

RENTAL DETERMINATION

Our Reference: AM 14359

**224 RUTHVEN STREET
NORTH TOOWOOMBA QLD 4350**



As At

14 May 2025

Prepared For

Market Rental Assessment

On Behalf of

The Paddock Butchery Darling Downs

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1 EXECUTIVE SUMMARY

1.1 ADDRESS

224 Ruthven Street, North Toowoomba QLD 4350 (the Property).

1.2 INSTRUCTING PARTY

Alister Ferguson |
The Paddock Butchery Darling Downs
224 Ruthven Street, North Toowoomba QLD 4350
M: 0427 825 101 | E: alister@thepaddockdarlingdowns.com.au

1.3 PURPOSE

Market Rental Value as evidence of value for internal decision making purposes.

1.4 LEGAL DESCRIPTION

Lots 21-28 on Registered Plan 16604.

1.5 PROPERTY SUMMARY

The Property comprises a partly refurbished two-level former hotel located at North Toowoomba, approximately 2 kilometres north of the Toowoomba Central Business District and about 129 kilometres west of Brisbane.

The Property comprises four distinct components, being 'The Plate' licensed restaurant, a vacant retail area (former Butchery), a stand alone drive through bottle shop and upper level office and store room areas. In accordance with our instructions we have not included the 'Bone Idol' microbrewery fittings as part of this assessment. The total Gross Building Area (GBA) is 1,243sqm and the Property is a regular shaped 8 lot aggregation with a site area of 3,240sqm including ~50 on-site parking spaces.

The Property is leased to The Paddock Queensland Pty Ltd for a 5 year term with 3 x 5 year options commencing on 2 November 2021 with minimum 3% annual rent increases and reviews to market at option renewals. The current passing rent we have assessed at \$135,061 + GST pa net (~\$109/sqm) which is considered to be clearly below the prevailing market and reflects the significant refurbishment the lessee undertook of the ground level of the building.

Our Rental Assessment does not include any incentives, and given the vacant retail area, we note that incentives in the Toowoomba Commercial/retail leasing market for a new tenant taking a 5 year lease area in the order of a 20% rent abatement. The effect of such an incentive, if factored into the vacant retail area, is detailed at S8.1 of this report.

1.6 DATE OF VALUATION

14 May 2025.

1.7 DATE OF INSPECTION

14 May 2025.

1.8 ASSESSMENT OF RENTAL VALUE

\$406,550 Excluding GST per annum net

(Four Hundred and Six Thousand Five Hundred and Fifty Dollars excluding GST pa net)



Tim Ellis AAPI
Certified Practising Valuer
Registered Valuer No. 1674 (Qld)

This is a summary only. It must not be relied on for any purpose. Hymans Property valuation of this asset is subject to assumptions, conditions and limitations. They are set out in the full valuation report prepared in relation to the asset. This summary is to be read in conjunction with the full report.

Liability Limited by a scheme approved under the Professional Standards Legislation.

2 INTRODUCTION

2.1 INSTRUCTIONS

We refer to your instructions dated 8 May 2025 requesting that we undertake a market valuation of 224 Ruthven Street, North Toowoomba QLD 4350, for and on behalf of The Paddock Butchery Darling Downs c/o:

Alister Ferguson |
The Paddock Butchery Darling Downs
224 Ruthven Street, North Toowoomba QLD 4350
M: 0427 825 101 | E: alister@thepaddockdarlingdowns.com.au

We refer you to our Instructions at **Appendix A**.

2.2 PURPOSE OF VALUATION

This Market Rental Determination has been prepared as Evidence of Value for Internal Decision Making Purposes and is to be relied upon by The Paddock Butchery Darling Downs only.

Our report is confidential to the party or parties to which it is addressed, for the specific purpose to which it refers. No responsibility is accepted to any third parties. Neither the whole of the report or any part of it or any reference to it, may be published in any document, statement or circular or in any communication with third parties without our prior written approval of the form and context in which it will appear.

2.3 DATE OF INSPECTION

14 May 2025.

2.4 DATE OF VALUATION

14 May 2025.

Our valuation reflects the valuer's view of the market at this date and does not purport to predict the future. Our assessment assumes that there is no material change to the property or the market between the date of inspection and the date of valuation, and we reserve the right to review the valuation if there are material changes to the property or the market over this period.

This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). Liability for losses arising from such subsequent changes in value is excluded as is liability where the valuation is relied upon after the date of valuation.

Without limiting the generality of the above, we do not assume any responsibility or accept any liability in circumstances where this valuation is relied upon after the expiration of three months from the date of valuation.

2.5 BASIS OF VALUATION

The definition of market rental value falls under the International Valuations Standards Committee definition as the estimated amount for which a property, or space within a property, should lease on the date of valuation between

a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after property marketing, wherein the parties had each acted knowledgeable, prudently, and without compulsion.

Excluded within this valuation are all movable plant and equipment, furniture, furnishings and any fit-out and improvements owned by third parties.

3 LAND DETAILS

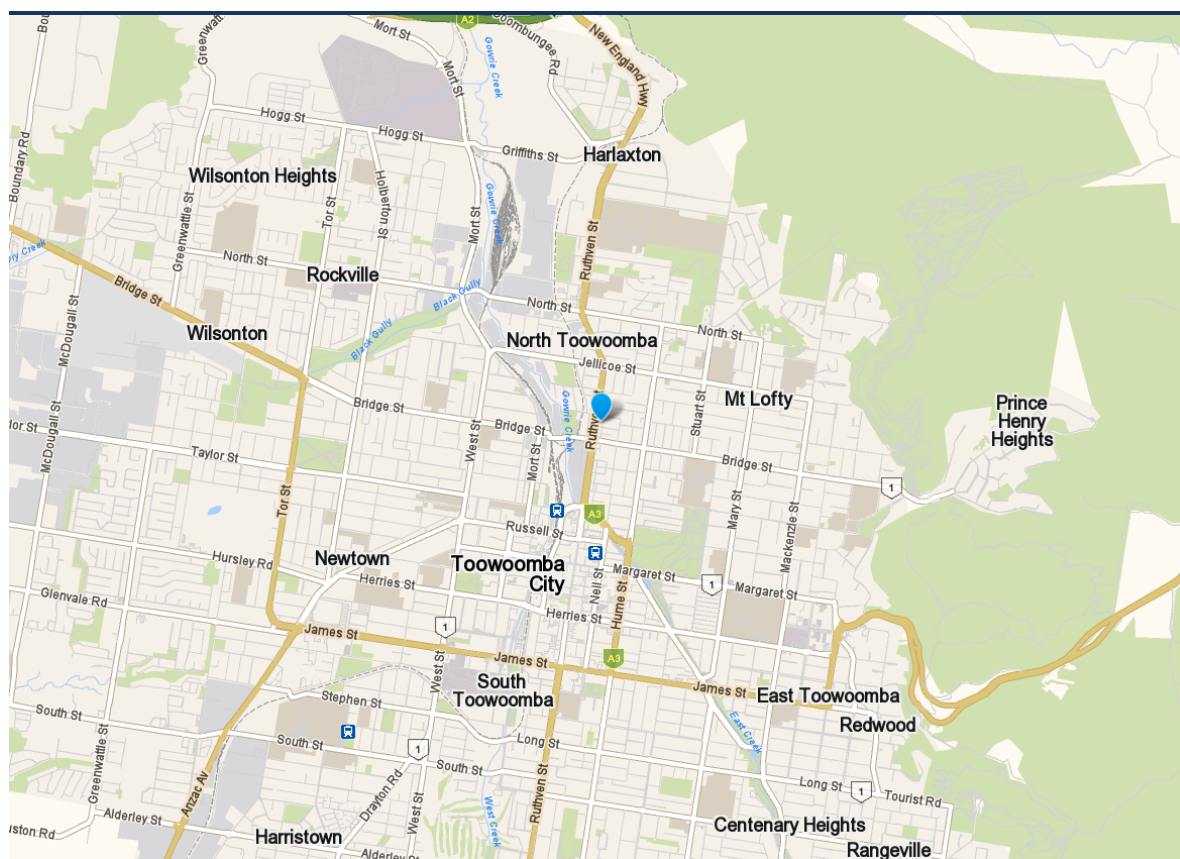
3.1 LOCATION

The Property is located at North Toowoomba, approximately 2 kilometres north of the Toowoomba Central Business District and about 129 kilometres west of Brisbane, within the Local Government Area administered by the Toowoomba Regional Council (TRC).

More specifically the Property is situated on the eastern side of Ruthven Street between Moffatt Street and Delacey Street, all being bitumen sealed with concrete kerb and guttering. Vehicular access is from Moffatt Street and Delacey Street and the Property has good exposure.

Public transport facilities in proximity to the Property include bus services operating on Ruthven Street.

