

STRATA INSPECTION

REPORT

PROPERTY :	Address Deleted
STRATA PLAN NO:	Plan No. Deleted
STRATA USAGE:	Residential
LOT(S):	74
CLIENT REFERENCE:	SAMPLE
INSPECTION DATE:	5 th April 2006
CLIENT:	Name Deleted

"...your best move"

STRATA INSPECTION REPORT
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SUMMARY OF STRATA INSPECTION REPORT

1. **Does this report reveal any problems ?** Please check report carefully
2. **Are any building defects noted or recorded?** Refer to pages 11 & 12
3. **When is the next insurance premium due ?** 3rd May 2006
4. **How much was the last insurance premium ?** \$15,795.44

- (A) **What are the approx. balances of the Administrative & Sinking Funds?**

Administrative Fund:	\$ 16,208.87	Sinking Fund:	\$ 56,598.70
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- (B) **What are the current levies per quarter for Lot 74?**

Administrative Fund:	\$ 231.69	Sinking Fund:	\$ 96.04
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6. **When are levies paid up to (Lot 74) ?** 31st May 2006
7. **What are the current arrears (Lot 74) ?** \$ 0.00
8. **Are there any current special levies ?** No
9. **Do the records disclose the possibility of special levies in the near future ?** No
10. **When was the last Annual General Meeting held ?** 23rd February 2006
11. **Have there been any changes to the By-laws?** Yes – refer to Questions 7.1 & 7.2
12. **What is the unit entitlement for the subject lot ?** 10 / 1,000
13. **Was an Occupational Health & Safety Report or documentation/s sighted?** No
14. **Is the Strata Plan Part of a Community Association ?**
If Yes, Community Plan DP Number is ? No

STRATA INSPECTION REPORT

- 1.1 **STRATA ROLL** (Section 96-99) *Note: The Owners Corporation must prepare and maintain the Strata Roll in accordance with the Act.*
- Is there a Strata Roll Yes
- 1.2 From the entries on the Strata Roll, does the Initial Period appear to have expired? Yes
- 1.3 **Owner :**
- Name - Name Deleted
Address - Address Deleted
- Mortgagee - None noted
Lease or sub-leases noted- None noted- (if so, lease expiry date-)
- 1.4 **Other entries :**
- Chairperson Name Deleted
Secretary Name Deleted
Treasurer Name Deleted
Executive Committee Refer to minutes attached
- General information :**
- Number of lots: 86
- Number of units: 86
- Unit entitlement of subject lot: 10 / 1,000
- Approximate Number of Tenants: Not ascertained on inspection
- State of harmony within the scheme: No problems recorded
- History of disputes: No problems recorded
- Strata Plan registered: 14th February 1989
- Was the Original Certificate of Title for the common property sighted? No – only copy sighted
- 1.5 Was the Strata Roll in compliance with the following aspects of Chapter 3, Part 5, Division 1?
- > Strata Roll in book form Yes
 - > Has one page per lot Yes
 - > Unit entitlement recorded Yes
 - > **Original Owner recorded** **No:**
 - > By-laws included therein Yes
 - > Names recorded therein Yes
 - > Addresses recorded therein Yes
 - > Current insurance fully recorded Yes
 - > Addresses recorded therein Yes

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2. **INSURANCES** (Chapter 3, Part 4)

2.1 Details of Building Insurance :

> Sum Insured	\$	16.900.000.00
> Insurance Company		QBE
> Policy Number		803461
> Due Date		3 rd May 2006
> Excess		\$100.00
> Premium	\$	15.795.44

2.2 Details of Building Catastrophe

Insurance are :

> Sum Insured	Nil cover
> Extended cover – Rent/Temp accommodation	(15.0%)
> Escalation in cost of Temp accommodation	(5.0%)
> Cost of storage & evacuation	(5.0%)
> Premium	Included

2.3 Details of Voluntary Workers Compensation

Insurance are :

> Sum Insured	\$ 100,000.00 / 1,000
> Insurance Company	Same
> Policy Number	Same
> Due Date	Same
> Premium	Included

2.4 Details of Workers Compensation

Insurance are :

> Sum Insured	As per act
> Insurance Company	
> Policy Number	
> Due Date	
> Premium	Included

ADDITIONAL INSURANCE -

2.5	a. Public Liability	\$ 20,000,000.00	d. Office Bearers Liability:	\$ 1,000,000.00
	b. Loss of Rent:	\$ 2,535,000.00	e. Fidelity Guarantee:	\$ 40,000 / 400
	c. Common contents:	\$ 9,000.00		

2.6 Does the Owner's Corporation insure through a Broker?

Yes

If so, which Broker?

