

Strata Inspection Report

Strata Plan 12345, 11 Smith Street, Smithville

CONDITIONS OF THIS REPORT

This report is based on the result of a search of the available Owners Corporation records to a maximum of five (5) years prior to the date of inspection (unless otherwise stated in the Report) and, where appropriate, conversations with the Officers of the Managing Agent and/or the Owners Corporation. All reasonable care has been exercised by us whilst compiling this Report. We make no warranty or representation as to the accuracy of information provided to us by the Managing Agent and/or Officers of the Owners Corporation and we will not be responsible for any loss or damage due to any cause whatsoever, including negligence whether in connection with information supplied by the Managing Agent and/or Officers of the Owners Corporation or otherwise.

This Report is made for the benefit of our client and no other person shall be or shall be deemed to be entitled to rely on this report for any purpose whatsoever.

The Act and the Regulations referred to in this report are the Strata Schemes Management Act 1996 and Amendments and the Strata Schemes Management Regulation 1997. We advise that we have made no attempt to ascertain if the Managing Agent and/or the Owners Corporation has complied with any other act or regulation

At some managing agents the records are scanned and kept electronically, most documents are saved into categories and we therefore rely on the accuracy of the person scanning and saving the documents. It is difficult to inspect these records and we cannot be certain that we have sighted each and every document.

The findings in our reports are from the records provided to us, we extract relevant information and our report must be read in conjunction with all attachments as these attachments are copies of documents found in the records and are a vital part of our report.

Report Details

Date of Inspection	4 March 2016		
Date of report	4 March 2016		
Strata Plan	12345		
Lot	1	Unit	1
Address	11 Smith Street, Smithville		
Owner	Mr and Mrs Smith		

Managing Agent

Current Strata Management Company	W T Newey & Co
Address	Shop 50/Bankstown City Plaza, Bankstown
Phone number	9790 0377

Certificate of Title

Total lots in Strata Plan (incl. garages/car spaces)	6
Total number of units	6
Aggregate unit entitlement	60
Number of entitlements for lot 1	10

Strata Plan Details

Date Strata Plan was registered	28.6.1982
Does the initial period appear to have expired	Yes
Current owner according to the Strata Plan records	Mr & Mrs Smith

Financial Position of Strata Plan

We were provided with print outs from the Managing Agent which indicated the financial position of the Strata Plan as at 1.1.2014;

Administrative Fund	\$500.00
Sinking Fund	\$36,558.75
Total cash at bank	\$37,058.75

We do not conduct financial audits and rely upon the information provided to us by the managing agent at the time of our search; please conduct your own independent searches to confirm the financial position of the Strata Plan at the time of settlement.

Sinking Fund Forecast reports

- We did not sight a sinking fund forecast report in the records provided to us, we note that attached to the inside of the minute book was a table titled '15 year cash-flow tracking sheet' we attach a copy for your information

NOTE: A regulation was gazetted on the 28 April 2006 (Section 75A of the Strata Schemes Management Act 1996) which requires all strata schemes to begin planning for their Sinking Fund requirements of major capital items over a 10 year period. Schemes are brought under this section in four phases; Strata Plan 50000 & above 1.7.2006, Strata Plan 30000 – 49999 1.7.2007, Strata Plan 10000 – 29999 1.7.2008 & Strata Plan 1 – 9999 1.7.2009.

By Laws

It appeared from the records provided that the complex has the model by laws as identified in the Strata Act and they have identified Option B for Keeping of animals, we attach a copy; Please refer to minutes of meetings in relation to any additional by laws that may have been specially resolved within the last two years that may not be registered.

An inspection of the certificate of title for the Owners Corporation should identify by laws that are currently registered. All Strata Plans are subject to by-laws and all purchasers should be aware of the current by-laws for the complex.

Levy Information

Levies are payable quarterly;

Administrative Fund	\$400.00
Sinking Fund	\$200.00
Total	\$600.00
Quarterly Payments due and payable on the 1 st day of April, July, October & January	
Arrears & owners invoices due	Nil
Interest on levy arrears	Nil
Special levies	Nil

Levies are payable per quarter and are determined annually at the Annual General Meeting (AGM) of the Strata scheme. A levy notice should be sent to you by the managing agent of the Strata Scheme however it is not a requirement under the Strata Schemes Management Act 1996 therefore we suggest that a note be made of the amounts and when they are due and payable.

Please conduct your own independent searches to confirm the financial position of this lot at the time of settlement; any arrears should be adjusted in favour of the purchaser at time of settlement.

Insurance Details

Insurer	CHU Underwriters
Policy number	12345
Premium	\$3,000.00
Period of cover	29.1.2012 to 29.1.2013
Building cover	\$955,000.00
Loss of rent	\$143,250.00
Legal Liability	\$20,000,000.00
Voluntary workers	\$200,000.00/\$2,000.00
Fidelity guarantee	\$100,000.00
Government Audit costs	\$25,000.00
Legal Expenses	\$50,000.00
Workplace Health & Safety breaches	\$100,000.00
Lot owners improvements (per lot)	\$250,000.00

Please conduct your own independent searches to confirm the current insurance particulars for the Strata Plan at the time of settlement. We were unable to obtain a copy of the certificate of currency as it was not sighted in the records provided. We do not warrant whether the current level of insurance cover is sufficient. We refer you to the section, Valuation.

We note the importance of having your own contents insurance to cover items like carpet, paint on walls and ceilings, blinds, light fittings etc. we strongly recommend that you have adequate insurance whilst owning in a Strata Scheme.

Valuation

Prepared by	W T Newey & Co
Date	22.10.2010
Suggested insurance amount	\$11,350,000.00

Phone 0402 870 445

Fax – (02) 9543 0873

Website

www.southsidedestrata.com.au

Email – danielle@southsidedestrata.com.au

ABN – 36 416 961 494

Insurance Claims History

We identify claims over a 10 year time period (where possible) that are more than \$2,000.00. Claim under this amount will not be noted, we sighted a printed list which identified nil claims, no other claims of a large or serious nature were sighted.

Minutes of Meetings

First Annual General Meeting	20.4.2009
Most recent Annual General Meeting	26.6.2012
Any scheduled meetings in near future	Nil sighted

Please see detailed minutes of meetings & attachments included in this report; do not rely on this information solely on its own. Minutes of meetings identify large and significant items and/or issues within a Strata Plan and we are limited to and solely rely on minutes of meetings in completing this report.

Annual Financial Statements

Annual Income & Expenditure (I&E) to 31.3.2010	No major items of expenditure
I & E to 31.3.2011	Consultants fees \$385.00
I & E to 31.3.2012	No major items of expenditure; we note the other items of expenditure were: Insurance \$1,898.19, Management fees \$713.58, Disbursements \$240.00, Tax/BAS fees \$110.00, bank charges \$4.14

We only make note of any items of large or unusual nature, we do not note regular payments, i.e. Insurance, management fees, etc. We note the expenses for year ending 31.3.2012 to identify what expenditure has occurred for the year.

Defects and/or Major Building Works

We did not sight any reports in relation to building defects, however, do note at the Annual General Meeting held 12.5.2010, reference was made to appointing a solicitor to provide advice as well as an expert to prepare a report, this matter was adjourned to the Annual General Meeting due to be scheduled in 2011, there were no further references to this in minutes of meetings; we did not sight any other references to building defects in the records provided

Any discussions in relation to building defects or major building works should be discussed at a general meeting of all owners.

Additional information

- We sighted reference to termite reports, it was resolved at the Annual General meeting held 21.7.2011 that a report be obtained, it was request by the Strata Manager 15.12.2011, however no report was sighted in the records provided, we do note the following:
 - We sighted correspondence from the Strata Manager dated 14.5.2010, to lot 1 in relation to a Termite Detection report. This correspondence had a report attached (specific to lot 1) prepared by Enviropest dated 2009, this identifies that a chemical application is required 24.11.2011, we did not sight any reports specific to lot 3, and could not determine is a chemical application has been carried out, we could not pursue this matter any further, we attach a copy of the correspondence and report
- We sighted a sinking fund assessment report, prepared by Strata Plan Reports Australia P/L dated May 2010, we attach a copy of selected pages

NOTE: A regulation was gazetted on the 28 April 2006 (Section 75A of the Strata Schemes Management Act 1996) which requires all strata schemes to begin planning for their Sinking Fund requirements of major capital items over a 10 year period. Schemes are brought under this section in four phases; Strata Plan 50000 & above 1.7.2006, Strata Plan 30000 – 49999 1.7.2007, Strata Plan 10000 – 29999 1.7.2008 & Strata Plan 1 – 9999 1.7.2009.

- No disturbances or disputes were noted in the file.
- We sighted routine maintenance and repairs; we did not notice any information that indicated any ongoing maintenance issues within the complex.
- We did not notice any quotes or proposed expenses.

NOTE: Any large items of expenditure should be discussed at a general meeting with all owners.

- It was noted that no fire safety items exist at the Strata Plan and therefore no Annual Fire Safety Statement is required
- An Occupational Health & Safety report was not sighted
- No notices or orders sighted.

NOTE: Enquiries with Local council, Sydney water, work cover and other relevant bodies may be prudent to determine if there are any outstanding notices or orders against the Owners Corporation

- We did not search any service or maintenance agreements that may have been entered into by the Owners Corporation

Detailed minutes of meeting

We have reviewed the minutes of meetings and have taken note of items of interest. We cannot guarantee that we have sighted every meeting of the Owners Corporation. Where only routine agenda items of discussion have been noted we will only make note of the adopted budget.

We commenced our reading from the First Annual General Meeting (AGM) that was held on 20.04.2009:

- Adopted a budget to accrue per annum (pa) A/F \$3,600.00, S/F \$600.00
- Resolved to obtain a Sinking Fund Assessment report

Extraordinary General Meeting (EGM) that was held on 1.6.2009:

- Appointed Body Corporate Services as the managing agent
- Adopted a budget to accrue pa A/F \$3,600.00, S/F \$600.00

AGM which was immediately followed by an Executive Committee Meeting (ECM) held on 12.5.2010:

- Adopted a budget to accrue pa A/F \$3,130.00, S/F \$600.00
- Resolved to obtain a Sinking Fund report
- Defeated to obtain a Safety Report
- Deferred to appoint a lawyer to assess options in regards to pursuing against various parties to rectify original building construction defects, to be readdressed at AGM 2011
- Deferred to appoint an expert to prepare a report to identify possible building construction defects, to be readdressed at AGM 2011
- Deferred to obtain a termite inspection report, to be readdressed at AGM 2011

AGM 21.7.2011, copy attached:

- Adopted a budget to accrue pa A/F \$3,030.00, S/F \$700.00
- Resolved to obtain a Termite inspection report for the common areas

AGM 26.6.2012, copy attached:

- Adopted a budget to accrue pa A/F \$2,768.00, S/F \$1,700.00
- Defeated to obtain a Work Health & Safety report

No other minutes of meetings were filed in the minute book.

Attachments

- Owners Statement of account for lot 3 as prepared by the Strata manager
- Balance sheet (printed 26.10.2011) as prepared by the Strata Manager
- Income & Expenditure 01.04.2012 to 31.10.2012 as prepared by the Strata Manager
- Cash Book Payments by account code 01.04.2012 to 31.10.2012 as prepared by the Strata Manager
- Insurance details
- Letter from Strata Manager and report in relation to Termites
- Sinking Fund forecast
- Minutes of meetings

Other than any notes made in this report, we have not discovered any other matters that may be of concern to a prospective purchaser.

We have compiled this report as accurately and as concise as possible, however, should you have any further questions or comments, please do not hesitate to contact our office.

Disclaimer

This report has been undertaken for our client. It can only be relied upon by our client. We have prepared this report in accordance with request made by our client and with the information provided by the Managing Agent or Owners Corporation; we cannot guarantee or state that we have sighted every document for the Owners Corporation as we rely upon the managing agent or Owners Corporation to provide such documents.

Every Managing Agent and/or Owners Corporation maintains their records differently which can inhibit our search. We endeavour to ensure that we sight all documentation however we cannot state that we have sighted all documents for the Owners Corporation.

No responsibility can be taken for any third party relying on information in this report, as we have conducted this report for the client listed in the report and not for any third party; the only time this may differ is if there is a written agreement between the third party and Southside Strata Inspections

We conduct our reports to focus on recent history of five (5) years and do not look for records greater than this period.

We compile this report as a whole document and it must be read in its entirety including any attachments

We rely on information provided to us at the time of conducting our search and do not take any responsibility for any negligent conduct or omission of information provided in our reports. We do not take responsibility for any error recorded in any strata search or otherwise in connection with any other services supplied or performed by Southside Strata Inspections

Our reports are compiled and are written with no intention of providing incorrect or misleading information. There are no warranties which relate to the supply or performance of services by Southside Strata Inspections; we provide reports based on information provided to us by the Strata Manager at the date recorded.

This report is not intended to be relied upon without additional information that may be provided in the following;

- Building Inspection reports*
- Pest Inspection report*
- Financial audit*
- Occupational Health & Safety Report*
- Inspection of Local Council records*
- Title inspection for common property or individual lot*
- Section 109 certificates*