The location of the Property is shown in the map below:



Source: Google Maps (2021)

3.2 TITLE PARTICULARS

Title Reference:	17328205, 17328204, 14360191, 17011245, and 16963241
Tenure:	Freehold
Description:	Lots 21-28 on Registered Plan 16604

Registered Owner:	Robert Norval Jogn Anderson as trustee in ½ share and Lachlan John Anderson as trustee in ½ share as tenants in common.
Interests:	The Current Title Search details the following registered interests. 1. Rights and interests reserved to the Crown by Deed of Grant No. 19503042 (Subn Allot 25) 2. Lease No 721633013 21/04/2022 at 11:40 The Paddock Queensland Pty Ltd A.C.N. 643 578 161 Of The Whole Of The Land Term: 02/11/2021 To 01/11/2026 Option 5 Years 3. Mortgage No 722431846 24/04/2023 at 14:24 National Australia Bank Limited A.C.N. 004 044 937

Copies of the Current Title Searches are at **Appendix B**.

The abovementioned interests have been identified on the Current Title Search however, we have not fully searched the notifications on title. The relying party should obtain legal advice in respect to these encumbrances on Title and should legal advice indicate that these notifications affect value this valuation should be returned to the valuer for review.

Our valuation is made on the basis that the property is free of encumbrances, restrictions, mortgages, charges, and other financial liens or other impediments of an onerous nature, which would affect value.

We have also assumed that there are no other easements, rights of way or notations other than those referred to in this valuation or on the Current Title Search.

3.3 SITE DETAILS

Description:	A rectangular shaped 8 lot aggregation.	
Topography:	Situated at street level with gently sloping topography falling to the Ruthven St frontage.	
Site Area:	Lot 21	405sqm
	Lot 22	405sqm
	Lot 23	405sqm
	Lot 24	405sqm
	Lot 25	405sqm
	Lot 26	405sqm
	Lot 27	405sqm
	Lot 28	<u>405sqm</u>
	Total	3,240sqm
Street Frontages:	Ruthven Street Frontage (West)	80 metres
	Delacey Street Frontage (North)	39.2 metres
	Winchester Street Frontage (East)	80 metres

	Moffat Street Frontage (South)	39.2 metres
Aerial Photograph:	 Source: RP Data (2025)	
We refer you to a copy of the Survey Plan at Appendix C .		
3.4 PLANNING		
Local Government Area:	Toowoomba Regional Council (TRC)	
Planning Instrument:	TRC Planning Scheme 2022	
Zoning:	Mixed Use  Source: Toowoomba Regional Planning Scheme 2022	
Planning Intent:	The purpose of the zone is to provide a mixture of development including service industry, business, retail, residential and Low Impact Industrial uses.	
Conformance:	We have not obtained a formal Town Planning Certificate, however, for the purpose of this valuation we assume that all necessary town planning approvals and consents for the existing development have been obtained and met.	

	We believe that the Property conforms to the foregoing provisions. Should a formal certificate not confirm the above mentioned zoning and subsequently impacts on the existing use, we reserve the right to amend our valuation accordingly.
Highest and Best Use:	In assessing the Market Value of the Property, we must consider the highest and best use. Highest and best use requires considering possible uses of the asset, to determine which is going to maximise its value. Accordingly, we consider the highest and best use of the Properties to be its existing commercial use.

We are unaware of any public authority proposals, instruments, orders, notices or declarations affecting the subject property however, we recommend that formal enquiries be undertaken to confirm the above.

3.5 ENVIRONMENTAL ISSUES

During the course of our inspection we did not notice any evidence of land or building contamination. Importantly, however, we are not experts in the detection or quantification of environmental problems and we have not sighted an Environmental Audit to confirm the same. Therefore, it should be noted that our valuation is subject to there being no surface or sub-surface soil problems including instability, toxic or hazardous wastes and pollutants, toxic mould, asbestos or building material hazards in or on the property that would adversely affect its existing or potential use or reduce its marketability.

Our valuation has been made assuming an audit would be available which would satisfy all relevant environmental and occupational health and safety legislation. If the property's current status needs to be clarified, an Environmental Audit should be undertaken and should any subsequent investigation show that the site is contaminated, this valuation may require revision. Our valuation excludes the cost to rectify and make good the property, which may have become contaminated as a result of past and present uses.

We highlight the commercial use. This activity does not fall under the category of potentially contaminating activities, industries and land uses as defined in the A&NZ Valuation and Property Standards (Australia Real Property Guidance Note 1).

3.6 FLOODING

Our search of the TRC flood maps indicates that the Property is not considered flood prone..

3.7 SERVICES

Mains services including electricity, gas, water, sewerage, NBN and telephone are available to the Property.

4 IMPROVEMENTS

4.1 GENERAL

The Property comprises four distinct components, being 'The Plate' licensed restaurant, a vacant retail area (former Butchery), a stand alone drive through bottle shop and upper level office and store room areas. In accordance with our instructions we have not included the 'Bone Idol' microbrewery fittings as part of this assessment.



'The Plate' restaurant



Vacant butchery

We refer you to a Photographic Study at **Appendix D**.

4.2 ACCOMMODATION

Based on our inspection of the Property we confirm accommodation includes

'The Plate' – A licensed restaurant containing front counter, platform lift, open plan and private dining areas, alfresco area (with separate bar), bar, commercial kitchen, cold rooms, Dedicated Outdoor Smoking Area (DOSA), standard and disabled access toilets.

Vacant retail area – Main counter, refrigerated display areas, drive through counter, cold room.

Drive Through Bottle Shop – Counter, display area, cold room.

Upper level office area – Open plan and partitioned offices, boardroom, staffroom with kitchen, bathroom, staff lounge, storerooms.

4.3 CONSTRUCTION DETAILS

Floors:	Concrete, timber
External Walls:	Masonry block, weatherboard

Roof:	Metal
Floor Coverings:	Carpet, tiles, polished timber, vinyl, bare
Internal Walls:	Plasterboard, VJ boards, tiles
Internal Ceilings:	Plasterboard, sheeting
Other:	Ducted and split system air conditioning, aluminium and timber framed glazing

4.4 LEASE AREAS

Approximate lease areas calculated from provided floor plans and measurements taken on site are as follows:

Description	GBA (sqm)
Restaurant	762
Vacant Retail	198
Bottle Shop	55
Upper level office	228
TOTAL	1,243

We have relied upon the above figures for the purpose of this report but recommend the areas be confirmed by obtaining a floor area survey prepared in accordance with the Property Council of Australia - Method of Measurement. Should such a survey reveal areas that materially differ from these stated above, the report should be returned to the Valuer for revision.

A copy of the floor plans can be found at **Appendix E**.

4.5 AGE AND CONDITION

The building was constructed ~1920s, was refurbished in 2021-2 and generally provides good quality accommodation commensurate with buildings of similar age and construction. It is our understanding that at the time of inspection the building was in a structurally sound condition and has been adequately maintained having regard to the purpose for which it is being used.

During our inspection we did not notice any significant building defects however, we are not qualified to carry out such an inspection nor have we had the benefit of a structural survey. Accordingly, we are not qualified to express an expert opinion as to the structural integrity of the building. Furthermore, we were also unable to inspect parts of the premises that were unexposed or inaccessible and therefore cannot say that such parts are free from defects.

We confirm that we have not had the benefit of full due diligence exercises such as mechanical, electrical, fire services, cooling towers etc. or vertical system reports and our valuation assessment must be therefore qualified to the extent that it does not reflect any major item of unforeseen capital expenditure by the owner. Similarly, this

valuation should be returned for review if there is major outstanding capital expenditure required for the subject property which has not been disclosed to the valuer.

We have assumed that no deleterious material was used in the construction and that this was carried out in accordance with the Building Code of Australia prevailing at the time of construction. Furthermore, we have assumed that all necessary building approvals / permits were obtained at the time of construction.

A report on compliance with Occupational Health and Safety and Disability Discrimination Act has not been sighted and therefore no representation can be made in these respects.

5 GOODS AND SERVICES TAX

The specific sums shown are exclusive of Goods and Services Tax.

We note that we have not been provided with legal advice regarding the GST liability and have based our valuation upon our current understanding of the legislation. We are also of the view that an intending purchaser of the investment would obtain his or her own legal advice on the GST position.

However, if any of our assumptions relating to GST prove to be incorrect, we reserve the right to revise our valuation as provided herein, should we deem it to be necessary.

6 TENANCY DETAILS

The Property is currently tenanted. An extract of the Lease is at **Appendix F**.

A lease synopsis is shown below as follows:

Item	Details
Lessee	The Paddock Queensland Pty Ltd
Demised Premises:	224 Ruthven St, North Toowoomba
Lease Status:	Current
Commencement Date:	2 November 2021
Lease Expiry:	1 November 2026
Lease Term:	Five (5) years
Current Rent:	\$135,061pa (~\$109/sqm)
Option:	3 x 5 years
Annual increases	CPI, minimum 3%pa
Reviews:	Market review at options
Outgoings:	The Lessee is responsible for 100%
Use of Premises:	Mixed retail, restaurant, bar, drive through butcher, retail butcher
Lessor Works:	Nil
Make Good:	Section 14.2 of the Lease details the make good requirements of the tenant on yielding up the premises.
GST:	The tenant is to pay all GST.
Special Conditions:	NA

7 MARKET COMMENTARY

7.1 GENERAL COMMENTARY

Specialist agents operating in the Toowoomba commercial market advise that demand for well located and presented commercial/hospitality property is good, with lessee demand considered to at least equal, if not exceed supply. Retail demand is considered to be patchy, with longer letting up periods being the norm.

