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Valuation Report

10 Phoebe Crescent
Kensington, Queensland 4670

File Ref: 13088366

VALUATION REPORT



10 Phoebe Crescent Kensington, Queensland 4670

Prepared For	Russel Rowland.
Report Purpose	Stamp duty purposes.
Valuation Date	20 September 2021
Our Reference	13088366
Inspection Type	Full Inspection.

SOLUTIONS WITH EXCELLENCE

Opteon Property Group Pty Ltd
ABN 78 144 732 589

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1.0 Valuation Summary

1.1 Scope of Work and Instructions

Identity of Valuer	Opteon Property Group Pty Ltd.
Independence of Valuer/Disclosure	Unless otherwise disclosed, the valuer does not have any material connection or involvement with the subject property or the parties to the valuation that could limit the valuer's ability to provide an unbiased and objective valuation. The valuation has been assessed independently by the valuer without material assistance from others.
Instructing Party	Russell Rowland.
Client	Russell Rowland.
Other Authorised Users/Additional Client Information	This valuation is prepared solely for you (and any other person nominated in Other Authorised Users) to use for the Permitted Purpose. You are not authorised to use a Valuation for any other purpose without our prior written consent. We do not accept a duty of care to any other person, and you agree to the Valuation specifically disclaiming legal responsibility to any other person that might read the Valuation. In the event that you wish to provide the Valuation to a financier to discuss your financing options, you must first instruct them not to rely on the Valuation for any purpose. In providing the report to the lender you indemnify us against any Loss we may suffer or incur in respect of any Claim by a third party that arises as a result of any use or distribution of a Valuation to that party or their reliance thereon.
Property Address /Asset Valued	10 Phoebe Crescent, Kensington, Queensland 4670
Valuation Currency	This valuation has been assessed in Australian dollars (\$AUD).

Valuation Purpose and Restrictions on Use	<p>Stamp duty purposes.</p> <p>This report has been prepared for the private and confidential use of our client, Russel Rowland and the nominated other authorised users, for the specified purpose and it should not be relied upon by any other party for any purpose and the valuer shall not have any liability to any party who does so. The report should not be reproduced in whole or part without the express written authority of Opteon Property Group Pty Ltd. Our warning is registered here, that any party, other than those specifically named in this report as our client or authorised user should obtain their own valuation before acting in any way in respect of the subject property.</p>
Inspection	<p>In order to complete the valuation a sufficiently comprehensive inspection of the property has been completed.</p>
Basis of Value	<p>Market Value.</p>
Extent of Valuers' Work and Limitations	<p>The extent of investigation undertaken by the valuer in completing the valuation has included:</p> <ul style="list-style-type: none"> • collation of information from relevant parties regarding the subject property; • undertaking our own research regarding the subject property; • an inspection of the property and measurement of buildings where required; • undertaking market research in terms of values and/or costs of similar properties; • preparation of valuation calculations, and; • preparation of this report. <p>This valuation has been based on information supplied which is assumed to have been provided in good faith and contain a full and frank disclosure of all information that is relevant to the valuation of the property. The valuer has not undertaken due diligence or verification of the information supplied.</p>
Nature and Source of Information	<p>Information we have been provided with and relied upon in undertaking our valuation includes:</p> <p>Lease;</p> <p>Some outgoings.</p>
Compliance/Departures with Valuation Standards	<p>This valuation has been prepared in accordance with the International Valuation Standards and other applicable Valuation Standards.</p>

1.2 Property Details

Property Description

The property is located within the Bundaberg suburb of Kensington and is positioned to the north western bend of Phoebe Crescent, approximately 4.6 kilometres to the south west of the Bundaberg CBD. The site comprises an irregular shaped corner allotment with a generally level topography. Surrounding land uses comprise commercial and industrial developments. Properties in the immediate vicinity include good quality modern bulky goods retail showrooms and warehouses and industrial sheds.

The property comprises a detached, circa 2020 industrial building with a total lettable area of 794 sqm on a site area of 3,484 sqm.

The property is currently zoned "Industry" with site coverage of 23% based on the building footprint. The improvements present in excellent condition overall and the site is afforded good exposure to Phoebe Crescent.

The main improvements include an industrial warehouse (794 sqm) of colorbond, concrete and cladding construction. Accommodation includes clear span industrial warehouse.

Ancillary improvements include concrete apron and driveway and security fencing.

The property is occupied by a single tenant. Our assessment adopts a market rental equivalent to \$100/sqm net for the warehouse with outgoings assessed at approximately \$22/sqm.

The most appropriate method of valuation for a property of this nature is the capitalisation of income supported by direct comparison on a rate per square metre

Title Reference	Lot 37 Survey Plan 203501; Title Reference 50664204.
Tenure Type	Freehold.
Registered Proprietor	Russell Andrew Rowland, Susanna Mary Rowland and Caleb George Rowland ATF R & S Rowland Super Fund. Joshua Paul Rowland, Rohan Keith Lindqvist, Rachel Joy Rowland and Josie Rebecca Lindqvist ATF RJ & JR Super Fund. Peter Jonathan McCorkell and Sharon Elizabeth McCorkell ATF P & S McCorkell Super Fund. Matthew John Lindqvist, Ruth Mary Lindqvist, Stuart Ross Lindqvist and Jacqueline Anne Johnstone ATF Menindee Superannuation Trust Fund. Wesley Grant Kirk, Jessie Maree Kirk and Isabella Claire Kirk ATF Kirk Super Fund. Kelvin John Hill, Arnold William Hill, Amanda Kate Hill and Georgina Anne Hill ATF Longview Superannuation Fund.
Total Title Area	3,484 sqm
Site Utilisation	22.79%
Encumbrances	1. Rights and interests reserved to the Crown by Conveyance No. 601182225 (J947232K) (POR 119) 2. Easement in Gross No 710573130 10/05/2007 at 15:13 Burdening the Land Council of The City of Bundaberg Over Easement B on SP203500 3. Easement No 720316256 08/10/2020 At 14:07 Benefiting the Land over Easement E on SP31858 4. Easement No 720316259 08/10/2020 at 14:07 Burdening the Land to Lot 38 on SP203501 over Easement D on SP318586

Disclaimer

We have sighted a Current Title Search, however we have not undertaken any further searches of notations, endorsements, encumbrances, easements or restrictions noted on the Title search statement nor carried out a more recent full search of the title. Our assessment assumes an unencumbered Certificate of Title and the removal of any mortgages and/or caveats prior to settlement or transfer. Should this valuation be used for lending purposes, it is the Lender's responsibility to review the title notations, endorsements or restrictions to satisfy themselves that there are no negative impacts. Should the Lender become aware of any issues that negatively impacts on the value or marketability of the property the valuation report should be referred back to the Valuer for comment and the Valuer reserves the right to review and/or amend this valuation.

The easements are for services and the notations on the title search are not considered to have a material impact on the marketability or value of the property.

A copy of the Current Title Search has been attached to this report.

Lettable Area	794 sqm
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Zoning	Industry.
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1.3 Property Profile

Occupancy/Cash Flow

Occupancy Status	The property is leased to a single tenant with a remaining term certain of 1.6 years with no option periods.
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Market

Marketability	Reasonable.
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Market Activity	Reasonable demand by the owner occupier segment of the market for properties.
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Recent Market Direction	Steady.
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Asset

Highest & Best Use	The highest and best use for the property is considered to be for the existing use.
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Assumptions & Recommendations:

Significant and Verifiable Assumptions	<ul style="list-style-type: none">• The instructions and information supplied contain a full disclosure of all information that is relevant.• Some of the adopted outgoings are estimated in the absence of actual outgoings. Should actual outgoings differ from that described within our valuation report, we reserve the right to review and amend our assessment accordingly.
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Assumptions Requiring Further Consultancy	<ul style="list-style-type: none">• None Recommended.
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Recommended Documents to Sight	<ul style="list-style-type: none">• None recommended.
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1.4 Key Valuation Outputs

Passing Net Income	\$78,900 per annum.
Market Net Income	\$78,900 per annum.
Market Yield	7.17%
Market Value Rate	\$1,385/sqm lettable area.

1.5 Valuation Details

Market Value As Is:

Market Value subject to Existing Lease:	\$1,100,000
Market Net Rental Value:	\$79,400 pa

This valuation is exclusive of GST

Interest Valued	Fee simple subject to existing lease.
Date of Inspection	20 September 2021
Date of Valuation	20 September 2021
Date Issued	2 November 2021
Expiry of Valuation	This valuation is current as at the Date of Valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.

Signatories



Eva Schmidt AAPI CPV
Certified Practising Valuer
API No: 66563 QVRB No: 2771
Primary Valuer
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Valuation Summary

This Valuation Summary has been prepared with acknowledgement by the client that it is a synopsis of the property and the valuation on the understanding the client is familiar with the property or have taken their own investigations and due diligence on the property. A more detailed valuation report can be provided if required. All information obtained and researched on the property has been retained on our files for future reference if required. This report is provided on the basis and understanding that this report is only to be used for the specified purpose.

2.0 Location

Location

Bundaberg is one of the major provincial cities along with the Queensland coastline being approximately 380 kilometres north of the State Capital, Brisbane. Being situated on the Burnett River is the centre of a large irrigation area that relies on water from weirs along the Burnett River, Monduran Dam on the Kolan River and a large underground aquifer system.

