also agrees to notify Yrless Limited or the Landlord if there is to be any power outage to the equipment exceeding 24 hours.
- 4.7. The tenant agrees that they will benefit from one free internet connection in exchange for paying for any power consumption used by the electrical equipment installed by YrLess Limited.

5. Rent and other payments

- 5.1. The Tenant shall pay to the Landlord:
 - 5.1.1 the Rent;
 - 5.1.2 the Insurance Rent;
- 5.2. For each of the above payments, an appropriate apportionment shall be made for the period from now until the first Rent day after the start of the lease.
- 5.3. The Tenant shall also pay to the Landlord all costs, including professional fees, incurred by him in:
 - 5.3.1 any works to the Workshop which the Landlord undertakes as result of default by the Tenant ;
 - 5.3.2 dealing with any application by the Tenant for consent or approval, whether or not it is given;
 - 5.3.3 preparing and serving a schedule of dilapidations either during the Lease Period or within six months after it ends.
- 5.4. Payments to the Landlord shall be made by electronic transfer to the bank account of the Landlord, details of which will be notified to the Tenant in writing from time to time.
- 5.5. Omitted.

6. Further Payments

The Tenant agrees to make the following payments, immediately they become due:

- 6.1. all periodic rates and other taxes, relating to the Workshop, including any imposed after the date of this lease (even if of a novel nature), to be paid promptly to the authorities to whom they are due;
- 6.2. all charges for services at the Workshop to be paid promptly to the service supplier, or a fair proportion (as recorded on any sub-meter) for any service used in common with other property;
- 6.3. the cost of the grant, renewal or continuation of any licence or registration for using the Workshop for the Use Allowed, to be paid promptly to the appropriate authority when due.

7. Interest

All the payments to the Landlord referred to in this lease are payable on demand and if any payment is more than seven days overdue, the Landlord is entitled to interest on the late payment, from the date it was originally due to the date of actual payment at the rate of 8% per year. In making the calculation, nothing is to be deducted or offset.

8. Condition and repair

In relation to the Workshop the Tenant agrees and undertakes to:

- 8.1. use the Workshop only for the Use Allowed;
- 8.2. maintain the state and condition of the Workshop as it is today, as evidenced by the photographic and textual schedules of condition annexed hereto;
- 8.3. decorate the inside and the outside of the Workshop in every fifteenth year of the lease. When the Tenant decorates, he is to use the colours and the types of finish used previously;
- 8.4. at least once in every year, clean the gutters, fall pipes and drains on the Workshop;

- 8.5. maintain and keep clean the exterior of the buildings on the Workshop and all outdoor spaces and installations, including maintenance of hard surfaces and metalled roads shown on the Plan;
- 8.6. clean, maintain and keep free from blockages and obstructions all sinks, lavatories, cisterns, drains, gutters, pipes and the like.

9. Tenant's positive obligations

The Tenant agrees and undertakes that he will:

- 9.1. give the Landlord a copy of any notice concerning the Workshop or any neighbouring premises as soon as he receives it.
- 9.2. provide a written notice to the Landlord of any change of the address of his office / residence with immediate effect.
- 9.3. immediately notify the Landlord of any encroachment on the Workshop by a third party which could result in a right being acquired by that person or some right of the Landlord being reduced.
- 9.4. assist the Landlord as far as reasonably possible, and at the Landlord's expense, in preventing any third party from encroaching on the Workshop or acquiring any easement in relation to the Workshop.
- 9.5. comply with the terms of every law regulating how the Workshop is used, and obtain, renew or continue any licence or registration which is required.
- 9.6. comply with all laws on health and safety whether or not related directly to the Workshop.