7.2 ECONOMIC COMMENTARY

At its meeting on 20 May 2025, the Reserve Bank of Australia (RBA) decided to lower the cash rate target by 25 basis points to 3.85 per cent.

Inflation has fallen substantially since the peak in 2022, as higher interest rates have been working to bring aggregate demand and supply closer towards balance. Data on inflation for the March quarter provided further evidence that inflation continues to ease. At 2.9 per cent, annual trimmed mean inflation was below 3 per cent for the first time since 2021 and headline inflation, at 2.4 per cent, remained within the target band of 2–3 per cent. Staff forecasts released today project that while headline inflation is likely to rise over the coming year to around the top of the band as temporary factors unwind, underlying inflation is now expected to be around the midpoint of the 2–3 per cent range throughout much of the forecast period.

Uncertainty in the world economy has increased over the past three months and volatility in financial markets rose sharply for a time. While recent announcements on tariffs have resulted in a rebound in financial market prices, there is still considerable uncertainty about the final scope of the tariffs and policy responses in other countries. Geopolitical uncertainties also remain pronounced. These developments are expected to have an adverse effect on global economic activity, particularly if households and firms delay expenditure pending greater clarity on the outlook. This has also contributed to a weaker outlook for growth, employment and inflation in Australia. That said, world trade policy is changing rapidly, thereby making the central forecasts subject to considerable uncertainty.

Setting aside overseas developments, private domestic demand appears to have been recovering, real household incomes have picked up and there has been an easing in some measures of financial stress. However, businesses in some sectors continue to report that weakness in demand makes it difficult to pass on cost increases to final prices.

At the same time, a range of indicators suggest that labour market conditions remain tight. Employment is continuing to grow, measures of labour underutilisation are at relatively low rates and business surveys and liaison suggest that availability of labour is still a constraint for a range of employers. Looking through quarterly volatility, wages growth has softened over the past year or so but productivity growth has not picked up and growth in unit labour costs remains high.

There are uncertainties about the outlook for domestic economic activity and inflation stemming from both domestic and international developments. While the central projection is for growth in household consumption to continue to increase as real incomes rise, recent data suggest that the pick-up will be a little slower than was expected three months ago. There is a risk that any pick-up in consumption is even slower than this, resulting in continued subdued growth in aggregate demand and a sharper deterioration in the labour market than currently expected. Alternatively, labour market outcomes may prove stronger than expected, given the signal from a range of leading indicators.

More broadly, there are uncertainties regarding the lags in the effect of monetary policy and how firms' pricing decisions and wages will respond to the demand environment and weak productivity outcomes while conditions in the labour market remain tight.

The Board judged that the risks to inflation have become more balanced. Inflation is in the target band and upside risks appear to have diminished as international developments are expected to weigh on the economy. With inflation expected to remain around target, the Board therefore judged that an easing in monetary policy at this meeting was appropriate. The Board assesses that this move will make monetary policy somewhat less restrictive. It nevertheless remains cautious about the outlook, particularly given the heightened level of uncertainty about both aggregate demand and supply. The Board considered a severe downside scenario and noted that monetary policy is well placed to respond decisively to international developments if they were to have material implications for activity and inflation in Australia.

The Board will be attentive to the data and the evolving assessment of risks to guide its decisions. In doing so, it will pay close attention to developments in the global economy and financial markets, trends in domestic demand, and the outlook for inflation and the labour market. The Board is focused on its mandate to deliver price stability and full employment and will do what it considers necessary to achieve that outcome.

7.3 RENTAL EVIDENCE

The Property is a mixed use complex leased to a single tenant, with recent directly comparable leasing evidence being scarce. Therefore we have analysed a wide range of rental transactions, making adjustments as appropriate. The rental evidence adopted is as follows:

4/216 Margaret St, Toowoomba



Lease of a modern 202sqm ground level commercial tenancy in the Toowoomba CBD.
Leased for a 7 year term with no option to Flames Hospitality as a restaurant.
Incentive of first year rent free. 3% annual rent increases.

Rental Particulars

Rental Start Date	May 2024
Rental Amount	\$84,875pa net excluding GST
\$/sqm of NLA	\$420/sqm per annum net
Lease Term	7yrs

Comments

Smaller NLA, superior location, relatively comparable standard of accommodation and exposure. Overall considered superior to the ground level accommodation on a \$/sqm basis.

4/171 Margaret St, Toowoomba



Lease of a refurbished 186sqm ground level commercial tenancy in the Toowoomba CBD. Renewed lease of an existing tenancy.

Leased to La Pizziaola as a restaurant.

No incentive, 4% annual rent increases.

Rental Particulars

Rental Start Date	Feb 2024
Rental Amount	\$36,000pa net excluding GST
\$/sqm of NLA	\$194/sqm per annum net
Lease Term	5 + 5 + 5yrs

Comments

Smaller NLA, superior location, but inferior standard of accommodation and exposure. Overall considered inferior to the ground level accommodation on a \$/sqm basis.

59 Russell St, Toowoomba



Lease of the 281sqm restaurant component of a renovated hotel located on the ground level commercial tenancy in the Toowoomba CBD.

Leased to K & C House P/L with 4% annual rent increases.

Incentive of first year rent free, 2nd year 50% rent abatement.

Rental Particulars

Rental Start Date	Oct 2023
Rental Amount	\$131,000pa net excluding GST
\$/sqm of NLA	\$498/sqm per annum net
Lease Term	5 + 5yrs

Comments

Smaller NLA, superior location, relatively comparable standard of accommodation but inferior exposure. Overall considered superior to the ground level accommodation on a \$/sqm basis.

424 Ruthven St, Toowoomba



Lease of a 315sqm refurbished ground level commercial tenancy in the Toowoomba CBD.

Leased to Bone Idol Brewery P/L with CPI annual rent increases.

Incentive of some lessor works.

Rental Particulars

Rental Start Date	Aug 2023
Rental Amount	\$85,000pa net excluding GST
\$/sqm of NLA	\$270/sqm per annum net
Lease Term	3 + 3 + 3yrs

Comments

Smaller NLA, superior location but inferior standard of accommodation and exposure. Overall considered inferior to the ground level accommodation on a \$/sqm basis.

8 VALUATION METHODOLOGY

In order to assess Market Rental Value, we are of the opinion the prime / appropriate method is Direct Comparison with the available rental evidence within the surrounding locality.

Our assessment reflects current parameters / sentiment and makes no guarantee, promise, warranty or any representation or undertaking in regard to future changes in the market conditions or economic factors, including changes in interest rates or economic recession.

We have inspected the rental evidence externally and have made comparisons with the Property.

Our valuation includes landlord's fittings such as those items which form part of the building service installations, such as heating and cooling equipment, lifts, sprinklers and lighting.

In arriving at a Market Rental Value for the Property we have had particular regard to the following:

- Location of the Property;
- Lease covenant;
- Accommodation;
- Condition;
- Construction and age; and
- Quality of fixtures and fittings.

We have also made verbal enquiries with agents active in this area to determine the current market conditions and marketability of the Property.

8.1 DIRECT COMPARISON

Rental evidence of commercial/hospitality tenancies as analysed within this report reflect rates between \$194 - \$498/sqm p.a. of Net Lettable Area (NLA), which is considered generally indicative of the Toowoomba commercial leasing market. In accordance with our instructions we have not included the 'Bone Idol' microbrewery fittings as part of this assessment.

Having regard to our inquiries we have adopted a value of \$350/sqm excluding GST net pa for the ground level accommodation and \$225/sqm excluding GST net pa for the upper level accommodation.

Our rental calculations of net rents are shown below as follows:

Ground level	1,105sqm @ \$350/sqm pa	=	\$355,250pa
Upper Level	228sqm @ \$225/sqm pa	=	<u>\$51,300pa</u>
			\$406,550pa

After consideration of the available leasing evidence and bearing in mind location, surrounding development, architectural style/aesthetics, aspect/views, accommodation and state of repair, we are of the opinion the Market Rental Value subject to the assumptions / conditions herein is **\$406,550 excluding GST per annum net**.

Incentives

We note that incentives in the Toowoomba Commercial/hospitality leasing market for a new tenant taking a 5+ year lease are in the order of a 1 year rent free period. The effect of such an incentive, if applied to the vacant retail area of 198sqm would be to reduce the abovementioned figure to \$325,240pa for the first year of such a lease/sub lease.

9 VALUATION

We are of the opinion that the Market Rental Value of 224 Ruthven Street, North Toowoomba QLD 4350 as at 14 May 2025 for Evidence of Market Rental Value for Internal Decision Making Purposes only and subject to good and marketable title free from encumbrances and the comments, terms and conditions contained within this report of:-

MARKET RENTAL VALUE

\$406,550 (Exclusive of GST) per annum net

(Four Hundred and Six Thousand Five Hundred and Fifty Dollars excluding GST pa net)

For and on behalf of

HYMANS PROPERTY



Tim Ellis AAPI
Certified Practising Valuer
Registered Valuer No. 1674 (Qld)

Liability limited by a scheme approved under Professional Standards Legislation.