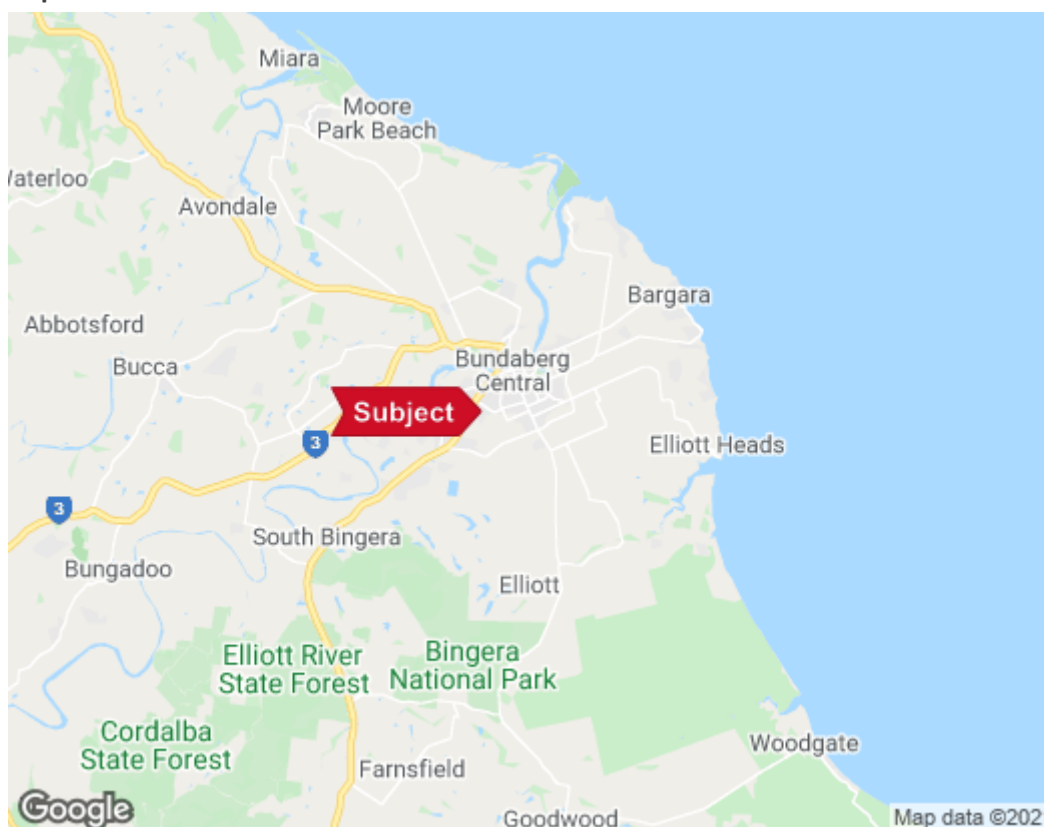
Bundaberg has a large industrial base and is the centre for a large area stretching from Childers in the south to Rules Beach in the north and west to Mt Perry and Gin Gin.

Neighbourhood

Situated in the Bundaberg suburb of Kensington. The specific area is a developing commercial and industrial area centred around Johanna Boulevard which links the more established commercial areas around the Sugarland Shopping Centre and the established industrial area centred around Enterprise and Commercial Streets.

Properties in the immediate vicinity include good quality modern bulky goods retail showrooms and warehouses and industrial sheds.

Location Map



Sourced from maps.googleapis.com

Specific Location Map



Sourced from maps.googleapis.com

3.0 Tenure

3.1 Title Particulars:

Title Reference	Tenure	Registered Proprietor	Title Area
Lot 37 Survey Plan 203501 Title Reference 50664204	Freehold	Russell Andrew Rowland, Susanna Mary Rowland and Caleb George Rowland ATF R & S Rowland Super Fund. Joshua Paul Rowland, Rohan Keith Lindqvist, Rachel Joy Rowland and Josie Rebecca Lindqvist ATF RJ & JR Super Fund. Peter Jonathan McCorkell and Sharon Elizabeth McCorkell ATF P & S McCorkell Super Fund. Matthew John Lindqvist, Ruth Mary Lindqvist, Stuart Ross Lindqvist and Jacqueline Anne Johnstone ATF Menindee Superannuation Trust Fund. Wesley Grant Kirk, Jessie Maree Kirk and Isabella Claire Kirk ATF Kirk Super Fund. Kelvin John Hill, Arnold William Hill, Amanda Kate Hill and Georgina Anne Hill ATF Longview Superannuation Fund.	3,484 sqm
Total Title Area			3,484 sqm

3.2 Easements, Encumbrances & Other Interests Noted on Title

Encumbrances	<p>1. Rights and interests reserved to the Crown by Conveyance No. 601182225 (J947232K) (POR 119)</p> <p>2. Easement In Gross No 710573130 10/05/2007 at 15:13 Burdening The Land Council of The City of Bundaberg Over Easement B on SP203500</p> <p>3. Easement No 720316256 08/10/2020 At 14:07 Benefiting The Land over Easement E On SP31858</p> <p>4. Easement No 720316259 08/10/2020 at 14:07 Burdening The Land To Lot 38 on SP203501 over Easement D On SP318586</p> <p>Disclaimer</p> <p>We have sighted a Current Title Search, however we have not undertaken any further searches of notations, endorsements, encumbrances, easements or restrictions noted on the Title search statement nor carried out a more recent full search of the title. Our assessment assumes an unencumbered Certificate of Title and the removal of any mortgages and/or caveats prior to settlement or transfer. Should this valuation be used for lending purposes, it is the Lender's responsibility to review the title notations, endorsements or restrictions to satisfy themselves that there are no negative impacts. Should the Lender become aware of any issues that negatively impacts on the value or marketability of the property the valuation report should be referred back to the Valuer for comment and the Valuer reserves the right to review and/or amend this valuation.</p> <p>A copy of the Current Title Search has been attached to this report.</p>
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4.0 Improvements

4.1 Main Building

Main Building Type	Industrial (warehouse).
Level / Style	Single storey, conventional.
Accommodation	The storage shed provides an open span storage space with concrete floor.
Construction:	
Floors	Concrete slab.
Main External Walls	Fibre cement, colorbond steel, concrete tilt panel.
Windows	Aluminium.
Roof	Colorbond metal deck.
Main Interior Linings	Mixed linings.
Ceilings	Nil, with exposed underside of roof.
Construction Year	Year Built 2020
Building Services	
Lighting	Natural lighting via roof skylights, Mercury vapour.
Building Services Comment	The building appears to provide a basic standard of building services.

4.2 Plant & Equipment

Included within our valuation is all plant and equipment (such as air-conditioning plant and equipment, fire services, or the like) which forms an integral part of the property. Our valuation excludes all non-integral plant and equipment, fit-out, furniture and equipment and personal items/contents.

4.3 Building Areas

Total Lettable Area	794 sqm
Building Area Measurement Basis	IPMS 1 (Gross Building Area).
Source of Areas	The building areas have been calculated from building plans provided.

Accommodation:	Measurement Basis:	Lettable Area:
Main Building	IPMS 1 – (Gross Building Area)	794 sqm
Total Lettable Area:		794 sqm

4.4 Other Improvements

Ancillary improvements include common concrete crossover, on-site car parking, and basic landscaping and concrete apron.
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4.5 Condition and Repairs

Internal Condition	Generally, appears in good condition.
External Condition	Generally, appears in good condition.
Repairs & Maintenance	At the time of inspection, the building appeared to be in reasonable condition with no significant requirements for repairs being noted other than items which would normally be undertaken as part of regular repairs and maintenance.
Pest Infestation	Our inspection of the subject property did not reveal any visible signs of pest infestation. It is recommended that regular inspections (and chemical treatments if necessary) are undertaken by a suitably certified pest control firm to ensure the property remains free of any pests.

5.0 Photography



Front



Rear



Internal



Internal



Balance Land

6.0 Occupancy and Lease Details

Occupancy Status	Given the purpose of the report and the use of the property as an investment property, our valuation assumes a continuing tenure arrangement between the existing Lessee and Lessor, albeit at rental levels commensurate with market. The property is leased to a single tenant with a remaining term certain of 1.6 years with no option periods.
Leases Sighted	We confirm having been provided with signed copies of the relevant Lease.

6.1 Lease Summary

Lessee	Trendline Pty Ltd.
Guarantor/Guarantees	Not applicable.
Security Deposit	Not applicable.
Demised Premises	Whole of the land and building.
Commencement Date	27 April 2020
Year of Occupancy	2020
Initial Term	3 yrs
Options	Nil.
Expiry Date	26 April 2023
Commencing Rent	\$79,400 pa
Current Rent	\$79,400 pa
Rent Includes GST	No.
Rent Reviews	Not Applicable.
Net or Gross	Net.
Outgoings	The rent is on a net basis and the tenant pays for all outgoings.
Permitted Use	Warehouse.
Make-Good	Upon expiry of the lease the tenant is required to make-good the premises and leave the premises in good condition (fair wear and tear excepted).

7.0 Statutory Assessments

Statutory Assessments

The statutory assessment for the subject/parent site as at 30/06/2020 is as follows:
Site Value - \$405,000

The above assessment has been prepared for rating and taxing purposes only. The value was assessed as at a particular date and should not be relied upon for any use other than rating and taxing purposes or compared with a current market valuation which may have been assessed on a different basis or at a different date.

The Site Value is above the threshold for the payment of State Land Tax on a single company holding basis, and accordingly, State Land Tax liability has been assessed at \$2,385 p.a.

8.0 Market Commentary

COVID-19 has caused major economic disruption and the economy has been supported by economic stimulus. While property markets are less volatile than other markets (such as finance and equity markets) and past cycles indicate there is a lag for when property markets react to economic events, in the short-term there may be further reduced buyer and tenant demand, resulting in lower activity, longer leasing or selling periods but generally falling rents and prices in many commercial property sectors. Some sectors of the market (such as retail and office) are experiencing changes in consumer and worker behaviours which are expected to result in weaker tenant demand, an increase in vacancies, resulting in softer rents and hence could have an adverse effect on values. The impact on the economy and property market is evolving but the situation remains dynamic as the response to outbreaks unfolds and the extent of any further decline in values is presently uncertain. The values within this report may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have known as at the date of valuation).

The market for commercial property in South East Queensland remains varied with larger scale assets anchored by long term leases and smaller scale properties suited for owner/occupation being well sought after, however multi-tenant properties and secondary properties with physical or functional obsolescence issues attract much lesser demand.

The current economic conditions are placing downward pressure on the operating margins of the majority of businesses and, as a result, their ability to pay rent is also under increased pressure. Accordingly, there has been a constriction in demand and a resultant increase in vacancy levels particularly for secondary stock. The upshot of this has been relatively limited rental growth.