10. Restrictions on Tenant

The Tenant agrees and undertakes that he will not:

- 10.1. make any alteration to the Workshop;
- 10.2. in any circumstance do anything which might cause the floors, walls or external areas to be overloaded nor diminish or impair the structural integrity of the Building or the Workshop;
- 10.3. sleep overnight on the Workshop nor set up any part of the Workshop as residential accommodation;

- 10.4. apply for planning permission relating to the use or alteration of the Workshop unless the Landlord has given his written consent in advance;
- 10.5. make any new connection to or in any Conduit;
- 10.6. store or leave goods or detritus on a parking bay or on any place owned by the Landlord which is not part of the Workshop;
- 10.7. fix to the Workshop any pole or mast, satellite dish or other telecommunications receiving equipment, without the Landlord's consent;
- 10.8. pour into any pipe or drain any trade waste or corrosive or damaging material such as paint or oil, which may damage or cause blockage or partial blockage of the drainage system;
- 10.9. bring onto the Workshop any material which may reasonably be considered as a fire hazard;
- 10.10. remove or change any of the Landlord's installations, fixtures and fittings;
- 10.11. remove from the Workshop any of the items listed in the inventory;
- 10.12. obstruct any window on the Workshop;
- 10.13. cause any nuisance or annoyance to the occupants of neighbouring premises;
- 10.14. bring, keep or allow any animals to be brought or kept on the Workshop without prior written consent of the Landlord which may be withheld without giving a reason;
- 10.15. cease carrying on business in the Workshop or leave the Workshop continuously unoccupied for more than two weeks without notifying the Landlord of his intention to do so and to provide such caretaking and security arrangements for the protection of the Building as the Landlord or his insurer reasonably requires.
- 10.16. do anything which might invalidate any insurance policy covering the Workshop or which increases the premium;
- 10.17. change or install any locks and other security devices nor have additional keys made for any locks without the consent of the Landlord;
- 10.18. use the Workshop for any activity which is dangerous, offensive, noxious, illegal or immoral, or which are or may become a nuisance or annoyance to the Landlord or to the owner or occupier of any neighbouring property.

11. Signs and advertisements

- 11.1. Before the Tenant may place any Sign on or near to the Workshop, he must first produce to the Landlord for approval, a specification of the Sign proposed, showing its visual impact, medium, method of manufacture and erection, and words, images and other message.
- 11.2. The Landlord is under no obligation to approve any proposed Sign nor to give any reason for his non-approval.
- 11.3. The Landlord may approve any Sign subject to conditions on size, shape, style, medium, impact, hours in use.
- 11.4. The Tenant accepts full liability for and indemnifies the Landlord against any action, claim or offence made, done, omitted or committed by the Tenant in connection with any Sign.

12. Goods and vehicles

The Tenant agrees that he will not:

- 12.1. Omitted (re parking)
- OR*
- 12.2. Omitted (re parking);
 - 12.3. load or unload any vehicle except in the marked parking / loading bays;
 - 12.4. park any commercial vehicle outside the designated parking area when not in use;
 - 12.5. cause congestion of any adjoining or other loading bay or unnecessary inconvenience to any other user of it;
 - 12.6. permit any vehicle belonging to him or any visitor to him, to park at any time on the service roads or, except when they are actually loading or unloading, on the loading bays;
 - 12.7. move goods into or out of the buildings on the Workshop except through the designated entrances.

13. Default notice by Landlord

- 13.1. If the Tenant is in default of any provision of this lease, the Landlord may give him written notice of his requirement to remedy the default without prejudice to any other right the Landlord may have.
- 13.2. If the Tenant fails to remedy the default within seven days or such reasonable period as the Landlord allows, the Landlord may remedy the default and charge the cost to the Tenant.

14. Assignment of the lease

- 14.1. Except as specified in this lease, the Tenant may not sublet nor share occupation, possession or use of the Workshop.
- 14.2. the Tenant may not assign or transfer part of the Workshop separately from the rest of it.
- 14.3. the Tenant may assign or transfer his interest in the whole of the Workshop with the consent of the Landlord given in writing, under hand and unconditionally.
- 14.4. The Landlord may not withhold his consent to assignment of the whole without good reason.
- 14.5. It is a good reason (among other good reasons) for the Landlord to withhold or cancel his consent if one or more of the following apply at any time before the assignment takes place:
 - 14.5.1 the proposed transferee is less likely to be able to pay the Rent and / or comply with the tenant's covenants than the Tenant was when the lease was signed;
 - 14.5.2 the Tenant owes money to the Landlord;
 - 14.5.3 there is no satisfactory guarantor of the assignee and the assignee is registered (if a company) or resident abroad.
- 14.6. In giving consent, the Landlord may impose any or all of the following conditions:
 - 14.6.1 the assignee shall not be allowed to hold over at the expiry of the term.
 - 14.6.2 the assignment shall impose an absolute prohibition against all dealings with the Workshop other than assignment of the whole.