10 QUALIFICATIONS

This valuation should not be reproduced in whole or in part or relied upon for any other purpose or by any party other than The Paddock Butchery Darling Downs, without express written authority from Hymans Property.

We owe no duty of care to any third party that becomes aware of this valuation and, without our knowledge, chooses to act or rely on the whole or any part of it.

This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). Liability for losses arising from such subsequent changes in value is excluded as is liability where the valuation is relied upon after the date of valuation.

This valuation has been prepared on the basis that full disclosure of all information and facts that may affect the valuation has been made to us. We do not accept any liability or responsibility whatsoever for the valuation if full disclosure has not been made. Furthermore, we do not accept responsibility for any consequential error or defect in the valuation that has resulted from any error, omission or inaccuracy in date or information supplied by the client or its officers and agents.

Statements and information including figures contained in this document based on information obtained from our principals and other sources are taken to be reliable. Although we have no reason to doubt the accuracy or reliability of the statements and information no responsibility is assumed by us or any of our staff or consultants for any misstatement, omission or error and interested persons should rely on their own enquiries. The Valuer declares that he is registered in Queensland to value all types of real property. Neither the Valuer nor the firm Hymans Property has any pecuniary interest past, present or prospective in the subject property and the valuation is free of any bias.

We have not fully searched the notifications on title. The relying party should obtain legal advice in respect to these encumbrances on Title and should legal advice indicate that these notifications affect value this valuation should be returned to the valuer for review. Our valuation is made on the basis that the property is free of encumbrances, restrictions, mortgages, charges, and other financial liens or other impediments of an onerous nature, which would affect value.

We have relied on the land dimensions and areas as provided in the Statutory Plan, as searched. In certain cases physical checking of land dimensions and areas is difficult or not practical due to proximity of adjoining buildings, steep terrain or inaccessible title boundaries. Hymans Property accepts no responsibility if any of the land dimensions or the area shown on title is found to be incorrect.

Our valuation assumes that there are no environmental issues with the land holding unless specifically noted within this report.

We have not undertaken any formal native title or heritage searches and our valuation is made on the assumption that there are no native title claim or heritage issues relating to the property. We reserve the right to review our valuation accordingly should this not be the case.

In relation to our GST calculations, we are not taxation or legal experts and we recommend competent and qualified advice be obtained. Should this advice vary from our interpretation of the legislation and Australian Taxation Office rulings current as at the date of this valuation, we reserve the right to review and amend our valuation accordingly.

This clause applies upon: any request that this valuation ('the initial valuation') be assigned to a party other than the intended recipients named herein, confirmation of the initial valuation, reissue of the initial valuation or other act which has the effect of assuming or of extending responsibility to any other person other than the person to whom the initial valuation was addressed ('other act') unless:

- The initial valuation was dated within 3 months of the request for the assignment, confirmation, reissue or other act; and
- Such assignment, confirmation, reissue or other act is provided together with a clear written statement that the valuer has not re-inspected the property nor undertaken further investigation or analysis as to any changes since the initial valuation and accepts no responsibility for reliance upon the initial valuation other than as a valuation of the property as at the date of the 'initial valuation'.

APPENDIX A

INSTRUCTIONS

From: Ian Hyman
Sent: Thursday, 8 May 2025 1:15 PM
To: Alister Ferguson
Cc: Bryan Northcote; Tim Ellis; Hymans Admin Group; Chris Capraro
Subject: RE: Valuations for sale of lease and Plant and Equipment

Thanks Alister. Invoices will be sent today.

Regards,

Ian Hyman OAM
Chief Executive Officer
Hymans Valuers and Auctioneers
"From valuation to realisation"
Level 9, 171 Clarence Street
Sydney NSW 2000
SYDNEY | MELBOURNE | BRISBANE | PERTH
T 02 8270 4411 | M 0416 151 597 | F 02 8270 4488
ianhyman@hymans.com.au
www.hymans.com.au

From: Alister Ferguson <alister@thepaddockdarlingdowns.com.au>
Sent: Thursday, 8 May 2025 1:08 PM
To: Ian Hyman <ian.Hyman@hymans.com.au>
Cc: Bryan Northcote <bnorthcote@claritymg.com.au>; Tim Ellis <TEllis@hymans.com.au>; Hymans Admin Group <admingroup@hymans.com.au>; Chris Capraro <ccapraro@hymans.com.au>
Subject: Re: Valuations for sale of lease and Plant and Equipment

[EXTERNAL EMAIL] Do not click links or attachments unless you recognise the sender and know the content is safe.

Hi Ian
That's fine below thanks - use me as point of contact and you will have full access to property as required - Bryan should I ask my accountant for the invoices?
Thanks
Alister Ferguson
Director
The Paddock Butchery Darling Downs
224 Ruthven st
Toowoomba
Qld 4350
Ph - 0427825101

On 8 May 2025, at 12:48 PM, Ian Hyman <ian.Hyman@hymans.com.au> wrote:

Good afternoon gentlemen,

Apologies for the delay in forwarding this proposal.

Rental Review and Assessment

Thanks for the opportunity to quote for this rental assessment.

Please find as follows our standard Instructions & Terms of Engagement for the valuation:

Address: 224 Ruthven St North Toowoomba 4350 QLD

Type: Commercial

Status: Tenanted

Purpose: Internal Decision

Basis: Market Value 'As Is'

Timeframe: Within 12 business days from instruction and payment

TERMS OF ENGAGEMENT

1. *In accordance with standard practice, our report is confidential to the party/parties to which it is addressed, for the specific purpose to which it refers. We owe no duty of care to any third party that becomes aware of this valuation and, without our knowledge, chooses to act or rely on the whole or any part of it. Neither the whole of the report or any part of it or any reference to it, may be published in any document, statement or circular or in any communication with third parties without our prior written approval of the form and context in which it will appear.*
2. *Our valuations are prepared on the basis that full disclosure of all information and facts which may affect the valuation has been made to us, and we cannot accept any liability or responsibility whatsoever for the valuation unless such full disclosure has been made.*
3. *Our valuations take account of the asset in its present state and condition, based on information which we have derived from our own physical inspection, information supplied to us by our Client, information derived from public records including land titles and the like and any other information we have been able to obtain from reasonable enquiry.*
4. *Our services do not include carrying out structural surveys of buildings or improvements; consequently, no allowance will be made in our valuation for any impediment including timber infestation, structural deficiencies, asbestos presence, concrete cancer and the like, which could only be ascertained following such surveys. Accordingly, we are not qualified to express an expert opinion as to the structural integrity of the building. We will also be unable to inspect parts of the premises that are unexposed or inaccessible and therefore cannot say that such parts are free from defects.*
5. *Similarly, we are not experts in Environmental Audit and have not been instructed to carry out soil testing. The valuation will be subject to there being no surface or sub-surface soil problems including instability, toxic or hazardous wastes, toxic mould, asbestos or building material hazards in or on the property that would adversely affect its existing or potential use or reduce its marketability.*
6. *Our professional fees include all time spent on the project, whether at the client's premises or elsewhere. We reserve the right to submit interim invoices for such services where we consider appropriate.*
7. *If for mortgage purposes our Professional Indemnity (PI) policy will not cover any claim arising from a mortgage valuation where the Loan to Value Ratio (LVR) based upon our valuation and relied upon by the lender at the time of granting the loan was greater than 70% (68% for Development mortgage valuations).*
8. *Our reports are based on the Australian Property Institute (API) standing instructions and will be assigned only with the prior written approval of Hymans Valuers & Auctioneers by receipt of an original signed document addressed to the intending lender.*

Plant and Equipment

APPENDIX B

CURRENT TITLE SEARCHES

CURRENT TITLE SEARCH
QUEENSLAND TITLES REGISTRY PTY LTD

Request No: 51847910

Search Date: 14/05/2025 14:22

Title Reference: 17328205

Date Created: 25/05/1989

Previous Title: 11525185

REGISTERED OWNER

Interest

Dealing No: 721805153 30/06/2022

ROBERT NORVAL JOHN ANDERSON	TRUSTEE	1/2
UNDER INSTRUMENT 721805078 AND 721805153		
LACHLAN JOHN ANDERSON	TRUSTEE	1/2
UNDER INSTRUMENT 721805078 AND 721805153		

AS TENANTS IN COMMON

ESTATE AND LAND

Estate in Fee Simple

LOT 21	REGISTERED PLAN 16604
	Local Government: TOOWOOMBA
LOT 22	REGISTERED PLAN 16604
	Local Government: TOOWOOMBA

EASEMENTS, ENCUMBRANCES AND INTERESTS

1. Rights and interests reserved to the Crown by
Deed of Grant No. 19503042 (SUBN ALLOT 25)
2. LEASE No 721633013 21/04/2022 at 11:40
THE PADDOCK QUEENSLAND PTY LTD A.C.N. 643 578 161
OF THE WHOLE OF THE LAND
TERM: 02/11/2021 TO 01/11/2026 OPTION 5 YEARS
3. MORTGAGE No 722431846 24/04/2023 at 14:24
NATIONAL AUSTRALIA BANK LIMITED A.C.N. 004 044 937