From an investment perspective, the range between prime and secondary assets remains wide. The number of prime assets presented to the market has been limited with those properties offered to the market having been strongly contested. Conversely, there is a continued push to dispose of the secondary assets and in many cases a gap exists between the vendors and buyer's expectations.

Market demand emanates from owner/occupiers seeking properties which offer good physical characteristics, in terms of location and quality and nature of improvements, and additionally for corporate and private investors, strong cash flow characteristics, including calibre of tenants, WALE and sustainable passing income levels.

Owner/occupiers continue to be active in the market taking advantage of the low cost of finance taking the opportunity to alienate themselves from unexpected future rental increases and to enjoy all the usual benefits of property ownership including capital growth and taxation concessions. Owner/occupiers' expectations for return on investment tend to be more closely aligned to cost of debt with properties purchased for owner/occupation often reflecting tighter imputed yields than those for comparable leased investment properties.

9.0 Market Evidence

9.1 Rental Evidence

Address	Date	Term & Options	Total Rent	Lettable Area	Overall Rate
27 Charlie Triggs Crescent, Kensington, QLD	Sep 2021	Term: 5 yrs Options: 2+2+2 yrs	\$120,000 pa Net	1,280 sqm	\$94 Net

Comments:

The property is located in the Bundaberg suburb of Kensington in an established area approximately 5.4 kilometres to the south of the Bundaberg Central Business District.

The site comprises a regular shaped internal allotment, that is generally level throughout. The site has a limited profile to passing pedestrian and vehicular traffic.

The property is improved with a mixed-use industrial facility constructed circa 2008. The main building is located at the front of the site and comprises an office of 120 sqm, a high clearance industrial shed of 1,080 sqm and an adjoining 600 sqm high clearance open bay shed. Located at the rear of the site are 32 individual storage sheds located in two separate buildings. The buildings have a total gross lettable area of 1,536 sqm. Each individual storage shed is 8m x 6m in size and each has an individual roller door.

The premises were leased on a 5 year initial basis with 2+2+2 year options and the rent increased by CPI annually. The lease was struck on a net basis with the Lessee paying for all outgoings. An incentive of 3 months rent free was afforded to the Lessee.

24 Quay Street, Bundaberg Central, QLD	Feb 2021	Term: 2 Options: 3 yrs	\$45,000 pa Semi Net	444 sqm	\$101 net
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Comments: The subject property is located a mixed use precinct at Bundaberg Central, approximately 364 radial kilometres north of the Brisbane City Centre.

The premises comprises a semi-modern, detached warehouse/showroom of concrete tilt panel construction. The property is configured to provide front showroom, office component, warehouse/workshop area and rear storage area that is accessed by dual roller doors, with total lettable area of 444 sqm. On-site parking is provided.

The premises were leased for a fitness business on a 2+3 year basis with the rent to be reviewed annually to 2.5%. Lease is on a semi net basis with the Lessee paying 50% of outgoings. Incentives, if any, were not disclosed. Non-recoverable outgoings are assessed at \$20 /sqm to derive a gross rent of \$121 /sqm.

2A/22 Commercial Street, Svensson Heights, QLD	Apr 2021	Term: 2 yrs Options: 2 yrs	\$17,109 pa Gross	177 sqm	\$87 Net
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Comments: The property is located in the city of Bundaberg in the suburb known as Svensson Heights.

Improvement comprise a colorbond and fibre cement industrial/commercial shed. Year built 2008. The property has a lettable area of 177sqm. It is internally partitioned into air conditioned reception and display area of 55 sqm with an upper office, lunchroom and amenities area of 62 sqm. At the rear of these areas is a 60 sqm workshop area.

The lease was struck on a gross basis for a 2-year term with a 2 year option. The commencing rent of \$17,109 per annum equates to \$97/sqm. Outgoings are assessed at \$10 /sqm to derive a net rent of \$87 /sqm.

1D/22 Commercial Street, Svensson Heights, QLD	Aug 2020	Term: 3 yrs Options: 2 yrs	\$21,000 pa Gross	234 sqm	\$80 Net
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Comments: The property is located in the city of Bundaberg in the suburb known as Svensson Heights.

The tenancy comprises a colorbond and fibre cement industrial/commercial shed. Year built 2008. The property has a lettable area of 234sqm. Internally is a partitioned 60 sqm air conditioned display/office area with a mezzanine storage area situated above on which an additional small office of approximately 15 sqm is partitioned.

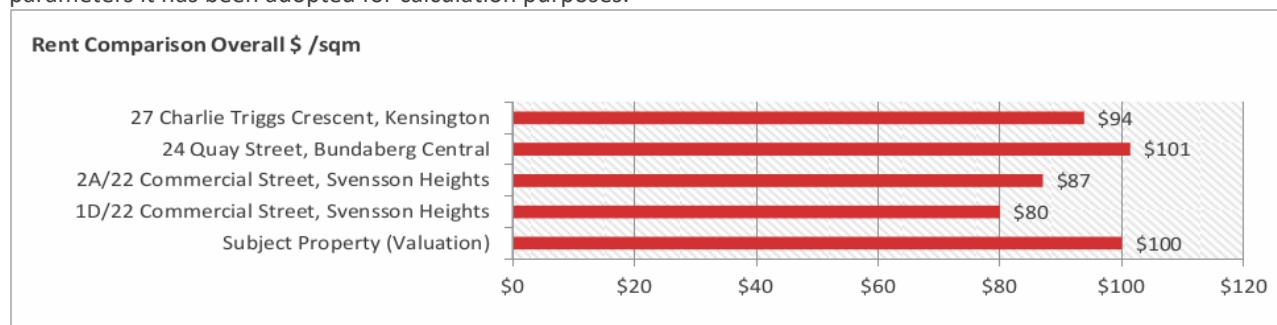
The lease was struck on a gross basis for a 3-year term and no further options availed. The commencing rent of \$21,000 per annum equates to \$90/sqm.

No incentives were provided with the lease.

Market Rent Conclusions:

From our analysis of the market evidence with particular regard to the typical site coverage, location, moderate exposure and nature of the improvements we consider the market rental to be in the range of \$90 to \$110/sqm per annum net excluding GST.

The passing rental analysis reflects a rate of \$100 /sqm excluding GST. As the passing rental is within acceptable parameters it has been adopted for calculation purposes.



Passing and Market Income Analysis

Level/Tenancy	Tenant	Area/Qty Unit	Passing Rent	Net Or Gross	Passing Rent Rate	Recovered Outgoings	Passing Income	Market Rent Rate	Market Rent	Market Recovered Outgoings	Market Income
Whole of the land a	Trendline Pty Ltd	794 sqm	\$79,400	Net	@ \$100	\$19,911	\$99,311	@ \$100	\$79,400	\$19,911	\$99,311
Totals:			\$79,400		@ \$100	\$19,911	\$99,311	@ \$100	\$79,400	\$19,911	\$99,311

Outgoings have been calculated as follows:

Outgoings Schedule		
		Adopted \$ /sqm:
Statutory Outgoings:	Land Tax	\$2,385 \$3.00
	Council Rates, Water & Sewerage	\$13,526 \$17.04
		\$15,911 \$20
Operating Expenses:	Insurance	\$4,000 \$5.04
	Structural R&M	\$500 \$0.63
		\$4,500 \$6
Total Outgoings:		\$20,411 \$26
Apportioned:	Recoverable Outgoings	\$19,911 \$25.08
	Non-Recovered Outgoings	\$500 \$0.63


On this basis our assessment of the net income is as follows:

Market Income Assessment	
Passing Annual Rent:	\$79,400
Recovered Outgoings:	\$19,911
Passing Annual Income:	\$99,311
Less Outgoings:	-(\$20,411)
Net Passing Annual Income:	\$78,900

9.2 Sales Evidence

Property	30 Production Street, Svensson Heights, QLD		
Sale Price	\$1,175,000		
Sale Date	26-Feb-21		
Sale Status	Settled.		
Site Area	4,000 sqm.		
Zoning	Principal Centre.		
Lettable Area	1,487 sqm.		
Property Description	<p>The property is located within the Bundaberg suburb of Svensson Heights and has an internal position to the eastern alignment of Production Street, approximately 5 kilometres southwest of the Bundaberg CBD.</p> <p>The property comprises a detached, circa 1980's industrial building with a total lettable area of 1,487 sqm on a site area of 4,000 sqm.</p> <p>The property is currently zoned "Principal Centre" with site coverage of 36% based on the building footprint. The improvements present in fair condition overall and the site is afforded good exposure to Production Street.</p> <p>The main improvements include a single-level industrial building (1,155 sqm) of metal construction. Shed with built-in coldroom and loading bays (332 sqm).</p> <p>Accommodation includes clearspan warehouse, ground floor office, mezzanine office, and amenities. Ancillary improvements include security fencing.</p> <p>Lease expiring on 30 June 2020 and tenant is vacating. Analysed on a vacant possession basis. Our analysis makes allowance for a letting up period, agent's fees and incentives.</p>		
Analysis	Market Net Yield	8.33%	Lettable Area Rate \$790/sqm
Comparability	<p>The sale has a larger site area with similar profile. The improvements have a larger lettable area and are of inferior quality. The ancillary improvements of the sale are superior to the subject. The sale property sold vacant possession however is likely to have similar tenant appeal to the subject. The sale has a higher site coverage.</p> <p>Overall, this sale supports the application of a tighter yield for capitalisation purposes and a higher lettable area rate as a check direct comparison basis. On balance, a lower value has been applied to the subject property.</p>		



Property	8 Maddison Court, Svensson Heights, QLD		
Sale Price	\$1,000,000		
Sale Date	10-Jul-21		
Sale Status	Settled.		
Site Area	2,119 sqm		
Zoning	High Impact Industry.		
			