14.6.3 the assignee shall enter into direct covenants with the Landlord in terms of all of the Tenant's covenants in this lease.

14.7. Within four weeks after the Workshop is assigned (or mortgaged), the Tenant must send a copy of the assignment or charge to the Landlord

15. Tenant indemnifies Landlord

The Tenant agrees to indemnify the Landlord against all losses arising directly or indirectly out of:

15.1. any act, omission or negligence of his, or of any person at the Workshop expressly or impliedly with his authority;

15.2. any breach by the Tenant of any term of this lease;

15.3. any act, omission or negligence of the Tenant which leads to action by any governmental authority which reduces the value of the Workshop or of any other property owned by the Landlord.

16. The Security Deposit

16.1. The Landlord confirms that he has received the sum of \$10000 from the Tenant as a Security Deposit, retained from the previous lease.

16.2. The Landlord may use the Security Deposit at any time in payment of any money which might otherwise be due to him by the Tenant.

16.3. If the Landlord uses any part of the Security Deposit:

16.3.1 he will tell the Tenant what he used it for and why;

16.3.2 the rights or responsibilities of the parties under this lease are unaffected.

16.3.3 the sum used is repayable to the Landlord immediately and failure by the Tenant to repay within 4 weeks is a breach of this lease.

17. Insurance

17.1. "Insured Risks" means the risks of loss or damage by any naturally occurring event, fire, explosion, riot, terrorism, civil commotion, malicious

damage, impact by vehicles and by aircraft and articles dropped from aircraft (other than war risks), bursting and overflowing of water pipes and tanks and such other risks whether or not in the nature of the foregoing against which a reasonably prudent landlord would normally insure. That definition is subject to any exclusions, limitations and conditions in the policy of insurance.

- 17.2. The Landlord will keep the Workshop insured with reputable insurers to cover full rebuilding, site clearance, professional fees, GST and three years' loss of rent.
- 17.3. If damage is caused to the Workshop by an insured risk, the Landlord will take all necessary steps to make good as soon as possible (except to the extent that the insurance money is not paid because of the act or default of the Tenant).
- 17.4. Once a year, if the Tenant asks, the Landlord will give to the Tenant details of the policy and evidence from the insurer that it is in force.
- 17.5. Provided that the Tenant is not responsible for any damage for which the Landlord is compensated under the insurance policy, then if the Workshop is damaged in a way that is covered by the insurance taken out by the Landlord, and cannot be used by the Tenant in whole or in part, then the Tenant need not pay the Rent until the repairs to the Workshop are complete.

18. Access for Landlord

The Tenant is to give the Landlord, or anyone authorised by him in writing, access to the Workshop for these purposes:

- 18.1. to inspect the condition of the Workshop, or how it is being used;
- 18.2. to do works which the Landlord is permitted to do by this lease;
- 18.3. to comply with any statutory obligation;
- 18.4. at any time during the last six months of the Term and of the Lease Period, to put up a "for sale" or "to let" notice outside the Workshop;
- 18.5. to show the interior and exterior of the Workshop to any person at any reasonable time without giving reason;
- 18.6. to value the Workshop;

18.7. to inspect, clean or repair neighbouring property, or any sewers, drains, pipes, wires or cables serving neighbouring property.

Conditions for access for the Landlord are:

18.8. the Landlord must give seven days' written notice except in emergency;

18.9. each visit must be during normal business hours except in an emergency;

18.10. the Landlord must promptly make good all damage caused to the Workshop and any goods in it by his exercising these rights.

19. Guarantor

20. Provision for premature termination

20.1. Despite all other provisions of this lease, the Tenant may terminate this lease two years from the date of commencement of the lease, by giving not less than three months notice in writing to the Landlord to that effect.

20.2. If the Tenant so terminates this lease, all other provisions shall apply as far as reasonably possible, as if the lease had expired.

20.3. Payments made to the Landlord for a period after the termination date shall be repaid to the Tenant.

21. Renewal of the lease

21.1. Before the expiry of the Term, the Tenant may apply for the renewal of the lease by giving not less than three months notice in writing to the Landlord to that effect.

21.2. The Landlord need not to consent where:

21.2.1 the Tenant is in default of any provision of this lease

21.3. In giving consent, the Landlord may impose any or all of the following conditions:

21.3.1 the Tenant shall comply with all the covenants given in this agreement.

21.3.2 the Tenant shall provide one or more satisfactory guarantors to the new lease.

22. Forfeiture

22.1. The Landlord may forfeit this lease in any of the following circumstances:

22.1.1 any Rent or payment treated as Rent is outstanding for 28 days after becoming due, whether formally demanded or not;

22.1.2 the Tenant or the Guarantor is in persistent breach of any term of the lease despite previously having been warned by the Landlord;

22.1.3 the Tenant or the Guarantor, if an individual (and if more than one, any of them) is adjudicated bankrupt or an interim receiver of his property is appointed;

22.1.4 the Tenant or the Guarantor, if a company, enters into liquidation, (other than for amalgamation or reconstruction of a solvent company) or has a receiver appointed;

22.1.5 the Tenant enters into an arrangement for the benefit of his creditors;

22.1.6 the Tenant has any distress or execution levied on his goods at the Workshop which is not discharged in full within 21 days after the levy has been made.

22.2. The forfeiture of this lease does not cancel any outstanding obligation of the Tenant or the Guarantor.

23. Rent review

23.1. The Rent shall be reviewed with effect from every Rent Review Date.

23.2. Six months before the Rent Review Date, the Landlord and the Tenant (or their representatives), shall negotiate the new Rent which will apply from the Rent Review Date. The new Rent shall be based on the following terms.

23.3. The Landlord may increase the Rent by 5% on the Rent Review Date.

OR

- 23.4. From the Rent Review Date, the Rent shall be adjusted up or down so as to reflect the market rent on that date.
- 23.5. The market rent is the rent which a willing tenant would pay for the Workshop on the open market, if let to him on the Rent Review Date by a willing landlord on a lease on the same terms as this lease without any premium and for a period equal to the remainder of the lease period, assuming that, at that date:
- 23.5.1 the willing tenant takes account of any likelihood that he would be entitled to a new lease of the Workshop when the lease ends, but does not take account of any goodwill of anyone who has occupied the Workshop;
 - 23.5.2 the Workshop is vacant;
 - 23.5.3 the Workshop can immediately be used;
 - 23.5.4 the Workshop is in the condition required by this lease and any damage caused by any of the risks insured has been made good;
 - 23.5.5 the Tenant has done nothing to the Workshop to increase or decrease their rental value, other than anything which the Tenant had to do under the terms of this lease.
 - 23.5.6 no payment or allowance will be made by the Landlord for the Tenant's fitting out costs.
- 23.6. If the Landlord and the Tenant agree the amount of the new Rent, a statement of that new Rent, signed by them, is to be attached to this lease.
- 23.7. The Tenant is to continue to pay Rent at the rate applying before the Rent Review Date until the next Rent day after the new Rent is agreed or decided.
- 23.8. Starting on that rent day, the Tenant is to pay the new Rent in a sum calculated from the Rent Review Date.
- 23.9. On that rent day, the Tenant is also to pay any amount by which the new Rent since the Rent Review Date exceeds the Rent paid, with interest at 8 % per year.

24. Failure to agree reviewed rent

If the Landlord and the Tenant fail to agree the new Rent by a date three months after the Rent Review Date, then the following procedure shall apply.

- 24.1. Either party may request the president for the time being of New Zealand Institute of Valuers (NZIV) to appoint valuer.
- 24.2. The valuer shall be appointed jointly by the parties.
- 24.3. The parties shall share the fees and expenses of the valuer equally and each now irrevocably agrees to indemnify the other in respect of his half share of the cost.
- 24.4. If it becomes apparent that the valuer shall not have produced a report and recommendation as to the reviewed Rent within three months of his appointment, either party may re-apply to the President of NZIV for an alternative appointee.
- 24.5. The instructions to the valuer shall provide that he shall take account of the terms of this lease.