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 [2025]

Requested By: D-ENQ INFOTRACK PTY LIMITED

CURRENT TITLE SEARCH
QUEENSLAND TITLES REGISTRY PTY LTD

Request No: 51847911

Search Date: 14/05/2025 14:22

Title Reference: 17328204

Date Created: 25/05/1989

Previous Title: 11944250

REGISTERED OWNER

Interest

Dealing No: 721805153 30/06/2022

ROBERT NORVAL JOHN ANDERSON	TRUSTEE	1/2
UNDER INSTRUMENT 721805078 AND 721805153		
LACHLAN JOHN ANDERSON	TRUSTEE	1/2
UNDER INSTRUMENT 721805078 AND 721805153		

AS TENANTS IN COMMON

ESTATE AND LAND

Estate in Fee Simple

LOT 23	REGISTERED PLAN 16604 Local Government: TOOWOOMBA
LOT 24	REGISTERED PLAN 16604 Local Government: TOOWOOMBA

EASEMENTS, ENCUMBRANCES AND INTERESTS

1. Rights and interests reserved to the Crown by
Deed of Grant No. 19503042 (SUBN ALLOT 25)
2. LEASE No 721633013 21/04/2022 at 11:40
THE PADDOCK QUEENSLAND PTY LTD A.C.N. 643 578 161
OF THE WHOLE OF THE LAND
TERM: 02/11/2021 TO 01/11/2026 OPTION 5 YEARS
3. MORTGAGE No 722431846 24/04/2023 at 14:24
NATIONAL AUSTRALIA BANK LIMITED A.C.N. 004 044 937

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 [2025]

Requested By: D-ENQ INFOTRACK PTY LIMITED

CURRENT TITLE SEARCH
QUEENSLAND TITLES REGISTRY PTY LTD

Request No: 51847912

Search Date: 14/05/2025 14:22

Title Reference: 14360191

Date Created: 02/10/1969

Previous Title: 10388162

REGISTERED OWNER

Interest

Dealing No: 721805153 30/06/2022

ROBERT NORVAL JOHN ANDERSON	TRUSTEE	1/2
UNDER INSTRUMENT 721805078 AND 721805153		
LACHLAN JOHN ANDERSON	TRUSTEE	1/2
UNDER INSTRUMENT 721805078 AND 721805153		

AS TENANTS IN COMMON

ESTATE AND LAND

Estate in Fee Simple

LOT 25	REGISTERED PLAN 16604
	Local Government: TOOWOOMBA
LOT 26	REGISTERED PLAN 16604
	Local Government: TOOWOOMBA

EASEMENTS, ENCUMBRANCES AND INTERESTS

1. Rights and interests reserved to the Crown by
Deed of Grant No. 19503042 (SUBN ALLOT 25)
2. LEASE No 721633013 21/04/2022 at 11:40
THE PADDOCK QUEENSLAND PTY LTD A.C.N. 643 578 161
OF THE WHOLE OF THE LAND
TERM: 02/11/2021 TO 01/11/2026 OPTION 5 YEARS
3. MORTGAGE No 722431846 24/04/2023 at 14:24
NATIONAL AUSTRALIA BANK LIMITED A.C.N. 004 044 937

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 [2025]

Requested By: D-ENQ INFOTRACK PTY LIMITED

CURRENT TITLE SEARCH
QUEENSLAND TITLES REGISTRY PTY LTD

Request No: 51847916

Search Date: 14/05/2025 14:22

Title Reference: 17011245

Date Created: 20/03/1987

Previous Title: 10395131

REGISTERED OWNER

Interest

Dealing No: 721805153 30/06/2022

ROBERT NORVAL JOHN ANDERSON	TRUSTEE	1/2
UNDER INSTRUMENT 721805078 AND 721805153		
LACHLAN JOHN ANDERSON	TRUSTEE	1/2
UNDER INSTRUMENT 721805078 AND 721805153		

AS TENANTS IN COMMON

ESTATE AND LAND

Estate in Fee Simple

LOT 27 REGISTERED PLAN 16604
Local Government: TOOWOOMBA

EASEMENTS, ENCUMBRANCES AND INTERESTS

1. Rights and interests reserved to the Crown by
Deed of Grant No. 19503042 (SUBN ALLOT 25)
2. LEASE No 721633013 21/04/2022 at 11:40
THE PADDOCK QUEENSLAND PTY LTD A.C.N. 643 578 161
OF THE WHOLE OF THE LAND
TERM: 02/11/2021 TO 01/11/2026 OPTION 5 YEARS
3. MORTGAGE No 722431846 24/04/2023 at 14:24
NATIONAL AUSTRALIA BANK LIMITED A.C.N. 004 044 937

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 [2025]
Requested By: D-ENQ INFOTRACK PTY LIMITED

CURRENT TITLE SEARCH
QUEENSLAND TITLES REGISTRY PTY LTD

Request No: 51847917

Search Date: 14/05/2025 14:22

Title Reference: 16963241

Date Created: 22/10/1986

Previous Title: 10371107

REGISTERED OWNER

Interest

Dealing No: 721805153 30/06/2022

ROBERT NORVAL JOHN ANDERSON	TRUSTEE	1/2
UNDER INSTRUMENT 721805078 AND 721805153		
LACHLAN JOHN ANDERSON	TRUSTEE	1/2
UNDER INSTRUMENT 721805078 AND 721805153		

AS TENANTS IN COMMON

ESTATE AND LAND

Estate in Fee Simple

LOT 28 REGISTERED PLAN 16604
Local Government: TOOWOOMBA

EASEMENTS, ENCUMBRANCES AND INTERESTS

1. Rights and interests reserved to the Crown by
Deed of Grant No. 19503042 (SUBN ALLOT 25)
2. LEASE No 721633013 21/04/2022 at 11:40
THE PADDOCK QUEENSLAND PTY LTD A.C.N. 643 578 161
OF THE WHOLE OF THE LAND
TERM: 02/11/2021 TO 01/11/2026 OPTION 5 YEARS
3. MORTGAGE No 722431846 24/04/2023 at 14:24
NATIONAL AUSTRALIA BANK LIMITED A.C.N. 004 044 937

ADMINISTRATIVE ADVICES - NIL
UNREGISTERED DEALINGS - NIL

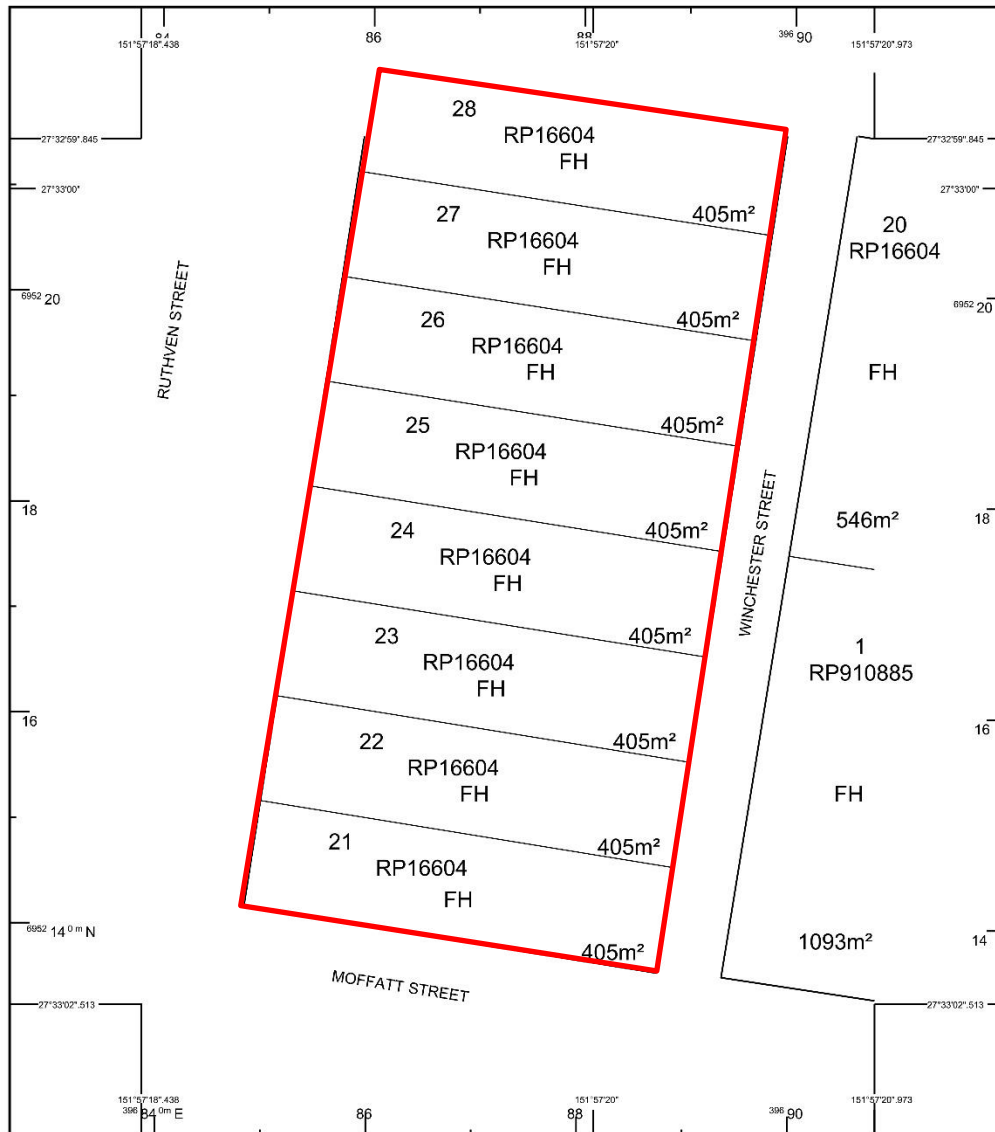
Caution - Charges do not necessarily appear in order of priority