Lettable Area	889 sqm		
Property Description	<p>The subject property is situated in an industrial area of Svensson Heights which has one of Bundaberg's main industrial areas. The property comprises an office/warehouse with a total lettable area of 889 sqm on a site area of 2,119 sqm.</p> <p>The property is currently zoned "High Impact Industry" with site coverage of 42%. The improvements present in good condition overall and the site has limited exposure to Maddison Court.</p> <p>The property is currently rented on a periodic basis and has been assessed with vacant possession.</p>		
Analysis	Market Net Yield	8.26%	Lettable Area Rate \$1,125/sqm
Comparability	<p>The sale has a smaller site area with similar profile. The improvements have a larger lettable area and are of inferior quality. The ancillary improvements of the sale are similar to the subject. The sale property sold vacant possession however is likely to have similar tenant appeal to the subject. The sale has a higher site coverage.</p> <p>Overall, this sale supports the application of a tighter yield for capitalisation purposes and a higher lettable area rate as a check direct comparison basis. On balance, a higher value has been applied to the subject property.</p>		

Property	24 Ellen Drive, Thabeban, QLD		
Sale Price	\$1,050,000		
Sale Date	19-Mar-21		
Sale Status	Settled.		
Site Area	2,202 sqm.		
Zoning	Industry.		
Lettable Area	780 sqm.		
Property Description	<p>The property is located in an established industrial precinct at Thabeban within 5 kilometres of the Bundaberg CBD.</p> <p>The site comprises a regular shaped allotment with a site area of 2,202 sqm with good exposure to Ellen Drive.</p> <p>The property is improved with a detached, Circa 2003 industrial building configured to provide a warehouse (780 sqm) of metal construction. Ancillary improvements include security fencing, solar panels and bitumen hardstand.</p> <p>The building footprint provides a site coverage of 35% and the improvements present in fair condition overall.</p> <p>The property sold in line with a business component however this pertains to the land and buildings only. Our analysis makes allowance for a letting up period, agent's fees and incentives.</p>		
Analysis	Market Net Yield	7.77%	Lettable Area Rate \$1,346/sqm
Comparability	<p>The sale has a smaller site area with inferior profile. The improvements have a similar lettable area and are of inferior quality. The ancillary improvements of the sale are similar to the subject. The sale property sold vacant possession however is likely to have similar tenant appeal to the subject. The sale has a higher site coverage.</p> <p>Overall, this sale supports the application of a tighter yield for capitalisation purposes and a higher lettable area rate as a check direct comparison basis. On balance, a higher value has been applied to the subject property.</p>		



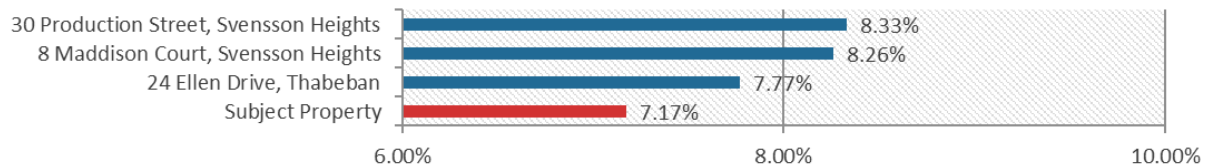
Sales Evidence Conclusions:

The above-mentioned sales evidence reflects a lettable rate range of \$790 to \$1,346 /sqm of lettable area and net yield range of 7.77% to 8.33% with variations attributed to location and aspect, size, age and characteristics, development potential and overall condition.

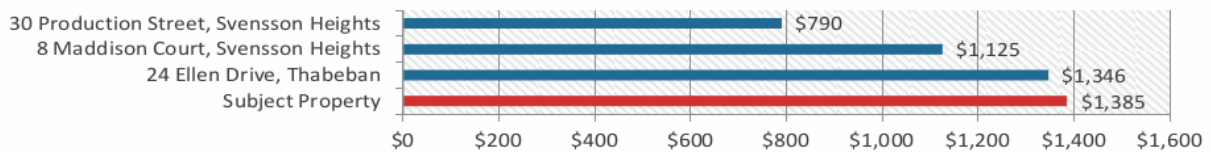
We have adopted a net yield rate of 7.25% for our Capitalisation approach and a rate of \$1,400/sqm of lettable area for our Direct Comparison approach.

These are both slightly favourable to the sales evidence noted however take into account the as new condition of the subject improvements.

Market Yield Comparison



Market Comparison \$ /sqm Lettable Area



Sales Analysis Summary

Address	Sale Price	Date	Land Area	Lettable Area	Site Utilisation	\$ /sqm Land	\$ /sqm Lettable	Market Yield
30 Production Street, Svensson Heights	\$1,175,000	Feb-21	4,000 sqm	1,487 sqm	37%	\$294	\$790	8.33%
8 Maddison Court, Svensson Heights	\$1,000,000	Jul-21	2,119 sqm	889 sqm	42%	\$472	\$1,125	8.26%
24 Ellen Drive, Thabeban	\$1,050,000	Mar-21	2,202 sqm	780 sqm	35%	\$477	\$1,346	7.77%
Subject Property	\$1,100,000	Sep-21	3,484 sqm	794 sqm	23%	\$316	\$1,385	7.17%

10.0 Valuation Calculations

10.1 Primary Valuation Method

Capitalisation of Market Income Calculations

Passing Income/Initial Yield Capitalisation Method						
Passing Annual Rent:				\$79,400		
Recovered Outgoings:				\$19,911		
Passing Annual Income:				\$99,311		
Less Outgoings:				-(\$20,411)		
Net Passing Annual Income:				\$78,900		
Capitalised				@ 7.25%		
Capitalised Value (before adjustments):				\$1,088,276		
Total Market Value:				\$1,088,276		
Indicates, Total Market Value:		Rounding	\$25,000	\$1,100,000		
Sensitivity Analysis:						
Net Passing Annual Income:		\$78,900	\$78,900	\$78,900		
Capitalised		@ 6.75%	@ 7.25%	@ 7.75%		
Capitalised Value:		\$1,168,889	\$1,088,276	\$1,018,065		
Capital Adjustments:		\$0	\$0	\$0		
Total Market Value:		\$1,168,889	\$1,088,276	\$1,018,065		
Indicates Total Market Value:		Rounding	\$25,000	\$1,175,000	\$1,100,000	\$1,025,000
Reflecting:	Initial Yield	6.71%	7.17%	7.70%		
	\$ /sqm Lettable Area	\$1,480	\$1,385	\$1,291		
	\$ /sqm Land	\$337	\$316	\$294		

10.2 Secondary Valuation Method

Comparable Transactions Method/Direct Comparison

Calculations

Comparable Transactions (Direct Comparison) - Lettable Area			Market Value
Lower Range:	794 s qm	\$1,350	\$1,071,900
Mid Range:	794 s qm	\$1,400	\$1,111,600
Upper Range:	794 s qm	\$1,450	\$1,151,300
Indicates Market Value:		Rounding	\$25,000
			\$1,100,000

11.0 Valuation

Subject to the assumptions, conditions and limitations contained within this report, we are of the opinion the Market Value of the interest in the property as at the Date of Valuation is as follows:

Market Value - Subject to Existing Lease

\$1,100,000

(One Million, One Hundred Thousand Dollars)

12.0 Assumptions, Conditions & Limitations

Area Disclaimer	<i>In the event actual surveyed areas of the property are different to the areas adopted in this valuation the survey should be referred to the valuer for comment on any valuation implications. We reserve the right to amend our valuation in the event that a formal survey of areas differs from those detailed in this report.</i>
Asbestos Disclaimer	<i>We are not experts in the identification of Asbestos and therefore, in the absence of an environmental consultant's report concerning the presence of any asbestos fibre within the subject property, this valuation is made on the assumption that there is no: asbestos material present; health risk from asbestos within the property; or there is any material expense relating to the repair, management or replacement of asbestos materials in the foreseeable future. Should an expert's report establish that there is an asbestos related health risk or a requirement to undertake asbestos remediation works then we reserve the right to review this valuation.</i>
Building Services Disclaimer	<i>No documentation or certification has been sighted to verify the condition of building services, and we have assumed that all building services are: adequate in specification; in good operational condition; and satisfactorily maintained.</i>
Encroachments	<i>The valuation is made on the basis that there are no encroachments (unless otherwise noted) by or upon the property and this should be confirmed by a current survey report and/or advice from a land surveyor. If any encroachments are noted by the survey report the valuer should be consulted to assess any effect on the value stated in this report.</i>
Environmental Disclaimer	<i>This report is not an environmental audit, and no advice is given in any way relating to environmental or pollution matters. Any comments given as to environmental or pollution factors in relation to the property are not given in the capacity as an expert. This assessment of value is on basis that the property is free of contamination or environmental issues affecting the property not made known to the valuer. In the event the property is found to contain contamination the matter should be referred to this office for comment. Given contamination issues can have an impact on the Market Value of the property, we reserve the right to review and if necessary, vary our valuation if any contamination or other environmental hazard is found to exist.</i>
Full Disclosure Disclaimer	<i>This valuation assumes that any information, documentation and data provided by you or any third parties is accurate and is a full disclosure of information which may impact on the value of the property. Whilst the Valuer has taken reasonable steps to verify the information supplied, we do not accept any liability whatsoever for any information being insufficient, inaccurate or misleading. If inaccuracies in the information are subsequently discovered, we reserve the right to review and, if necessary, amend our valuation.</i>
Future Value	<i>Any comments are made in relation to future values are based on general knowledge and information currently available. These comments should not be construed as a prediction of future value levels or a warranty of future performance as the property market is susceptible to potential rapid and unexpected change caused by multiple factors. Ultimately current expectations as to trends in property values may not prove to be accurate.</i> <i>Due to possible changes in the property market, economic conditions, occupancy status and property specific factors, we recommend the value of the property be reassessed at regular intervals</i>
Geotechnical	<i>We have not sighted a geotechnical engineers' survey of the property. We are not experts in the field of civil or geotechnical engineering and we are therefore unable to comment as to the geotechnical integrity of the ground and soil conditions. It is specifically assumed that there are no adverse geotechnical conditions that compromise the utility of the property for the current or highest and best use. In the event there is found to be adverse ground conditions we recommend the matter be referred to this Company for comment.</i>
GST	<i>All amounts and values in this report are exclusive of GST unless otherwise specified. If there is any uncertainty as to the treatment of GST, we recommend you seek advice from a qualified accountant.</i>
Heritage Disclaimer	<i>Unless specified otherwise, our valuation assumes that any heritage issues do not and will not impact on the use and value of the property. We have not obtained formal confirmation of heritage listings beyond what is identified in this report. If the client has concerns in relation to heritage issues, we recommend the client seeks formal information from the relevant authorities. We reserve the right to review and, if necessary, amend our valuation if onerous heritage restrictions are identified through formal searches.</i>
Identification	<i>The property has been identified as per details provided within this report. The identification comments are not provided in the capacity of an expert, and a surveyor (not a valuer) would be able to confirm the identification of the property and/or any encroachments by way of undertaking a site survey.</i>
Inconsistencies in Assumptions	<i>If there is found to be any variance, inconsistency or contradiction in any of the assumptions within this report then this may have an impact on the market value of the property, and we recommend this valuation be referred back to the Valuer for comment.</i>