CHU Underwriting Agencies
Phone: 1300 – 361 – 263

2.7 Insurance Valuation sighted ?

\$18,980,000.00 – Dated: March 2004
Conducted by: A G Thomas Valuers

STRATA INSPECTION REPORT

3. RECORDS OF NOTICES AND ORDERS

(Section 101)

- | | | |
|-----|--|------------|
| 3.1 | Are records kept of Notices received by the Owner's Corporation? | Yes |
| 3.2 | Are records kept of orders received by the Owner's Corporation? | Yes |
| 3.3 | Are the records kept in loose leaf or bound book form? | Loose Leaf |
| 3.4 | Are the Notices and Orders themselves kept by the Owner's Corporation? | Yes |

4. DOCUMENTATION RETENTION

(Section 104)

- | | | |
|-----|---|-----|
| 4.1 | Is correspondence retained? | Yes |
| 4.2 | Are Notices of Owner's Corporation and Council Meetings retained? | Yes |
| 4.3 | Are proxies retained? | Yes |
| 4.4 | Are voting papers retained? | Yes |
| 4.5 | Are records served under Section 31 retained? | Yes |
| 4.6 | Are Notices given under Section 118 retained? | Yes |
| 4.7 | Are these documents retained for the prescribed period? | Yes |

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5. **BOOKS OF ACCOUNT** (Section 103)

- 5.1 Are substantially all of the prescribed accounting records kept by or on behalf of the Owner's Corporation? Yes
- 5.2 If so, who keeps the books of account? Managing Agent
- What was the approx. balance of the Admin Fund? \$ 16,208.87**
- What was the approx. balance of the Sinking Fund? \$ 56,598.70**
- 5.3 Funds are currently held in trust as follows:- Bank : Not sighted
Account Number : Not sighted
- 5.4 Are there any arrears noted for the complex (if so, amounts & lots in arrears) \$ 5,702.21 (Lots not specified)

6. **MAINTENANCE CONTRIBUTIONS** (Section 76)

6.1 The records indicate that current standard contributions for Lot 74 are as follows :

- | | | |
|-----------------------|-----------|-------------|
| > Administrative Fund | \$ 231.69 | per quarter |
| > Sinking Fund | \$ 96.04 | per quarter |

Current Budget adopted for the Strata Scheme:

Administration Fund-	\$ 92,674.00	per annum
Sinking Fund-	\$ 38,416.00	per annum

Are any future levy increases anticipated? No

SPECIAL LEVY CONTRIBUTIONS

- 6.2 Are there any current special levies? (Administration Fund only S.76 (4)) (Sinking Fund S.76 (1)) periodic or lump sum payments? No
- 6.3 Details of current special levies are : Not applicable
- > Fund
 - > Amount
 - > Due Date
 - > Purpose
- 6.4 Do the records disclose the possibility of special levies in the near future? No
- 6.5 If so, what are the likely details? Not applicable
- > Fund
 - > Amount
 - > Likely Date
 - > Purpose

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7. **BY-LAWS** (Chapter 2, Part 5)

7.1 Do the records suggest that the By-Laws have been changed or added? **Yes**

7.2 If so, have these By-Laws been registered? **Yes**

The following By-Laws have been changed / added or repealed?

- *Refer to the registered Special By-Laws (1 & 2) pertaining to the complex.*

7.3 If they have not been registered, what do they relate to? **Not Applicable**

7.4 What is the attitude of the Owner's Corporation to the keeping of animals? **As per by-laws, i.e. Written permission is required**

7.5 Were any exclusive use by-laws registered in the past two years affecting the subject lot? **No**

8. **MANAGING AGENT** (Sections 27 & 162)

8.1 Is there a Managing Agent?
App. S.T. Commissioner (S.162)
If so, name & telephone number. **Yes**
Bright & Duggan – Crows Nest

Phone: (02) 9438 3133

Managers Name: **Bill Leeds**

9. **ALTERNATE AGENT** (Section 24)

9.1 Has an Accountant been appointed?
If so, name. **Yes**
Name Deleted

9.2 Has an Agent of the Original Owner been appointed?
If so, name. **No**
Not applicable

STRATA INSPECTION REPORT

10. **MINUTES** (Section 102)

- | | | |
|------|---|--|
| 10.1 | Does the Owner's Corporation keep Minutes of meetings? | Yes |
| 10.2 | If so, do the Minutes include particulars of Motions passed? | Yes |
| 10.3 | If so, does it retain these Minutes as required by the Act and Regulations? | Yes |
| 10.4 | Date of First AGM (if noted) | Not noted |
| 10.5 | Date of last Minutes sighted | 23 rd February 2006 (Copy attached) |