** End of Current Title Search **

COPYRIGHT QUEENSLAND TITLES REGISTRY PTY LTD [2025]
Requested By: D-ENQ INFOTRACK PTY LIMITED

APPENDIX C

SMARTMAP



STANDARD MAP NUMBER
9242-11132

MAP WINDOW POSITION &
NEAREST LOCATION



SUBJECT PARCEL DESCRIPTION

DCDB
Lot/Plan 24/RP16604
Area/Volume 405m²
Tenure FREEHOLD
Local Government TOOWOOMBA REGIONAL
Locality NORTH TOOWOOMBA
Segment/Parcel 2703/14

CLIENT SERVICE STANDARDS

PRINTED 14/05/2025

DCDB 13/05/2025

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For further information on SmartMap products visit
<https://www.qld.gov.au/housing/buying-owning-home/property-land-valuations/smartmaps>

SmartMap

An External Product of
SmartMap Information Services
Based upon an extraction from the
Digital Cadastral Data Base



**Queensland
Government**
(c) The State of Queensland.
(Department of Resources) 2025.

APPENDIX D

PHOTOGRAPHIC STUDY



Restaurant



Vacant butchery



Bottle shop



Typical office accommodation



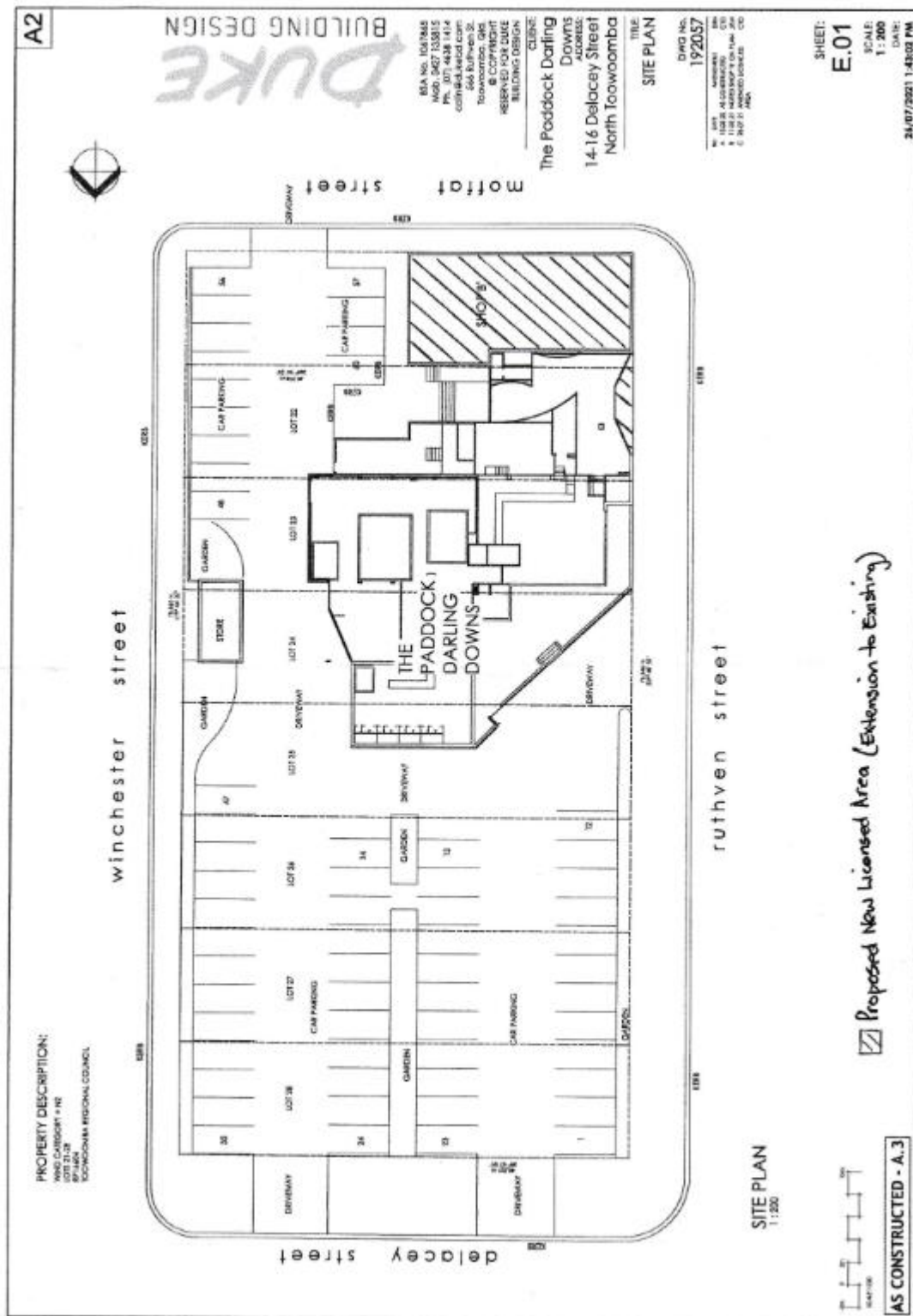
Commercial kitchen

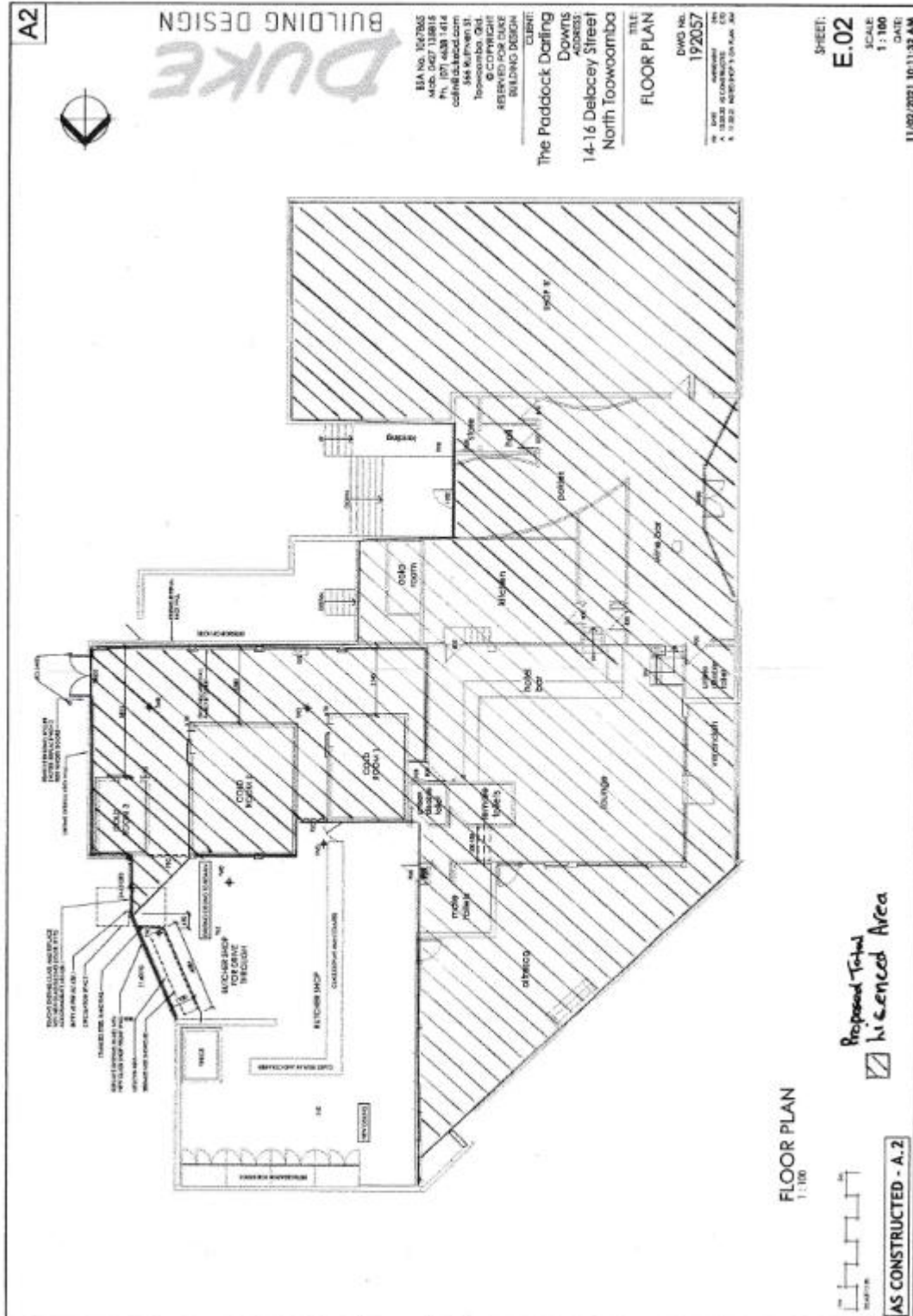


Alfresco area

APPENDIX E

BUILDING PLANS







APPENDIX F

LEASE EXTRACT

Dealing Number


OFFICE USE ONLY
Privacy Statement

Collection of information is authorised by the Land Title Act 1994 the Land Act 1994 and the Water Act 2000 and is used to maintain the publicly Searchable registers in the land registry and the water register. For more information about privacy in NR&W see the department's website.