Leases and Rents	<i>This valuation is based on the lease terms and conditions summarised within this report sourced from a review of the available lease documentation and tenancy schedules made available. This valuation is made on the basis that the tenants are paying rent in accordance with the lease agreements and there are no undisclosed rental subsidies, or other incentives that have been provided by the lessor. Our valuation assumes there are no material breaches of the essential terms of existing Leases by the existing Lessees and no material rental arrears at the date of Valuation.</i>
Market Change	<i>This valuation is current as at the Date of Valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Where the valuation is being relied upon for mortgage purposes, without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of 90 days from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation. We recommend the valuation be reviewed at regular intervals.</i>
Market Evidence Information Availability	<i>In preparing this valuation we have undertaken those investigations reasonably expected of a professional valuer having regard to normal industry practice so as to obtain the most relevant, available, comparable market evidence. Whilst we believe the market information obtained to be accurate, all details may not have been formally verified.</i>
Market Value	<i>"Market Value is the estimated amount for which an asset or liability should exchange on the Valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".</i>
Native Title Assumption	<i>We are not experts in native title, or the property rights derived there from and have not been supplied with appropriate expert advice or reports. Therefore, this valuation is made assuming there are no actual or potential native title interests affecting the value or marketability of the property.</i>
Photographs	<i>The photos used in this valuation report may not have been taken by Opteon (Third Party Photos). Where possible, a photo that has been sourced from a third party (other than the property contact who has not been attributed) has been attributed in the valuation report to the source from which Opteon obtained the photo. Opteon makes no warranties or representations in respect of, and is unable to assign to the Client, any intellectual property rights subsisting in the Third Party Photos.</i>
Planning Disclaimer	<i>Town planning and zoning information was informally obtained from the relevant local and State Government authorities and is assumed to be correct. Should the addressee require formal confirmation of planning issues then we recommend formal application be made to the relevant authorities to confirm planning details.</i>
Publication of Report	<i>The publication of the valuation or report in whole or any part, or any reference thereto, or the names and professional affiliations of the valuers is prohibited without the prior written approval of the valuer as to the form and context in which it is to appear.</i>
Site Survey Disclaimer	<i>This report is not a site survey, and no advice is given in any way relating to survey matters. Any comments given in relation to the property are not given in the capacity as an expert, however, are based on our inspection (where relevant) of the property and review of the Certificate of Title plans. Should the addressee require absolute certainty in relation to the site area, dimensions or possible encroachments we recommend that a surveyor be engaged to provide appropriate advice and a survey of the property if considered necessary. In the event there are any fundamental inconsistencies between any site survey undertaken and site detail adopted in this valuation, the survey should be referred to the valuer for comment on any valuation implications (including amendment of our valuation if considered necessary).</i>
Structural Disclaimer	<i>This report is not a structural survey, and no advice is given in any way relating to structural matters. Any opinion given as to the condition of the improvements on the property is not given in the capacity as an expert. A structural report on the building and/or its plant and equipment has not been sighted, and nor have we inspected unexposed or inaccessible portions of the premises. Therefore, we cannot comment on the structural integrity, any defects, rot or pest infestation (or damage from pest infestation) of the improvements, any use of asbestos or other materials now considered hazardous or areas of non-compliance with the Building Code of Australia, other than matters which are obvious and which are noted within this report. This valuation assumes the building is structurally sound; that building services are adequate and appropriately maintained; the building complies with applicable Council, building, health, safety and fire regulations, laws, bylaws, rules, licences, permits and directives; and is free of asbestos or other defects, unless specified otherwise. Should an expert's report establish that there is any damage of the varieties noted above then we reserve the right to review this valuation.</i>
Third Party Disclaimer	<i>This report has been prepared for the private and confidential use of our client, Russel Rowland and the nominated other authorised users, for the specified purpose and it should not be relied upon by any other party for any purpose and the valuer shall not have any liability to any party who does so. The report should not be reproduced in whole or part without the express written authority of Opteon Property Group Pty Ltd. Our warning is registered here, that any party, other than those specifically named in this report as our client or authorised user should obtain their own valuation before acting in any way in respect of the subject property.</i>

Third Party Information	<i>In preparing the valuation report the valuer may have relied on information, documents and data provided by third parties (Third Party Information). Whilst the valuer has taken reasonable steps to verify the accuracy and completeness of the Third Party Information, the valuer does not make any warranties or representations about the accuracy or completeness of that Third Party Information and will not be liable for any loss that may arise as a direct or indirect consequence of any Third Party Information being incomplete, inaccurate or misleading due to the fraud or recklessness of a provider of the Third Party Information.</i>
Title and Unregistered Instruments	<i>For the purpose of this report, we have assumed that the title information provided to us is correct. Our Valuation has been assessed assuming the property is only affected by encumbrances noted on Title with the exception of registered instruments (e.g. mortgages or caveats) that are normally and expected to be discharged prior to transfer of the property. If there are any encumbrances, encroachments, restrictions, leases or covenants which are not noted on the title, they may affect the assessment of value. If there are errors or omissions found to exist on the title documents, we should be notified and we reserve the right to review our valuation.</i>

APPENDIX 1

INSTRUCTIONS

Kaye Strachan

From: nick.untalan@opteonsolutions.com
Sent: Wednesday, 15 September 2021 2:24 PM
To: QLD Commercial
Subject: FW: RE: Quote: (Client Ref: NA) 10 Phoebe Crescent Kensington. Requested by: Russell Rowland

Categories: KAYE

Kind regards,

Nick Untalan



D. 1300 40 50 60
E. quotes@opteonsolutions.com
A. Suite 6, 72 Gheringhap Street, Geelong, VIC, 3220

1300 40 50 60 **OPTEONSOLUTIONS.COM**

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From: russell.rowland@furnlink.com.au
Sent: Wednesday, 15 September 2021 11:38:21 AM
To: quotes@opteonsolutions.com
Subject: RE: Quote: (Client Ref: NA) 10 Phoebe Crescent Kensington. Requested by: Russell Rowland

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you have verified with the sender and know the content is safe.

Please proceed
I will send the info requested to you shortly

Kind Regards,
Russell Rowland
CEO

P 1300 850 904

E russell.rowland@furnlink.com.au

W furnlink.com.au



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From: quotes@opteonsolutions.com <quotes@opteonsolutions.com>

Sent: Wednesday, 15 September 2021 8:16 AM

To: Russell Rowland <russell.rowland@furnlink.com.au>

Subject: Quote: (Client Ref: NA) 10 Phoebe Crescent Kensington. Requested by: Russell Rowland



RE: QUOTE FOR PROPERTY ADVICE

Our Reference: 13088366

Address: 10 Phoebe Crescent, Kensington, QLD, 4670

Quoted Fee: \$1,650.00

Dear Russell Rowland ,

Thank you for the opportunity to provide a quote for the above property.

Please find attached our quote and our standard terms and conditions to undertake this work for you.

The agreed Scope of Works

The scope of work is to complete a valuation of the property with the extent of investigation to include:

- collation of information and undertaking our own research regarding the property;
- an inspection of the property and measurement of buildings where required;
- undertaking research in terms of market prices (and/or costs if applicable) of comparable properties;

- preparation of valuation calculations;
- preparation of a valuation report;

The extent of our investigations does not extend to due diligence or investigative validation of information supplied.

If you wish to proceed please follow this **link**. Our team will then be in touch to confirm any final details and schedule your inspection.

Please note that this quote is only valid for 30 days. If you wish to proceed after 30 days, please contact us to confirm our fee and availability.

If you have any questions about this quote please email quotes@opteonsolutions.com or call 1300 40 50 60 and quote number **13088366**.

We look forward to providing you with independent and informed advice.

Kind regards,

Rory O'Connor
Assistant Valuer



D. 1300 40 50 60
E. rory.oconnor@opteonsolutions.com
A. Opteon, Maryborough, QLD, 4650

 **1300 40 50 60**  **OPTEONSOLUTIONS.COM**

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APPENDIX 2

TITLE SEARCH

CURRENT TITLE SEARCH
QUEENSLAND TITLES REGISTRY PTY LTD

Request No: 38631470
Search Date: 21/09/2021 14:40

Title Reference: 50664204
Date Created: 18/05/2007

Previous Title: 50521360

REGISTERED OWNER

Dealing No: 720074363 27/05/2020

PHOEBE HOLDINGS PTY LTD A.C.N. 635 882 665
TRUSTEE
UNDER INSTRUMENT 720074363

ESTATE AND LAND

Estate in Fee Simple

LOT 37 SURVEY PLAN 203501
Local Government: BUNDABERG

EASEMENTS, ENCUMBRANCES AND INTERESTS

1. Rights and interests reserved to the Crown by
Conveyance No. 601182225 (J947232K) (POR 119)
2. EASEMENT IN GROSS No 710573130 10/05/2007 at 15:13
burdening the land
COUNCIL OF THE CITY OF BUNDABERG
over
EASEMENT B ON SP203500
3. EASEMENT No 720316256 08/10/2020 at 14:07
benefiting the land over
EASEMENT E ON SP318586
4. EASEMENT No 720316259 08/10/2020 at 14:07
burdening the land to
LOT 38 ON SP203501 OVER
EASEMENT D ON SP318586

ADMINISTRATIVE ADVICES - NIL
UNREGISTERED DEALINGS - NIL

Caution - Charges do not necessarily appear in order of priority

** End of Current Title Search **

COPYRIGHT QUEENSLAND TITLES REGISTRY PTY LTD [2021]
Requested By: D-ENQ INFOTRACK PTY LIMITED

APPENDIX 3

LEASE.PDF

Commercial Tenancy Agreement

Fourth Edition

This Tenancy Agreement is made between the Lessor and the Tenant. The Lessor leases to, and the Tenant accepts a lease of, the Premises for the rent payable by the Tenant, subject to the terms of this Agreement.