25. At the end of the lease

- 25.1. When this lease ends the Tenant must:
 - 25.1.1 return the Workshop to the Landlord leaving it in the state and condition in which this lease requires the Tenant to keep it;
 - 25.1.2 give up all keys of the Workshop to the Landlord;
 - 25.1.3 (if the Landlord so requires) remove anything the Tenant fixed to the Workshop and make good any damage which that causes, to a proper degree of workmanship;
- 25.2. The Landlord will return the Security Deposit to the Tenant after deduction of any money due to the Landlord within 14 days of the termination of the lease or the Tenant giving full possession of the Workshop to the Landlord whichever is later. If the Landlord is entitled to make deductions for more than one item, he can allocate the Security Deposit payment to any item of his choice.
- 25.3. The Tenant may not use the Security Deposit as part payment of the final instalment of Rent and if he does, he is in breach of this lease.

26. Other matters

- 26.1. No amendment or variation to this lease is valid unless in writing, signed by each of the parties or his authorised representative.
- 26.2. So far as any time, date or period is mentioned in this lease, time shall be of the essence.
- 26.3. If any term or provision of this lease is at any time held to be void, invalid or unenforceable, then it shall be treated as removed, changed or reduced, only to the extent minimally necessary to bring it within the law and to prevent it from being void and it shall be binding in that changed or reduced form. Subject to that, each provision shall be interpreted as severable and shall not in any way affect any other of these terms.
- 26.4. The Tenant is not entitled to the benefit of any right or agreement or condition entered into by any tenant of the Landlord of any adjoining property of the Landlord.
- 26.5. No failure or delay by any party to exercise any right, power or remedy will operate as a waiver of it nor indicate any intention to reduce that or any other right in the future.
- 26.6. This lease does not give any right to any third party
- 26.7. Each party shall bear his own legal costs and other costs and expenses arising in connection with the negotiation and drafting of this lease.
- 26.8. Any communication to be served on either of the Parties by the other shall be delivered by hand or sent by first class post or recorded delivery or by e-mail.

It shall be deemed to have been delivered:

if delivered by hand: on the day of delivery;

if sent by post to the correct address: within 72 hours of posting;

If sent by e-mail to the address from which the receiving party has last sent e-mail: within 24 hours if no notice of non-receipt has been received by the sender.

- 26.9. In the event of a dispute between the parties to this lease, then they undertake to attempt to settle the dispute by engaging in good faith with the other in a process of mediation before commencing arbitration or litigation.
- 26.10. This lease shall be interpreted in accordance with laws of New Zealand.

Signed by / on behalf of the named parties by their representatives who personally accept liability for the proper authorisation by their respective employer or principal to enter into this agreement.

Signed as a deed and delivered, by or for, on behalf of Landlord

Black Tag NZ Limited: Naomi Wilson

Signature:



Date:

22 March 2023

Signed as a deed and delivered, by or for, on behalf of Tenant

Added Energy Limited: Gary Maclean

Signature:



Date:

23/3/23

Schedule 1: Rights expressly reserved

1. The right to the uninterrupted passage and running of all appropriate services and supplies from any adjoining property of the Landlord in and through all Conduits and media which are now or will in future be, in, over or under the Workshop.
2. The right to construct and to maintain at any time all Conduits and other media.
3. The right at any time to enter, or in emergency to break into and enter, the Workshop at any time during the term at reasonable times on reasonable notice for any purpose implied by or connected with this lease.
4. The right to temporarily erect scaffolding for any proper purpose connected with the Workshop or any adjacent building.
5. Rights of light, air, support, protection, shelter and all other easements and rights at the date of this lease belonging to or enjoyed by other land owner by the Landlord.
6. The right to erect new buildings of any height on any adjoining land of the Landlord in such manner as the Landlord thinks fit even if they may obstruct, affect, or interfere with the amenity of or access to the Workshop or the passage of light and air to the Workshop.