1. Lessor LACHLAN JOHN ANDERSON AND ROBERT NORVAL JOHN ANDERSON PERSONAL REPRESENTATIVE UNDER INSTRUMENT 7200483326 AND LACHLAN JOHN ANDERSON ROBERT NORVAL JOHN ANDERSON TRUSTEE UNDER INSTRUMENT 708081288	Lodger (Name, address, E-mail & phone number) Lodger Code
2. Lot on Plan Description LOT 21 AND 22 ON RP 16604 LOT 23 AND 24 ON RP 16604 LOT 25 AND 26 ON RP 16604 LOT 27 ON RP 16604 LOT 28 ON RP 16604	Title Reference 17328205 17328204 14360191 17011245 16963241
3. Lessee Given names Surname/Company name and number (include tenancy if more than one) THE PADDOCK QUEENSLAND PTY LTD ACN 643 578 161	
4. Interest being leased FEE SIMPLE	
5. Description of premises being leased THE WHOLE OF THE LAND	
6. Term of Lease Commencement date/event: 2/11/2021 Expiry date: 01/11/2026 Options: 3 x 5 Years (Clause 16)	
7. Rental/Consideration See Reference Schedule	
8. Grant/Execution The Lessor leases the premises described in item 5 to the Lessee for the term stated in item 6 subject to the covenants and conditions contained in:- "the attached schedule; Witnessing officer must be aware of his/her obligations under section 162 of the Land Title Act 1994 signature full name qualification / / Execution Date Lessor's Signature (Witnessing officer must be in accordance with Schedule 1 of Land Title Act 1994 eg Legal Practitioner, JP, C Dec)	
9. Acceptance The Lessee accepts the lease and acknowledges the amount payable or other considerations for the lease. THE PADDOCK QUEENSLAND PTY LTD ACN 643 578 161 Sole Director Lessee's Signature 07/04/22 Execution Date	

Title Reference [17328205 17328204 14360191 17011245 AND 16983241]

8. Grant/Execution

The Lessor leases the premises described in Item 5 to the Lessee for the term stated in Item 6 subject to the covenants and conditions contained in:- the attached schedule.

Witnessing officer must be aware of his/her obligations under section 162 of the Land Title Act 1994

.....signature
JEREMY MOSES COTTERfull name
 Solicitorqualification

Witnessing Officer

(Witnessing officer must be in accordance with Schedule 1 of Land Title Act 1994 eg Legal Practitioner, JP, C Dec)

.....signature
Trix Kunz C.Decfull name
 123928qualification

Witnessing Officer

(Witnessing officer must be in accordance with Schedule 1 of Land Title Act 1994 eg Legal Practitioner, JP, C Dec)

.....signature
JEREMY MOSES COTTERfull name
 Solicitorqualification

Witnessing Officer

(Witnessing officer must be in accordance with Schedule 1 of Land Title Act 1994 eg Legal Practitioner, JP, C Dec)

.....signature
Trix Kunz C.Decfull name
 123928qualification

Witnessing Officer

(Witnessing officer must be in accordance with Schedule 1 of Land Title Act 1994 eg Legal Practitioner, JP, C Dec)

8.4.22signature
 Execution Date Lessor's Signature

14.04.2022signature
 Execution Date Lessor's Signature

8.4.22signature
 Execution Date Lessor's Signature

14.04.2022signature
 Execution Date Lessor's Signature

Title Reference [17328205 17328204 14360191 17011245 AND 16963241]

This page and the following pages comprise the schedule referred to in Item 8 of the Form 7 Lease between the Landlord and the Tenant named below.

Item 1	Landlord	Lachlan John Anderson and Robert Norval John Personal Representative Under Instrument 7200483326 and Lachlan John Anderson Robert Norval John Anderson Trustee Under Instrument 708081288
	Address	86 Russell Street, Toowoomba Qld 4350
	Email	Ja251045@Bigpond.Net.Au
Item 2	Tenant	The Paddock Queensland Pty Ltd ACN 643 578 161
	Address	215 Rowbotham Street, Middle Ridge Qld 4350
	Facsimile No.	
	Email	manager@thepaddockdarlingdowns.com.au
Item 3	Leased Premises [clause 1.2(21)]	The Lots leased by the Tenant as specified in Item 5 of the Form 7 and otherwise described in this Lease.
Item 4	Term [clause 3]	5 years
Item 5	Option to Renew [clause 16.1]	5 years
Item 6	Further Option to Renew [clause 16.4]	5 Years
Item 6A	Second Further Option to Renew [clause 16.7]	5 Years
Item 7	Rent [clause 4.1(1)]	\$123,600.00 for the first year of the Term. GST is additional
Item 8	Rent Review Dates [clause 4.2]	Not applicable
Item 9	Market Review Dates [clause 4.4]	Not Applicable
Item 10	Percentage Rent Review Dates [clause 4.5]	2 November 2022, 2 November 2023, 2 November 2024, 2 November 2025
Item 11	Proportion of Outgoings [clause 5.1(1)]	100%
Item 12	Use of premises [clause 6.1]	Mixed Retail, Restaurant, Bar, Drive Thru Butcher and Retail Butcher.
Item 13	Cash Bond/Bank Guarantee [clause 17.1]	An amount equal to 2 months' Rent plus GST and Outgoings.
Item 14	Guarantors [clause 18]	Alistar McKenzie Ferguson of 215 Rowbotham Street, Middle Ridge Qld 4350

Title Reference [17328205 17328204 14360191 17011245 AND 16963241]

- 2.10 Where this Lease refers to payment of Rent and the Landlord's tax invoices include Outgoings, the Tenant's obligation to pay Rent includes the obligation to pay Outgoings at the same time.

3. TERM OF LEASE AND HOLDING OVER AT END OF LEASE**3.1 Lease of Premises**

The Landlord leases the Premises to the Tenant for the Term, subject to the provisions of this Lease.

3.2 Use of Landlord's Fixtures

The Landlord grants the Tenant the right to use the Landlord's Fixtures whilst the Tenant occupies the Premises with the Landlord's consent.

3.3 Holding Over

If, after the Term has ended, the Tenant continues to occupy the Premises with the Landlord's consent –

- (1) The Tenant occupies the Premises on a month to month basis;
- (2) The commencing monthly Rent is to be agreed upon by the Landlord and Tenant, but must be no less than that which applies at the end of the Lease increased by 3%;
- (3) Rent, Outgoings and other moneys payable must be paid in the same manner as under the Lease;
- (4) As far as possible, the terms of the Lease apply to the monthly tenancy;
- (5) The tenancy may be terminated by either party giving the other 1 months' notice expiring on any day;
- (6) Any term in this Lease requiring the lodgment of a Cash Bond or Bank Guarantee or the provision of a personal guarantee shall continue to apply.

4. RENT**4.1 Rent**

- (1) The Tenant must pay the Rent for each year of the Term.
- (2) Rent must be paid by equal monthly instalments in advance on the first day of each month.
- (3) If the Lease commences or ends on a day other than the first day of a month, Rent must be apportioned.
- (4) If the Landlord requires it, the Tenant must sign a bank direct debit authority in respect of any regular payments under this Lease, and lodge it with its bank.

4.2 Rent Review

- (1) This clause applies if Item 8 of the Reference Schedule has been completed or clause 16 applies.
- (2) In this clause, the following words have the following meanings –

Title Reference [17326205 17328204 14360191 17011245 AND 16963241]

- (a) "CPI" means Consumer Price Index All Groups Brisbane;
- (b) "Index Number" means the CPI published by the Australian Statistician.
- (3) The Rent must be reviewed on each Rent Review Date in accordance with the following formula –

$$R = \frac{A \times PR}{B}$$

Where

R = the new Rent;

A = the Index Number for the quarter ending immediately prior to the relevant Rent Review Date;

PR = the Rent payable prior to the Rent Review Date; and

B = the Index Number one year prior to the quarter referred to in A.