THIS AGREEMENT COMPRISES THE REFERENCE SCHEDULE AND COMMERCIAL TENANCY AGREEMENT CONDITIONS.

DO NOT USE THIS DOCUMENT:

- FOR RESIDENTIAL TENANCIES.
- FOR PREMISES COVERED BY THE *RETAIL SHOP LEASES ACT 1994* (Qld).
- WHERE THE TERM OF THE LEASE (INCLUDING OPTIONS) EXCEEDS THREE (3) YEARS.
- WHERE REGISTRATION UNDER THE *LAND TITLE ACT 1994* (Qld) IS REQUESTED BY THE TENANT.
- WHERE A HIGH VALUE LEASE IS TO BE ENTERED INTO AS YOU MAY NOT OBTAIN THE PROTECTION OF A LEASE PREPARED BY A SOLICITOR.

INSTRUCTIONS TO COMPLETE

1. The parties should be advised to seek legal advice about the Tenancy Agreement. Reference should be made to Sections 24(3A) to (7) of the *Legal Profession Act 2007* (Qld) when preparing and completing this Agreement.
2. This Agreement provides for rent to be reviewed by either an index review or by fixed increases. It is not suitable for use where rent is to be reviewed to market except if the Agreement provides for an option (refer clause 15.1).
3. Only certain outgoings are recoverable in all circumstances (see the definitions of 'outgoings' in clause 1.2). Additional outgoings may be recovered by ticking the boxes at item 10(b).
4. Ensure that all items are completed in the Reference Schedule.

Item 1: Full name/s of the owner/s of the property and their address. If the Lessor is a company, include ABN. DO NOT use a business name.

Item 2: Full name/s of the Tenant. If the Tenant is a company, include its ABN. DO NOT use a business name.

Item 4: The Premises must be clearly identified e.g. "Suite 3, 45 John Street, Spring Hill" etc. If not able to be identified by name, a sketch plan must be attached to the Agreement and the address must be included at Item 4.

Item 6: Insert the period of the further Tenancy, e.g. "6 months" or "1 year" or "not applicable". **The total term of the lease including any options is not to exceed three years. Plus insert the notice period to exercise the option.**

Item 8: Insert the date/s on which the rent is to be reviewed and the method of the rent review or "not applicable".

Item 9: The Permitted Use should be stated clearly.

Item 10(a): Insert the percentage of outgoings the Tenant is to pay, e.g. "25%" or "100%" or "Not applicable".

Item 10(b): Tick any additional outgoings the Tenant is to pay.

REFERENCE SCHEDULE

1. LESSOR:

NAME:

PHOEBE CRESCENT UNIT TRUST

ABN: 1169254299

ACN:

ADDRESS: 29 SERENITY DRIVE

SUBURB: KALKIE

STATE: QLD POSTCODE: 4670

PHONE:

MOBILE:

FAX:

EMAIL:

0439 550 377

2. TENANT:

NAME:

TRENDLINE PTY LTD ATF RRS ROWLAND FAMILY TRUST

ABN: 7986605246

ACN:

ADDRESS: 8 PHOEBE CRESCENT

SUBURB: BUNDABERG

STATE: QLD POSTCODE: 4670

PHONE:

MOBILE:

FAX:

EMAIL:

0439 550 377

RUSSELL.ROWLAND@FURNLINK.COM.AU

3. GUARANTOR:

NAME:

N/A

ABN:

ACN:

ADDRESS:

SUBURB:

STATE:

POSTCODE:

PHONE:

MOBILE:

FAX:

EMAIL:

4. PREMISES:

← Annex a plan if available

Level or Tenancy No.

ADDRESS: 10 PHOEBE CRESCENT

SUBURB: KENSINGTON

STATE: QLD POSTCODE: 4670

Description: Lot: 37

RP/SP: 3P 203501

5. TERM:

The Term of the Agreement is: 3

☐ Months

☒ Years

Commencing on: 27/4/2020

and ending on: 26/4/2023

DATE (dd/mm/yyyy):

DATE (dd/mm/yyyy):

6. OPTION OF RENEWAL (IF ANY):

Note: The term of the lease (including options) should not exceed three (3) years.

Period of further term:

N/A

Final date for exercise of option:

DATE (dd/mm/yyyy):

7. RENT:

\$79,400 + GST + OUTGOINGS

per: ☐ month

☒ year

← Select applicable box

INITIALS

000011408303

8. RENT REVIEW:

Refer to clause 3.3

Note: Failure to review on these dates does not waive the Lessor's right to review.

Review Date	Type of Review
N/A	<input type="checkbox"/> Index review <input type="checkbox"/> Fixed increase - amount of increase: _____ %
N/A	<input type="checkbox"/> Index review <input type="checkbox"/> Fixed increase - amount of increase: _____ %

9. PERMITTED USE:

10. OUTGOINGS:

Refer to clause 1.2(9)

10(a) Percentage of Outgoings:

100%

10(b) Additional Outgoings including the costs of (tick if applicable):

- | | |
|---|--------------------------|
| Managing and operating the Building | <input type="checkbox"/> |
| Repair and maintenance of the Building | <input type="checkbox"/> |
| Gardening and Landscaping | <input type="checkbox"/> |
| Provision and servicing of Air-conditioning to the Building | <input type="checkbox"/> |
| Cleaning the Building | <input type="checkbox"/> |
| Pest Control | <input type="checkbox"/> |
| Security services | <input type="checkbox"/> |
| Provision and servicing of Fire Detection and extinguishing equipment | <input type="checkbox"/> |
| Provision and servicing of lifts and escalators | <input type="checkbox"/> |
| Common Area Electricity | <input type="checkbox"/> |
| Trade waste | <input type="checkbox"/> |
| Other (insert details): | |

11. DEPOSIT:

\$ N/A

12. LESSOR'S AGENT:

NAME:

N/A

ADDRESS:

SUBURB:

STATE:

POSTCODE:

PHONE:

MOBILE:

FAX:

EMAIL:

ABN:

ACN:

LICENCE NUMBER:

INITIALS

000011408303

SPECIAL CONDITIONS

The parties should seek legal advice about any special conditions required. Please note sections 24(3A) to (7) of the *Legal Profession Act 2007* (Qld) when preparing and completing this Agreement.

INITIALS

000011408303

AGREEMENT MADE

DATE: _____

EXECUTED as an Agreement.

(dd/mm/yyyy): _____

EXECUTION BY LESSOR

LESSOR 1


Executed by: PHOEBE HOLDINGS PTY LTD

in accordance with Section 127 of the Corporations Act 2001 (Cth).

Director/Secretary

X²² 
RUSSELL ANDREW ROWLAND
Name of Director/Secretary (BLOCK LETTERS)

Director

X²² 
JOSHUA PAUL ROWLAND
Name of Director (BLOCK LETTERS)

OR (only complete this part if signing as attorney for the Lessor)

SIGNED by _____

the duly constituted **attorney** of the LESSOR (who states s/he has received no notice of revocation) under power of attorney dated _____ registered no _____ in the presence of: _____

Signature of Witness

Name of Witness (BLOCK LETTERS)

OR

SIGNED by _____

AS LESSOR in the presence of: _____

Signature of Witness

Name of Witness (BLOCK LETTERS)

ADDRESS OF WITNESS: _____

SUBURB: _____

STATE: _____

POSTCODE: _____

LESSOR 2

Executed by: _____

in accordance with Section 127 of the Corporations Act 2001 (Cth).

Director/Secretary

Name of Director/Secretary (BLOCK LETTERS)

Director

Name of Director (BLOCK LETTERS)

OR (only complete this part if signing as attorney for the Lessor)

SIGNED by _____

the duly constituted **attorney** of the LESSOR (who states s/he has received no notice of revocation) under power of attorney dated _____ registered no _____ in the presence of: _____

Signature of Witness

Name of Witness (BLOCK LETTERS)

OR

SIGNED by _____

AS LESSOR in the presence of: _____

Signature of Witness

Name of Witness (BLOCK LETTERS)

ADDRESS OF WITNESS: _____

SUBURB: _____

STATE: _____

POSTCODE: _____

INITIALS

000011408303

EXECUTION BY TENANT

TENANT 1

Executed by: TRENDLINE PTY LTD
in accordance with Section 127 of the *Corporations Act 2001* (Cth).

Director/Secretary RR

[Signature]

Director _____

RUSSELL ANDREW ROWLAND

Name of Director/Secretary (BLOCK LETTERS)

Name of Director (BLOCK LETTERS)

OR (only complete this part if signing as attorney for the Tenant)

SIGNED by _____

the duly constituted **attorney** of the TENANT (who states s/he has received no notice of revocation) under power of attorney dated _____ registered no _____ in the presence of: _____

Signature of Witness

Name of Witness (BLOCK LETTERS)

OR

SIGNED by _____

AS TENANT in the presence of: _____

Signature of Witness

Name of Witness (BLOCK LETTERS)

ADDRESS OF WITNESS: _____

SUBURB: _____

STATE: _____

POSTCODE: _____

TENANT 2

Executed by: _____
in accordance with Section 127 of the *Corporations Act 2001* (Cth).