11. **INCOME TAX**

- | | | |
|------|--|------------------|
| 11.1 | Does the Owner's Corporation appear to receive taxable income? | Yes |
| 11.2 | If so: | |
| | > What is the source of that income? | Interest/Arrears |
| | > Are Income Tax Returns lodged? | Yes |

COMMON PROPERTY & OTHER MATTERS

- | | | |
|-----|---|-------------------------------|
| 12. | Common property was last painted: | |
| | > Externally | Refer to page 11 |
| | > Internally | Not ascertained on inspection |
| | > Common Property carpet last replaced | Not ascertained on inspection |
| | > Common Property guttering last replaced | Not ascertained on inspection |
| | > Common Property fencing last replaced | Not ascertained on inspection |
| | > Plumbing problems | Refer to the expense history |
| | > Water penetration problems | Refer to the expense history |

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13. **OCCUPATIONAL HEALTH & SAFETY MATTERS**

Are any Occupational Health & Safety report or documentation/s sighted for Commercial / Industrial Strata Plans?

- No

14.1 **BUILDING DEFECTS UNDER HOME OWNERS WARRANTY**

Particulars of matters discovered from the books and records generally which may adversely affect either the Owner's Corporation or the subject lot(s) from the point of view of a Purchaser or Mortgagee, or which otherwise may be of interest to a Purchaser or Mortgagee are:

- Were any evidence of any claims under the Building Warranty noted (Home Owners Warranty)? **No**
- Were any copies of building inspection / Engineer's reports in connection with any warranty claims sighted during this inspection? **No**
- Current status of claims lodged according to records provided- **Not applicable**
- Copies of quotes / tenders / scope of works for repairs sighted? **Not applicable**

14.2 **OTHER BUILDING DEFECT MATTERS**

- Were any building reports or defect list sighted in the files presented for inspection by the Strata Manager?

- Refer to pages 11 & 12

STRATA INSPECTION REPORT

15. IMPORTANT NOTES

a. *During the course of the subject inspection, no attempt was made to ascertain whether any Managing Agent has complied with the detailed accounting requirements of the Auctioneers and Agents legislation or whether the prescribed accounting and prescribed financial statement requirements are being complied with by the Owner's Corporation. As these requirements are particularly complex, an additional inspection by a specially trained inspector would be necessary before we would report same.*

b. *The information contained in this report was extracted from the books and records of the Owner's Corporation and, so far as was possible, from conversations with officers of the Owner's Corporation.*

Special procedures were followed to minimise the possibility of records not being made available for inspection. However, your attention is directed to the possibility that all of the Owner's Corporation Records may not have been made available for inspection or, alternatively, that the records may not have contained all of the information of interest to a Purchaser or Mortgagee. Please note that some particular managing agents are in the practice of archiving records prior to the required period of seven years & that these records may not have been made available for this inspection.

c. *This report is issued to the named client and if that person is a solicitor or conveyancer, the client of that solicitor or conveyancer Active Strata Services will not accept any responsibility to any other person who relies upon this report to their detriment unless it has agreed in writing to accept such responsibility.*

16. INSPECTOR'S SPECIAL NOTES

a History of special levies raised in the last five years ? Yes

- 3rd April 2003, \$8,094.22 raised to help clear the Admin Fund deficit.
- 28th Oct 2002, \$40,000 special levy raised to clear the Admin fund deficit & to pay for the insurance premium.
- 28th March 2002, \$100,000 special levy raised for external painting of the complex.

b Are any meetings of the Owners Corporation scheduled held in the near future? Yes

- An Executive Committee Meeting is scheduled for the 3rd April 2006 (6.30pm). Refer to the attached Notice of meeting. (copy of minutes not sighted)

MINUTES OF MEETINGS - SUMMARY: (Sighted back to the Annual General Meeting dated 23rd March 1998)

* 6th March 2006:

- Strata manager to obtain quotes for gardening, plumber to inspect Lot 1 backyard drainage system.
- Local council to be contacted to have a large scale garbage collection once a month.
- Motion to be put on next meeting agenda for the strata scheme to be divided into sections, with each sections having their own executive committee members

* 23rd February 2006:

- Pest inspection resolved not to be conducted.
- Managing agent authorise to alter the building sum insured base on any updated valuations received.

* 5th September 2005:

- Resolved to obtain another quotation regarding the repair of cracks within Lot 49. (Refer to page 12)

* 4th April 2005:

- \$1,744.00 quote accepted for the removal of trees near Lots 51 & 74 subject to Council approval.

* 11th October 2004:

- \$9,570.00 quote accepted to undertake structural rectification works to Lot 86. (Refer to page 12)

INSPECTOR'S SPECIAL NOTES

cont'....