Provided that if the application of the rent review formula determines a rent increase of less than 3%, the actual rent increase will be 3% over the rent paid during the previous year.

4.3 Suspension of CPI

If the CPI is discontinued, and the parties cannot agree upon a substitute Index or formula, Rent must be reviewed as if it were a Market Rent Review.

4.4 Market Rent Review

- (1) This clause applies if Item 9 of the Reference Schedule has been completed or this Lease allows the Tenant an option for renewal.
- (2) Subject to clause 4.4(4), the Rent must be determined not later than each Market Review Date in accordance with the following procedure –
 - (a) the Landlord and the Tenant, and their representatives must have made contact and attempted to reach agreement upon the market rent which will apply to the Premises at least 2 months prior to the Market Review Date, or such extended date as the Landlord may allow, but not later than 1 month after the Market Review Date.
 - (b) if the parties have been unable to reach agreement upon the market rent within 1 month after making initial contact, the matter will be referred for determination to a Valuer agreed upon by Landlord and Tenant, or failing agreement, nominated by the President of the Australian Property Institute (Inc) Queensland Division.
 - (c) the appointed Valuer must ascertain the market rent within 1 month of his appointment and must do so as an expert, and not an arbitrator.
 - (d) the Valuer's determination shall be final and binding upon the Landlord and the Tenant.
 - (e) the Landlord and the Tenant must equally share the Valuer's costs.
 - (f) the Valuer, at his sole discretion, may invite the Landlord and the Tenant to make written submissions to him.

Title Reference [17328205 17328204 14360191 17011245 AND 16963241]

- (3) In assessing the market rent, the Valuer shall take into account the Valuation Criteria.

4.5 Percentage Rent Review

- (1) This clause applies if Item 10 of the Reference Schedule has been completed or clause 16 applies.
- (2) The Rent must be reviewed on each Rent Review Date and the actual rent increase will be 3% over the rent paid during the previous year.

4.6 Payment of Rent Pending Review

Until the new Rent has been fixed, the Tenant must continue paying the Rent for the previous year. Any variation of the Rent as a result of a rent review must take effect from the relevant Review Date.

4.7 Intentionally Deleted

4.8 Tenant's Operating Expenses

The Tenant must pay the Tenant's Operating Expenses.

4.9 Goods and Services Tax

(1) Dictionary

In this clause the following words have the following meaning –

- (a) "Act" means *A New Tax System (Goods and Services Tax) Act 1999* and includes other GST related legislation;
- (b) "GST" means any tax imposed by or through the Act on a taxable supply (without regard to any input tax credit);
- (c) "Taxable Supply" means a taxable supply under the Act.

Except where the contrary intention appears, expressions used in this clause have the same meanings as those given to them in the Act.

(4) Amounts Exclusive of GST

Unless expressly indicated otherwise, all amounts referred to in this Lease are exclusive of GST.

(5) Increase of Consideration

If GST is imposed on a Taxable Supply under this Lease, then the amount or other consideration payable for that Taxable Supply shall be increased by an amount equal to the GST imposed on that Taxable Supply, and that amount shall be payable at the same time and in the same manner as the consideration for that Taxable Supply.

(6) Tax invoice

A party is not obliged to pay any Rent or other regular payment under this Lease unless that party receives a tax invoice.

Title Reference [17328205 17328204 14360191 17011245 AND 16963241]

5. OUTGOINGS**5.1 Payment of Outgoings**

- (1) The Tenant is liable for payment of Outgoings as described at Item 11 of the Schedule.
- (2) The Landlord may choose to either –
 - (a) Notify the Tenant of the Landlord's estimate of Outgoings payable by the Tenant for each period not exceeding 1 year in advance of the estimate; or
 - (b) Notify the Tenant from time to time during the Term of the issue of any account for Outgoings.
- (3) The Tenant must pay Outgoings in the manner required by the Landlord by either –
 - (a) Equal monthly installments in advance on the same day and in the same manner as the Tenant pays Rent; or
 - (b) Payment of a lump sum to the Landlord covering the invoice, statement or account for the Outgoings.

5.2 Accounting for Outgoings

- (1) If the Landlord requires the Tenant to pay Outgoings by equal monthly instalments, the Landlord must, at the end of each Financial Year, give the Tenant an itemized statement of all Outgoings actually paid during the period and the amounts paid by the Tenant on account of the estimated Outgoings.
- (2) Any adjustment between the estimated and the actual Outgoings paid by the Tenant must be made within 1 month after the date of the Landlord producing the itemized statement.
- (3) Any refund or further payment must be made by the relevant party.

5.3 Future Tax on Premises

If any Statutory Authority makes or imposes any future tax, charge, imposition or assessment ("future tax") upon or in respect of the Common Property, the Premises, or the Lot, or the Tenant's use of the Premises, of a kind not existing at the Commencement Date, the Landlord may include the future tax as an Outgoing under this Lease.

6. USE OF PREMISES**6.1 Permitted Use**

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

6.2 Things the Tenant Must Not Do

The Tenant must not –

- (1) Annoy, disturb or cause any damage or injury to any occupiers of adjacent premises, or passers by;
- (2) Act offensively in the Premises;

Title Reference [17328205 17328204 14360191 17011245 AND 16963241]

- (7) The repeated failure by the Tenant to comply with any Rules [clause 6.8]
- (8) Maintenance and repair [clause 7]
- (9) Assignment, mortgage or subletting without consent [Clause 8]
- (10) Insuring [Clause 9]
- (11) The provision of a Bank Guarantee or Cash Bond [Clause 17.1].

14. END OF LEASE**14.1 Notice to End Lease**

If the Tenant wishes to end this Lease on the Expiry Date without –

- (1) Exercising any option for renewal; or
- (2) Negotiating a new Lease;

the Tenant must notify the Landlord in writing not less than 3 months before the Expiry Date.

14.2 Tenant's Obligations

- (1) At the end of this Lease, the Tenant (or the Tenant's successors or assigns) must –
 - (a) Deliver all keys for the Premises to the Landlord;
 - (b) deliver the Premises and the Landlord's Fixtures in good order and repair, properly cleaned and with all pre-painted surfaces freshly painted;
 - (c) Remove all the Tenant's Fittings from the Premises;
 - (d) Repair any damage to the Premises caused when removing the Tenant's Fittings;
 - (e) Remove all signage from the Premises, the Building, and from any pylon sign on the Land and make good, unless directed not to do so by the Landlord;
 - (f) Intentionally deleted;
 - (g) Steam clean or replace any carpet installed in the Premises to the same or similar condition to that at the Commencement Date, due allowance being made for fair wear and tear. If the carpet is damaged in any way, the carpet must be replaced;
 - (h) Remediate any contamination to the standard specified in clause 7.4.
- (2) Without limiting clause 14.2(1), and for avoidance of doubt, at the end of this Lease, the Tenant must –
 - (a) Carry out repairs and reinstatement so that the Premises are returned to the condition at the commencement of the first Term (before any renewal) of this Lease which may be shown in any photographs annexed to this Lease or provided by the Landlord;
 - (b) Repair or replace ceiling tiles which have been holed or stained, fill in holes in floors, walls and ceilings, remove data and other cabling, cut off or drill out any anchor bolts as the Landlord reasonably requires taking into account the original condition of the particular surface, repair all

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cracks in floor slabs caused by the Tenant's activities and remove any venting installed by the Tenant; and

- (c) Carry out any repairs or reinstatement in a good and workmanlike manner.

14.3 Failure to Remove Tenant's Fittings

Any Tenant's Fittings or other property not removed from the Premises at the end of the Lease may be considered to be abandoned and may be removed by the Landlord and the Premises made good.

14.4 Abandoned Property

Any property removed by the Landlord under clause 14.3 will be considered to be owned by the Landlord with full legal and beneficial ownership, free of encumbrance and any other interest.

14.5 Tenant to Indemnify and Pay Landlord's Expenses

The Tenant –

- (1) Indemnifies and protects the Landlord from any Claims made against the Landlord by any person who claims an interest in the Tenant's Fittings where the Tenant's Fittings are considered to be abandoned; and
- (2) Must pay the Landlord any expenses incurred by the Landlord in removing, storing and disposing of the Tenant's Fittings.

15. MISCELLANEOUS PROVISIONS**15.1 Costs**

The Tenant must pay the Landlord –

- (1) All Statutory Authority fees, assessments and charges incurred on this Lease or any assignment or Sub Lease of this Lease.
- (2) Surveyor's fees for preparing any plan required for registration of this Lease.
- (3) The Landlord's reasonable legal expenses incurred as a result of –
 - (a) Giving any consent required under this Lease;
 - (b) Any assignment or subletting or mortgage of this Lease;
 - (c) Any surrender or termination of this Lease;
 - (d) Producing the Title for the Lot to anyone in connection with the Lease;
 - (e) action taken as a result of any default by the Tenant or the Tenant's employees, contractors or invitees in complying with the provisions of this Lease;
 - (f) Any Claim with which the Landlord becomes involved arising from the Tenant's occupancy of the Premises.
- (4) Administrative expenses or legal fees incurred in considering and responding to any requests by or correspondence from the Tenant.