Director/Secretary _____

Director _____

Name of Director/Secretary (BLOCK LETTERS)

Name of Director (BLOCK LETTERS)

OR (only complete this part if signing as attorney for the Tenant)

SIGNED by _____

the duly constituted **attorney** of the TENANT (who states s/he has received no notice of revocation) under power of attorney dated _____ registered no _____ in the presence of: _____

Signature of Witness

Name of Witness (BLOCK LETTERS)

OR

SIGNED by _____

AS TENANT in the presence of: _____

Signature of Witness

Name of Witness (BLOCK LETTERS)

ADDRESS OF WITNESS: _____

SUBURB: _____

STATE: _____

POSTCODE: _____

INITIALS

000011408303

EXECUTION BY THE GUARANTOR

n/a

SIGNED by

Name of Guarantor (BLOCK LETTERS)

AS GUARANTOR in the presence of:

Signature of Witness

Name of Witness (BLOCK LETTERS)

ADDRESS OF WITNESS:

SUBURB:

STATE: _____

POSTCODE: _____

SIGNED by

Name of Guarantor (BLOCK LETTERS)

AS GUARANTOR in the presence of:

Signature of Witness

Name of Witness (BLOCK LETTERS)

ADDRESS OF WITNESS:

SUBURB:

STATE: _____

POSTCODE: _____

INITIALS

000011408303

COMMERCIAL TENANCY AGREEMENT CONDITIONS

IT IS AGREED

1. DEFINITIONS AND INTERPRETATION

1.1 Terms in Reference Schedule

Where a term used in this Agreement appears in bold type in the in the Reference Schedule, that term has the meaning shown opposite it in the Reference Schedule.

1.2 Definitions

Unless the context otherwise requires:

- (1) **"Agreement"** means this document, including any Schedule or Annexure to it;
- (2) **"Building"** means the building of which the Premises forms part;
- (3) **"Business Day"** means a day that is not a Saturday, Sunday or any other day which is a Public Holiday or a Bank Holiday in the place where an act is to be performed or a payment is to be made;
- (4) **"Claim"** includes any claim or legal action and all costs and expenses incurred in connection with it;
- (5) **"Default Interest Rate"** means the Standard Default Contract Rate applying at the due date published by the Queensland Law Society Inc.;
- (6) **"GST"** means a goods and services tax or similar value added tax;
- (7) **"Land"** means the Land on which the Premises are situated;
- (8) **"Lessor's Property"** means any property owned by the Lessor in the Premises or on the Land and includes the property identified in any inventory annexed to this Agreement;
- (9) **"Outgoings"** means the following charges levied or expenses payable in respect of the Premises, the Land or the Building (as the case requires):
 - (a) Rates and charges that a local government imposes and levies collected by a local government on behalf of the State of Queensland;
 - (b) Insurance premiums (including building, fire, loss of rent, plate glass and public liability) payable by the Lessor;
 - (c) Land tax;
 - (d) Body Corporate fees and levies (including but not limited to Administrative Fund levies and Sinking Fund levies); and
 - (e) the additional outgoings referred to in Item 10(b) of the Reference Schedule;
- (10) **"Premises"** means the premises described in Item 4 of the Reference Schedule and includes the Lessor's Property in the Premises;
- (11) **"REIQ"** means The Real Estate Institute of Queensland Ltd;
- (12) **"Tenancy"** means the tenancy between the Lessor and the Tenant created by this Agreement;
- (13) **"Tenant's Employees"** means each of the Tenant's employees, contractors, agents, customers, subtenants, licensees or others (with or without invitation) who may be on the Premises, the Building or the Land;
- (14) **"Tenant's Property"** includes all fixtures and other articles in the Premises which are not the Lessor's;
- (15) **"Tenant's Services"** means all utilities and services in or provided to the Premises and without limiting the generality of the foregoing shall include provision of electricity, gas, water, waste disposal, sewerage, telephone and data services; and
- (16) **"Term"** means either a periodic monthly tenancy or the period of months or years described in Item 5 of the Reference Schedule, as applicable, commencing on the date in Item 5 in the Reference Schedule.

1.3 Interpretation

- (1) Reference to:
 - (a) one gender includes each other gender;
 - (b) the singular includes the plural and the plural includes the singular;
 - (c) a person includes a body corporate;
 - (d) a party includes the party's executors, administrators, successors and permitted assigns; and
 - (e) a statute, regulation or provision of a statute or regulation (**"Statutory Provision"**) includes:
 - (i) that Statutory Provision as amended or re-enacted from time to time; and
 - (ii) a statute, regulation or provision enacted in replacement of that Statutory Provision.
- (2) All monetary amounts are in Australian dollars, unless otherwise stated.
- (3) If a party consists of more than one person, this Agreement binds them jointly and each of them severally.
- (4) Headings are for convenience only and do not form part of this Agreement or affect its interpretation.
- (5) A party which is a trustee is bound both personally and in its capacity as a trustee.
- (6) "Including" and similar expressions are not words of limitation.
- (7) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.
- (8) If an act must be done on a specified day which is not a Business Day, the act must be done instead on the next Business Day.
- (9) Where this Tenancy permits or requires the Lessor to do something, it may be done by a person authorised by the Lessor.
- (10) Sections 105 and 107 of the **Property Law Act 1974 (Qld)** do not apply to this Tenancy.

2. TERM AND HOLDING OVER

2.1 Term

The Lessor lets the Premises to the Tenant and the Tenant accepts the Premises as tenant for the Term.

2.2 The Tenant may exercise an option to renew this Agreement for the further term if clause 15 applies.

2.3 Monthly Tenancy

If the Tenant continues to occupy the Premises after the Term with the Lessor's consent then:

- (1) the Tenant does so as a monthly Tenant on the same basis as at the last day of the Term; and
- (2) either party may terminate the monthly tenancy by giving to the other one (1) month's notice expiring on any day.

3. RENT AND RENT REVIEWS

3.1 Rent

The Tenant must:

- (1) pay the Rent by equal monthly instalments in advance on the first day of each month;
- (2) pay the first instalment on the signing of this Agreement;
- (3) if necessary, pay the first and last instalments apportioned on a daily basis; and
- (4) pay all instalments as the Lessor directs.

3.2 Definitions

In clause 3.3:

- (1) **"Index Number"** means the Consumer Price Index (All Groups) for Brisbane published by the Australian Bureau of Statistics. If that index no longer exists, "Index Number" means an index that the Chief Executive Officer of the REIQ decides best reflects changes in the cost of living in Brisbane; and
- (2) **"Review Date"** means a date which is stated in Item 8 of the Reference Schedule as a date from which the rent is to be reviewed.

3.3 Rent Review

(1) Application

This clause 3.3 applies if there is a Review Date.

(2) Review

The Rent must be reviewed as from each Review Date to an amount represented by:

If an Index Review, then A where:

$$A = \frac{B \times D}{C}$$

Where B = the Index Number for the quarter ending immediately before the relevant Review Date.

Where C = the Index Number for the quarter one (1) year before the quarter in B; and

Where D = the Rent payable immediately before the Review Date.

Or if a Fixed Increase, then A where:

$$A = B + B \times C$$

Where B = the Rent payable immediately before the Review Date.

Where C = the percentage stated in Item 8 of the Reference Schedule.

- (3) Time is not of the essence in respect of the review of Rent.

4. OUTGOINGS

- (1) The Tenant must pay the Lessor the whole, or where a percentage is stated in Item 10(a) of the Reference Schedule that percentage of the Outgoings for the Premises, or the property of which the Premises is part as applicable.
- (2) Outgoings are payable to the Lessor within fourteen (14) days of production to the Tenant of a copy of the Lessor's assessment notice or account.

5. USE OF THE PREMISES

5.1 Permitted Use

The Tenant must only use the Premises for the Permitted Use.

5.2 Restrictions on use

The Tenant must not:

- (1) disturb the occupants of adjacent premises;
- (2) display any signs without the Lessor's written consent which must not be unreasonably withheld;
- (3) overload any Tenant's Services;
- (4) damage the Lessor's Property;
- (5) alter the Premises, install any partitions or equipment or do any building work without the Lessor's prior written consent;
- (6) do anything that may invalidate the Lessor's insurance or increase the Lessor's premiums; or
- (7) do anything unlawful or illegal on the Premises.

5.3 Tenant's Services

The Tenant shall be responsible for payment for all Tenant's Services provided directly to the Premises.

6. MAINTENANCE AND REPAIR

6.1 Repair

The Tenant must:

- (1) keep the Premises in good repair and condition except for fair wear and tear, inevitable accident and inherent structural defects; and
- (2) fix any damage caused by the Tenant or the Tenant's Employees.

6.2 Cleaning and Maintenance

The Tenant must:

- (1) keep the Premises clean and tidy; and
- (2) keep the Tenant's Property clean and maintained in good order and condition.

6.3 Lessor's Right to Inspect and Repair

- (1) The Lessor may enter the Premises for inspection or to carry out maintenance, repairs or building work at any reasonable time after giving notice to the Tenant. In an emergency, the Lessor may enter at any time without giving the Tenant notice.
- (2) The Lessor may carry out any of the Tenant's obligations on the Tenant's behalf if the Tenant does not carry them out on time. If the Lessor does so, the Tenant must promptly pay the Lessor's costs.

7. ASSIGNMENT AND SUBLETTING

- 7.1 The Tenant must obtain the Lessor's consent before the Tenant assigns, sublets or deals with its interest in the Premises.

- 7.2 The Lessor must give its consent if:

- (1) the Tenant satisfies the Lessor that the new tenant is financially secure and has the ability to carry out the Tenant's obligations under this Tenancy;
- (2) the new tenant signs any agreement and gives any security which the Lessor reasonably requires;
- (3) the Tenant complies with any other reasonable requirements of the Lessor;
- (4) the Tenant is not in breach of the Tenancy; and
- (5) the Tenant pays the Lessor's reasonable costs of giving its consent.

8. TENANT'S RELEASE AND INDEMNITY

- 8.1 The Tenant occupies and uses the Premises at its own risk. The Tenant also carries out building work in the Premises at its risk.

- 8.2 The Tenant releases the Lessor from and indemnifies it against all Claims for damages, loss, injury or death:

- (1) if it:
 - (a) occurs in the Premises;
 - (b) arises from the use of the Services in the Premises; or
 - (c) arises from the overflow or leakage of water from the Premises,except to the extent that it is caused by the Lessor's deliberate act or negligence; and
- (2) if it arises from the negligence or default of the Tenant or the Tenant's employees, except to the extent that it is caused by the Lessor's deliberate act or negligence.

- 8.3 The Lessor must do everything reasonable to ensure the Tenant's Services operate efficiently during normal working hours.

8.4 Except to the extent that any interruption to the operation of the Tenant's Services is caused by the Lessor's deliberate act or negligence then in the event that the Tenant's Services do not operate efficiently the Tenant shall:-

- (a) have no right to claim compensation against the Lessor; and
- (b) have no right to terminate this Agreement.

8.5 The Tenant releases the Lessor from and indemnifies the Lessor against any Claim or costs arising from anything the Lessor is permitted to do under this Tenancy.

9. DEFAULT AND TERMINATION

9.1 Default

The Tenant defaults under this Agreement if:

- (1) the Rent or any money payable by the Tenant is unpaid for fourteen (14) days;
- (2) the Tenant breaches any other term of this Agreement;
- (3) the Tenant assigns its property for the benefit of creditors;
- (4) the Tenant becomes a bankrupt person within the meaning of the **Bankruptcy Act 1966 (Cth)**; or
- (5) the Tenant becomes an externally-administered body corporate within the meaning of the **Corporations Act 2001 (Cth)**.

9.2 Forfeiture of Tenancy

If the Tenant defaults and does not remedy the default when the Lessor requires it to do so, the Lessor may, subject to its obligations under s 124 of the **Property Law Act 1974 (Qld)**, do any one or more of the following after giving any notice required by law:

- (1) re-enter and take possession of the Premises;
- (2) by notice to the Tenant, terminate this Agreement;
- (3) by notice to the Tenant, convert the unexpired portion of the Term into a tenancy from month to month;
- (4) exercise any of its other legal rights;
- (5) recover from the Tenant any loss suffered by the Lessor due to the Tenant's default.

10. TERMINATION OF TERM

10.1 Tenant's Obligations

At the end of the Term the Tenant must:

- (1) vacate the Premises and give them back to the Lessor in the condition required by clause 6.1(1);
- (2) remove all the Tenant's Property from the Premises;
- (3) repair any damage caused by removal of the Tenant's Property and leave the Premises clean; and
- (4) return all keys, security passes and cards held by it or the Tenant's Employees.

10.2 Failure to Remove Tenant's Property

If the Tenant does not remove the Tenant's Property at the end of the Term, the Lessor may:

- (1) remove and store the Tenant's Property at the Tenant's risk and expense; or
- (2) treat the Tenant's Property as abandoned, in which case title in the Tenant's Property passes to the Lessor who may deal with it as it thinks fit without being liable to account to the Tenant.

11. DAMAGE AND DESTRUCTION

11.1 Rent Reduction

If the Premises are damaged or destroyed and as a result the Tenant cannot use or gain access to the Premises then from the date that the Tenant notifies the Lessor of the damage or destruction the Lessor:

- (1) must reduce the Rent and any other money owing to the Lessor by a reasonable amount depending on the type, extent and effect of damage or destruction; and
- (2) cannot enforce clause 6.1 against the Tenant; until the Premises are fit for use or accessible.

11.2 Tenant May Terminate

The Tenant may terminate this lease by notice to the Lessor unless the Lessor:

- (1) within three (3) months of receiving the Tenant's notice of termination, notifies the Tenant that the Lessor will reinstate the Premises; and
- (2) carries out the reinstatement works within a reasonable time.

11.3 Exceptions

Clauses 11.1 and 11.2 do not apply where:

- (1) the damage or destruction was caused by or contributed to, or arises from any wilful act of the Tenant or the Tenant's Employees; or
- (2) an insurer under any policy effected by the Lessor refuses indemnity or reduces the sum payable under the policy because of any act or default of the Tenant or the Tenant's Employees.

11.4 Lessor May Terminate

If the Lessor considers the damage to the Premises renders it impractical or undesirable to reinstate the Premises or the Building, it may terminate this lease by giving the Tenant at least one (1) month's notice ending on any day of the month. At the end of that month's notice, this lease ends.

11.5 Dispute Resolution

- (1) Any dispute under this clause 11 must be determined by an independent qualified Valuer appointed by the Chief Executive Officer of the REIQ at the request of either party.
- (2) In making the determination, the Valuer acts as an expert and the determination is final and binding on both parties.
- (3) The cost of the determination must be paid by the parties equally unless otherwise decided by the Valuer.

11.6 Lessor Not Obligated to Reinstate

- (1) Nothing in this lease obliges the Lessor to reinstate the Building or the Premises or the means of access to them.
- (2) When reinstating the Building or the Premises, the Lessor is entitled to change their design, fabric, character or dimensions to comply with any law or lawful requirement.

11.7 Antecedent Rights

Termination under this clause 11 does not effect either parties' accrued rights before termination.

12. INTEREST FOR LATE PAYMENT

Without affecting the Lessor's other rights, if the Tenant does not pay any money owing to the Lessor under this Agreement within fourteen (14) days after the due date, the Tenant must pay interest on that money calculated at the Default Interest Rate from the due date for payment until payment is made.

13. DUTY

The Tenant must pay stamp duty on this lease, if applicable, and other government imposts payable in connection with this Agreement and all other documents and matters referred to in this Agreement when due or earlier if requested in writing by the Lessor.

14. GOODS AND SERVICES TAX

If a GST is imposed on any supply made to the Tenant under or in accordance with this Tenancy, the amount the Tenant must pay for that supply is increased by the amount of that GST.

15. OPTION FOR FURTHER TENANCY

15.1 This clause 15 applies if item 6 of the Reference Schedule is completed with a period of a further term.

15.2 If the Tenant:

- (1) wishes to lease the Premises for the further term; and
- (2) gives notice to that effect to the Lessor strictly in accordance with the timeframes in item 6 of the Reference Schedule; and
- (3) has not breached this Agreement or if breached such breach has been waived by the Lessor or remedied,

the Lessor must, subject to clause 15.6, grant to and the Tenant must take a further tenancy (**New Tenancy**) of the Premises on the terms and conditions set out in clause 15.3.

15.3 The New Tenancy will be on the same terms and conditions as this Agreement except that:

- (1) the Rent for the New Tenancy will be the amount agreed between the Lessor and the Tenant or, failing agreement by the date the Term expires, the market rent for the Premises determined by an independently qualified Valuer (acting as an expert) in accordance with clause 15.4;
- (2) the Commencement Date will be the day after the Term expires; and
- (3) the New Tenancy will omit this clause 15 unless there is more than one option of renewal set out in item 6 of the Reference Schedule.

15.4 If the Rent is to be determined according to the market under clause 15.3(1), the Valuer is to be nominated by the Chief Executive Officer of the REIQ at the request of either party. The following additional terms apply:

- (1) the Valuer's decision is final and binding on the parties;
- (2) the Valuer's costs must be paid by the Lessor and the Tenant equally. Either party may pay the Valuer's costs and recover one half of the amount paid from the other party on demand; and
- (3) if the Rent for the New Tenancy is not determined by the date the Term expires, then:
 - (a) until the Valuer determines the Rent for the New Tenancy, the Tenant must continue to pay the existing Rent; and
 - (b) when the Valuer's decision is made under this clause 15(4), the parties will make an adjustment for any over or under payment of the Rent.

15.5 Before transferring any interest in the Land, the Lessor must obtain a signed deed from the transferee containing covenants in favour of the Tenant that the transferee will be bound by the terms of this Agreement and will not transfer its interest in the Land unless it obtains a similar deed from its transferee.

15.6 If there is a Guarantor under this Agreement, the Lessor is not required to grant the New Tenancy unless the Tenant obtains a further guarantee on the same terms of the due and punctual performance of the Tenant's obligations under this Agreement by the Guarantor or any other replacement guarantor acceptable to the Lessor.

16. DEPOSIT AND COMMISSION

- 16.1** The Tenant must pay the Deposit to the Lessor's Agent on signing this Agreement.
- 16.2** The Deposit must be applied against the Rent payable by the Tenant on the commencement of the Term.
- 16.3** The Lessor agrees to pay the Agent's commission to the Lessor's Agent and authorises the Agent to draw the commission on the commencement of the Term from money received from the Tenant in payment of Rent.

17. NOTICES

- 17.1** Any notice given or required by this Agreement to be given to a party ("the addressee") must be in writing and, without prejudice to any other lawful method of service, shall be deemed to have been sufficiently given if it is sent to a facsimile number or email address which has been stated for the addressee in this Agreement or otherwise provided by the addressee to the sender.
- 17.2** Any such notice sent to a facsimile number shall be deemed to have been received by the addressee when the sender obtains a clear transmission report.
- 17.3** Any such notice sent to an email address shall be deemed to have been received by the addressee when it is capable of being retrieved by the addressee at the email address in accordance with section 24 of the **Electronic Transactions (Queensland) Act 2001**.
- 17.4** Any such notice may also be given in the manner provided in section 109X of the **Corporations Act 2001 (Cth)** as if it were being served for the purposes stated in that section or in accordance with the provisions of section 347 of the **Property Law Act 1974 (Qld)**.

18. GUARANTEE AND INDEMNITY

- 18.1** Where Item 3 of the Reference Schedule is completed with the name or names of any person or persons then the succeeding provisions of this clause 18 shall apply.
- 18.2** The Guarantor (and jointly and severally where there is more than one Guarantor) guarantees to the Lessor the timely payment by the Tenant of the Rent and other moneys agreed to be paid by the Tenant under this Agreement and the timely compliance with all the terms by which the Tenant is bound under this Agreement.
- 18.3** The Guarantor will at all times pay to the Lessor on demand and indemnify and keep the Lessor indemnified from and against all losses which the Lessor may suffer or incur consequent upon or arising out of any failure by the Tenant to comply with the terms in a timely manner.