* 6th July 2004:

- Resolved that repairs to the pool areas are due to be completed (pool heater / spa filter replacement & spa area painted)

* 3rd February 2003:

- Noted that 20 villas require repairs to the lattice fencing at an approx. cost of \$8,000.00. (*No expense noted*)

* 20th September 2002:

- \$135,740.00 quote accepted for external painting of the complex. (*Expense noted*)

* 6th August 2001:

- \$2,900.00 quote for repairs to power control room be accepted.

* 3rd April 2000

- Owner's corporation have refused Burmah petrol station to set up 'Natural gas refuelling facility.'

OTHER IMPORTANT NOTES:

* In Year 2003, the complex engaged the services of an Engineer to inspect / report relating to the concrete footings to Lot 86. Strata Engineering Solutions performed the inspection & furnished a report.

In June 2004, the complex accepted a quote from Mainmark Uretek using 'The Uretek Method' (refer to below). However, upon the rectification works being in progress, it was decided to cease works using the 'The Uretek Method' (on the advice of the Engineer's) as they did not 'achieve the target results they had wished for'. The complex agreed to pay Mainmark Uretek the sum of \$22,286.00 even though the rectification works had not been completed.

Furthermore, based upon the advice of Strata Engineering Solutions, the complex engaged the services of Laby Building to conduct the rectification works to Lot 86 at a cost of \$9,570.00 (using traditional repair methods).

Records indicate that these works have been undertaken by Laby Building. Refer to the following attachments:

- Attachments A regarding the works performed by Laby Building.
- Attachments B regarding works using 'The Uretek Method'.

* Dated June 2005, an Engineer's report sighted regarding the cracking to the bedroom wall of Lot 49. The report states that the cracking is due to normal building movement. It is recommended that the render be removed & re-instated with a 'joint cut' to allow for any further movement.

A quote of \$2,420.00 has been obtained to undertake these works; however, no further developments have eventuated. – *Refer to attachments C*

* Dated 26th March 2002, an Engineer's report sighted regarding cracking damage to lots 3, 44, 49, 78 & 79. To date, no records were sighted to verify that the required works as per the Engineer's report have been attended to. Refer to the attachments D for a more thorough description including the recommendations.

INSPECTOR'S SPECIAL NOTES

cont'....

REPAIRS HISTORY : *(Summary of non-budgeted items)*

*** Dated: Year Ending 30th November 2005**

- \$970.00 , Sauna Amentities
- \$2,561.00, Consulting /Engineering fees
- \$2,479.00, Tree removal
- \$880.00, T.V Antenna repairs
- \$1,500.00, fencing repairs & maintenance

*** Dated: Year Ending 30th November 2005**

- \$2,479.00, tree removal.
- \$2,594.00, general plumbing repairs.
- \$1,750.00, fencing replaced.
- \$705.00, electrical replacements.
- \$1,012.00, TV antennae repairs.
- \$3,471.00, roof / guttering repairs & maintenance.

Dated: Year Ending 30th November 2004

- \$2,830.00, burst pipe repaired near Lot 52. (Insurance claim)
- \$20,601.00, Lot 86 structural repairs using Uretek system.
- \$10,780.00, Lot 86 structural repairs performed by Laby Building
- \$7,053.00, consultancy fees.
- \$1,502.00, general building repairs.
- \$1,927.00, pool / spa repairs.
- \$4,136.00, general plumbing repairs.

Dated: Year Ending 30th November 2003

- \$111,238.00, external painting.
- \$3,238.00, pool & spa equipment repairs.
- \$907.00, electrical repairs.
- \$1,046.00, tree removal.
- \$1,103.00, general plumbing repairs.

Dated: Year Ending 30th November 2002

- \$1,650.00, pool & spa repairs.
- \$25,897.00, external painting.
- \$7,590.00, paving works.
- \$2,800.00, electrical repairs.
- \$7,500.00, driveway / paving works.
- \$1,600.00, Engineer's report.
- \$888.00, tiling works.
- \$198.00, pest control service.
- \$3,395.00, general plumbing repairs.
- \$1,335.00, garage door repairs.
- \$2,414.00, roof & gutter repairs.

INSPECTOR'S SPECIAL NOTES

cont'....

Dated: Year Ending 30th November 2001

- \$1,996.00, electrical repairs.
- \$330.00, tree removal.
- \$1,166.00, pest control service.
- \$14,940.00, general plumbing repairs. (unspecified)
- \$3,734.00, general building repairs.
- \$687.00, gutter repairs.
- \$23,435.00, paving works.
- \$1,694.00, pool & spa repairs.
- \$1,195.00, fence / gate repairs.

Dated: 5th April 2006
Strata Inspector Name: