

BRIEF DESCRIPTION OF STRUCTURE(S) INSPECTED:

SINGLE STOREY THREE BEDROOM HOUSE CONSTRUCTED OF BRICK VENEER ON CONCRETE SLAB FLOORING. THE TILED ROOF HAS BATT TYPE INSULATION. OTHER STRUCTURES INCLUDE A GARDEN SHED AND CARPORT. THERE ARE ALSO HARDWOOD GARDEN BORDERS WITH TIMBER AND COLORBOND BOUNDARY FENCING.

Was the property furnished at the time of inspection: YES

Furnished properties: Where a property is furnished at the time of the inspection the furnishings and stored goods may be concealing evidence of Timber Pest Activity. This evidence may only be revealed when the property is vacated. A further inspection of the vacant property is strongly recommended in this case.

VISUAL REPORT ON AREA(S) INSPECTED:

HOUSE:

No active termites and/or termite damage or workings were observed in the areas accessible at the time of inspection

No evidence of borer activity was sighted in areas accessible at the time of the inspection

Borer activity is usually determined by the presence of exit holes and/or frass. Since a delay exists between the time of initial infestation and the appearance of these signs, it is possible that some borer activity may exist that is not discernible at the time of inspection.

No evidence of wood decay (rot) fungi damage was sighted in areas accessible at the time of inspection

ROOF VOID:

No active termites and/or termite damage or workings were observed in the areas accessible at the time of inspection

No evidence of borer activity was sighted in areas accessible at the time of the inspection

Borer activity is usually determined by the presence of exit holes and/or frass. Since a delay exists between the time of initial infestation and the appearance of these signs, it is possible that some borer activity may exist that is not discernible at the time of inspection.

No evidence of wood decay (rot) fungi damage was sighted in areas accessible at the time of inspection

SUBFLOOR: Not applicable, slab on fill construction

CARPORT: No active termites and/or termite damage or workings were observed in the areas accessible at the time of inspection

No evidence of borer activity was sighted in areas accessible at the time of the inspection

Borer activity is usually determined by the presence of exit holes and/or frass. Since a delay exists between the time of initial infestation and the appearance of these signs, it is possible that some borer activity may exist that is not discernible at the time of inspection.

No evidence of wood decay (rot) fungi damage was sighted in areas accessible at the time of inspection

GARDEN SHED:

No active termites and/or termite damage or workings were observed in the areas accessible at the time of inspection

No evidence of borer activity was sighted in areas accessible at the time of the inspection

Borer activity is usually determined by the presence of exit holes and/or frass. Since a delay exists between the time of initial infestation and the appearance of these signs, it is possible that some borer activity may exist that is not discernible at the time of inspection.

No evidence of wood decay (rot) fungi damage was sighted in areas accessible at the time of inspection

FENCELINE: No active termites and/or termite damage or workings were observed in the areas accessible at the time of inspection

No evidence of borer activity was sighted in areas accessible at the time of the inspection

Borer activity is usually determined by the presence of exit holes and/or frass. Since a delay exists between the time of initial infestation and the appearance of these signs, it is possible that some borer activity may exist that is not discernible at the time of inspection.

Evidence of wood decay fungi (wood rot) was found in palings and rails which is consistent with normal age and weathering

Whilst we are not builders the damage appears to be:

(x) slight () moderate () moderate – extensive () extensive

GROUNDS:

No active termites and/or termite damage or workings were observed in the areas accessible at the time of inspection

No evidence of borer activity was sighted in areas accessible at the time of the inspection

Borer activity is usually determined by the presence of exit holes and/or frass. Since a delay exists between the time of initial infestation and the appearance of these signs, it is possible that some borer activity may exist that is not discernible at the time of inspection.

Evidence of wood decay fungi (wood rot) was found in hardwood garden borders

Whilst we are not builders the damage appears to be:

(x) slight () moderate () moderate – extensive () extensive

No evidence of a termite nest was found at the time of inspection.

Note: Where evidence of termite activity was found in the grounds then the risk to buildings is very high. A treatment to eradicate the termites and to protect the building(s) should be carried out. Where the evidence of termite workings was found in the grounds or the building(s) then the risk of a further attack is very high.

We claim no expertise in building and if any evidence of fungal decay or damage is reported You should consult a building expert to determine the full extent of damage and the estimated cost of repairs or timber replacement (See Terms & Limitations).

Where timber pest activity or wood decay fungi (wood rot) damage is reported, does it present a major safety hazard? No.

Important Note: Where a Major Safety Hazard is identified above, it must be attended to and/or rectified to avoid the possibility of personal injury &/or death.

Borer recommendations: Replacement of all susceptible timbers is always preferred since, in the event of selling the property in the future it is probable that an inspector will report the borers as active (see above). A chemical treatment to control and/or protect against Furniture beetle and/or Queensland pine beetle can be considered as a less effective, lower cost option. Before considering this option You should consult with a builder (See Terms & Limitations) to determine if the timbers are structurally sound. Following the initial treatment a further inspection is essential in twelve months time to determine if further treatment is needed. Treatments over a number of consecutive years may be required

***Lyctus brunneus* (powder post beetle)** is not considered a significant pest of timber. Damage is confined to the sapwood so treatment or timber replacement is not usually required. However, You should have a building expert investigate if any timber replacement is required.

***Anobium punctatum* (furniture beetle) and *Calymmaderus incisus* (Queensland pine beetle)** must always be considered active, unless proof of treatment is provided, because, unless the timber is ground up, one cannot determine conclusively if activity has ceased. Total timber replacement of all susceptible timbers is recommended. A secondary choice is treatment. However, the evidence and damage will remain and the treatment may need to be carried out each year for up to three years.

VERY IMPORTANT:

If live termites or any evidence of termite workings or damage was reported above within the building(s) or in the ground and fences then it must be assumed that there may be concealed termite activity and/or timber damage. This concealed activity or damage may only be found when alterations are carried out such as when wall linings, cladding or insulation are removed or if You arrange for an invasive inspection. We claim no expertise in structural engineering or building. We strongly recommend that You have a qualified person such as a Builder, Engineer, Architect or other qualified expert in the building trade determine the full extent of the damage, if any. This may require an invasive inspection. We take no responsibility for the repair of any damage whether disclosed by this report or not. (See Terms & Limitations).

Where visual evidence of termite workings and/or damage is reported above, but no live termites were present at the time of inspection, You must realise that it is possible that termites are still active in the immediate vicinity and the termites may continue to cause further damage. It is not possible, without benefit of further investigation and a number of inspections over a period of time, to ascertain whether any infestation is active or inactive. Active termites may simply have not been present at the time of inspection due to a prior disturbance, climatic conditions, or they may have been utilising an alternative feeding source. Continued, regular, inspections are essential. Unless written evidence of a termite protection program in accord with "Australian Standard 3660" with ongoing inspections is provided, You must arrange for a treatment in accord with "Australian Standard 3660" to be carried out immediately to reduce the risk of further attack.

General remarks: A more thorough INVASIVE INSPECTION is available (refer to section 9). Where any current visible evidence of Timber Pest activity is found it is strongly recommended that a more invasive inspection is performed. Trees and stumps on the property with a diameter in excess of 100mm have been visually inspected for evidence of termite activity to a height of 2m where access was possible and practical. It is very difficult, and generally impossible to locate termite nests since they are underground and evidence in trees is usually well concealed. We therefore strongly recommend that You arrange to have trees test drilled for evidence of termite nests.

WAS EVIDENCE OF A POSSIBLE TERMITE TREATMENT FOUND?

NO EVIDENCE OF A POSSIBLE TERMITE TREATMENT WAS FOUND DURING THIS INSPECTION.

WARNING: If evidence of drill holes in concrete or brickwork or other signs of a possible previous treatment is reported then the treatment was probably carried out because of an active termite attack. Extensive structural damage may exist in concealed areas. You should have an invasive inspection carried out and have a builder determine the full extent of any damage and the estimated cost of repairs as the damage may only be found when wall linings etc are removed.

Normally if a termite treatment has been carried out then a durable notice should be located in the meter box indicating the type of termite shield system, treated zone or combination has been installed.

Durable Notice (Termite Management Notice) No evidence of a durable notice was found during this inspection.

This firm can give no assurances with regard to work that may have been previously performed by other firms. You should obtain copies of all paperwork and make your own inquiries as to the quality of the treatment, when it was carried out and warranty information. In most cases you should arrange for a treatment in accord with "Australian Standard 3660" be carried out to reduce the risk of further attack.

CONDITIONS THAT ARE CONDUCTIVE TO TIMBER PESTS

Water leaks: especially in or into the subfloor or against the external walls e.g. leaking taps, water tanks, leaking roofs or down pipes and or guttering, increases the likelihood of termite attack. Leaking showers or leaks from other 'wet areas' also increase the likelihood of concealed termite attack. These conditions are also conducive to borer activity and wood decay.

At the time of inspection, no visible water leaks were found.

We claim no expertise in building and if any leaks were reported then You must have a plumber or other building expert determine the full extent of damage and the estimated cost of repairs.

Moisture: At the time of the inspection moisture readings were normal.

Moisture was tested using a Tramex Encounter moisture meter.

High moisture readings can be caused by any one of the following: poor ventilation, ineffective drainage, leaking pipes, leaking roofs, defective flashing or by concealed termite activity. The areas of high moisture should be investigated by way of an invasive inspection. High moisture levels also increase the likelihood of termite attack and may also be conducive to borer activity and wood decay.

If high moisture was reported then You must have a building expert investigate the moisture and its cause and determine the full extent of damage and the estimated cost of repairs.

Drainage: Poor drainage, especially in the subfloor, greatly increases the likelihood of wood decay and termite attack.

We claim no expertise in plumbing and drainage, however it appears that drainage is generally: Adequate.

Where drainage is considered inadequate a plumber, builder or other building expert must be consulted.

Hot water services, air conditioning units which release water alongside or near to building walls need to be connected to a drain. If this is not possible then their water outlet needs to be piped several meters away from the building, as the resulting wet area is highly conducive to termites.

Is there a need for work to be carried out? Yes hot water unit.

Water Tanks are required to be installed in new homes in some states and many homes have had them retroactively installed as a conservation measure. Tanks which release water alongside or near to building walls need to be connected to a drain. If this is not possible then their water outlet needs to be piped several meters away from the building, as the resulting wet area is highly conducive to termites.

Is there a need for this work to be carried out? Not applicable.

Ventilation: Ventilation, particularly in the subfloor region is important in minimizing the opportunity for Timber Pests to establish themselves within a property.

We claim no expertise in building, however the ventilation appears to be: Not applicable, concrete slab construction.

Where ventilation is considered inadequate a builder or other expert should be consulted, in the case where vent airflow is physically blocked or restricted, the obstruction must be removed.

Mould on walls and ceilings etc; is an indicator of high moisture or very poor ventilation. If reported You need to have the reason investigated by a builder or a Industry Hygienist as its presence may indicate the presence of a water leak, wood decay or termites behind the wall or ceiling sheeting.

Mould was not found at time of inspection.

Timbers Exposed To Weather and/or Water: Some species of timber may be used in areas for which they are not suitable. Where this occurs, the timber may be damaged by Timber Pests, in particular termites and wood decay. In most cases, these timbers may be protected with normal maintenance, eg regular painting. However in some cases, You should consider replacing the timbers with a more suitable species or material.

The fitness for purpose of the visible structural timber exposed to weather and/or water appears: Adequate for the situation they have been used in.

It is strongly recommended that You consult a Builder, Architect or other specialist in the field to inspect exposed timbers to give expert advice on their durability and suitability for the situation in which they are used.

Other areas and/or situations that appear conducive to (may attract) subterranean termite infestation: See General Remarks/Recommendations below.

Comments on other Conducive Conditions: See General Remarks/Recommendations below

Conditions Conducive To Undetected Termite Entry:

Slab Edge Exposure: Where external concrete slab edges are not exposed there is a high risk of concealed termite entry. In some buildings built since July 1995 the edge of the slab forms part of the termite shield system. In these buildings an inspection zone of at least 75mm should be maintained to permit detection of termite entry. The concrete edge should not be concealed by render, tiles, cladding, flashings, adjoining structures, paving, soil, turf or landscaping etc. Where this is the case You should arrange to have the slab edge exposed for inspection. Concealed termite entry may already be taking place but could not be detected at the time of the inspection. This may have resulted in concealed timber damage.

Any building or part of a building that is constructed on a concrete slab is always more susceptible to termite attack because of possible concealed termite entry.

Does the slab edge inspection zone fully comply? No, not required as it's an infill slab.

Note: A very high proportion of termite attacks are over the edge of both Infill and other concrete slabs types. Covering the edge of a concrete slab makes concealed termite entry easy. Infill slab type construction has an even higher risk of concealed termite ingress as the slab edge is concealed due to the construction design and cannot be exposed. The type of slab may only be determined by assessment of the construction plans by a qualified person e.g. Builder, Architect. Construction Plans may be obtainable by your conveyancer. Termite activity and or damage may be present in concealed timbers of the building. We strongly recommend frequent regular inspections in accordance with AS 3660.2. Where the slab edge is not fully exposed or the slab is an infill slab or the slab type cannot be determined then we strongly recommend inspections every 3 to 6 months in accordance with AS 3660.2.

Infill slab: A slab on the ground cast between walls. Other slabs should be in accordance with AS 2870 - 1996 and AS 3660.1-2000.

Weep holes in external walls: It is very important that soil, lawn, concrete paths or pavers do not cover the weep holes. Sometimes they have been covered during the rendering of the brick work. They should be clean and free flowing. Covering the weep holes in part or in whole may allow undetected termite entry.

Were the weep holes clear allowing the free flow of air? Yes.

Termite Shields (Ant Caps) should be in good order and condition so termite workings are exposed and visible. This helps stop termites gaining undetected entry. Joins in the shielding should have been soldered during the installation. Whenever it is observed that the joins in the shielding have not been soldered then the shielding must be reported as inadequate. It may be possible for a builder to repair the shielding. If not, a chemical treated zone may need to be installed to deter termites from gaining concealed access to the building. Missing, damaged or poor shields increase the risk of termite infestation.

We claim no expertise in building however, in our opinion the termite shields appear to be: Not applicable, concrete slab construction.

If considered inadequate a builder or other building expert should be consulted.

Other physical shield systems are not visible to inspection and no comment is made on such systems.

Other areas and/or situations that may allow undetected subterranean termite entry: See general remarks/recommendations below.

General Remarks/Recommendations:

As this property is located in an area where subterranean termites are commonly found we strongly recommend that you have regular inspections carried out every twelve months to ensure that there is no subterranean termite activity present in your buildings and structures.

It should be realised that any untreated timbers in direct contact with the soil are very conducive to attack from subterranean termites. These should be removed and replaced with a material not conducive to attack such as brick, stone, concrete or treated timber.

Large trees (particularly eucalypt variety) are regular nesting sites for the most common termite species found in our region. Trees on the property have been visually inspected up to a height of 2 metres, where possible and practicable for signs of termite activity. It is however, very difficult and generally impossible to locate a termite nest visually as they are underground and evidence in trees is usually well concealed. Drilling and testing of large trees is recommended to determine if they are harboring a termite nest.

Refer to Important Maintenance Advice regarding what a property owner can do to help reduce risk of Timber Pest attack.

Other Information:

Details (if applicable) of non destructive electronic equipment (other than moisture Meter) used at the discretion of the inspector during the inspection; Type of Equipment:

OVERALL ASSESSMENT OF THE PROPERTY:

Where the evidence of live termite or termite damage or termite workings (mudding) was found in the building (s) then the risk of a further attack is very high. Where evidence of live termites or termite damage or termite workings was found in the grounds but not in the buildings then the risk to buildings must be reported as high to very high.

Termites are the cause of the greatest economic losses of timber in service in Australia. Independent data compiled by State Forestry shows 1 in every 5 homes is attacked by termites at some stage in its life. More recent data would indicate that this is now as high as 1 in every 3.

At the time of inspection the DEGREE OF RISK OF SUBTERRANEAN TERMITE INFESTATION to the overall property was considered, Moderate to High.

Subterranean Termite Treatment recommendation: A management program in accord with AS 3660-2000 to protect against subterranean termites is considered to be: Highly recommended.

FUTURE INSPECTIONS: As 3660.2-2000 recommends that inspections be carried out at intervals no greater than annually and that, where timber pest "pressure" is greater, this interval should be shortened. Inspections WILL NOT stop timber pest infestation; however, the damage which may be caused will be reduced when the infestation is found at an early stage.

Due to the degree of risk of subterranean termite infestation noted above and all other findings of this report, we strongly recommend that a full inspection and written report in accord with AS 4349.3 or AS 3660.0-2000 is conducted at this property every **12 months**.

A MORE INVASIVE PHYSICAL INSPECTION IS AVAILABLE AND RECOMMENDED

As detailed above, there are many limitations to this visual inspection only. With the permission of the owner of the premises we WILL perform a more invasive physical inspection that involves moving or lifting: insulation, stored items, furniture or foliage during the inspection. We WILL physically touch, tap, test and when necessary force/gouge suspected accessible timbers. We WILL gain access to areas, where physically possible and considered practical and necessary, by way of cutting traps and access holes. This style of report is available by ordering with several days notice. Inspection time for this style of report will be greater than for a VISUAL INSPECTION. It involves disruption in the case of an occupied property, and some permanent marking is likely. You must arrange for the written permission of the owner who must acknowledge all the above information and confirm that our firm will not be held liable for any damage caused to the property. A price is available on request.

CONTACT THE INSPECTOR

Please feel free to contact the inspector who carried out this inspection. Often it is very difficult to fully explain situations, problems, access difficulties or timber Pest activity and/or damage in a manner that is readily understandable by the reader. Should You have any difficulty in understanding anything contained within this report then You should immediately contact the inspector and have the matter explained to You. If You have any questions at all or require any clarification then contact the inspector prior to acting on this report.

The inspection was carried out by: Marc O'Donnell

Contact Number: 02) 6297 6288

IMPORTANT MAINTENANCE ADVICE REGARDING INTEGRATED PEST MANAGEMENT (IPM) FOR PROTECTING AGAINST TIMBER PESTS:

Any structure can be attacked by Timber Pests. Periodic maintenance should include measures to minimise possibilities of infestation in and around a property. Factors which may lead to infestation from Timber Pests include situations where the edge of the concrete slab is covered by soil or garden debris, filled areas, areas with less than 400mm clearance, foam insulation at foundations, earth/wood contact, damp areas, leaking pipes, etc; form-work timbers, scrap timber, tree stumps, mulch, tree branches touching the structure, wood rot, etc. Gardens, pathways or turf abutting or concealing the edge of a concrete slab will allow for concealed entry by timber pests. Any timber in contact with soil such as form-work, scrap timbers or stumps must be removed from under and around the buildings and any leaks repaired. You should endeavour to ensure such conditions DO NOT occur around your property.

We further advise that You engage a professional pest control firm to provide a suitable termite management program in accord with AS 3660 to minimise the risk of termite attack. There is no way of preventing termite attack. Even AS 3660 advises when a complete termite management system is installed in accordance with AS 3660.1-2000 for pre-construction termite work or 3660.2-2000 for post-construction termite work and the Australian Pesticides and Veterinary Medicines Authority (APVMA) product label directions are followed precisely, termites may still bridge the management system. However, if the labels directions are followed and the Standard adhered to, and bridging occurs, evidence of the termite ingress will normally be evident to the inspector. Therefore regular inspections in line with the recommendations in this report are essential in addition to any suitable termite management system You install.

You should read and understand the following important information. It will help explain what is involved in a timber pest inspection, the difficulties faced by a timber pest inspector and why it is not possible to guarantee that a property is free of timber pests. It also details important information about what You can do to help protect your property from timber pests. This information forms an integral part of the report.

CONCRETE SLAB HOMES

Homes constructed on concrete slabs pose special problems with respect to termite attack. If the edge of the slab is concealed by concrete paths, patios, pavers, garden beds, lawns, foliage, etc then it is possible for termites to affect concealed entry into the property. They can then cause extensive damage to concealed framing timbers. Even the most experienced inspector may be unable to detect their presence due to concealment by wall linings. Only when the termites attack timbers in the roof void, which may in turn be concealed by insulation, can their presence be detected. Where termite damage is located in the roof it should be expected that concealed framing timbers will be extensively damaged. With a concrete slab home it is imperative that You expose the edge of the slab and ensure that foliage and garden beds do not cover the slab edge. Weep holes must be kept free of obstructions. It is strongly recommended that You have a termite inspection in accordance with AS 3660.2 carried out as recommended in this report.

SUBTERRANEAN TERMITES

No property is safe from termites! Termites are the cause of the greatest economic losses of timber in service in Australia. Independent data compiled by State Forestry shows 1 in every 5 homes is attacked by termites at some stage in its life. More recent data would indicate that this is now as high as 1 in every 3. Australia's subterranean termite species (white ants) are the most destructive timber pests in the world. In fact it can take "as little as 3 months for a termite colony to severely damage almost all the timber in a home".

How Termites Attack your Home. The most destructive species live in large underground nests containing several million timber destroying insects. The problem arises when a nest matures near your home. Your home provides natural shelter and a food source for the termites. The gallery system of a single colony may exploit food sources over as much as one hectare, with individual galleries extending up to 50 metres to enter your home, where there is a smorgasbord of timber to feast upon. Even concrete slabs do not act as a barrier; they can penetrate through cracks in the slab to gain access to your home. They even build mud tubes to gain access to above ground timbers. In rare cases termites may create their nest in the cavity wall of the property without making ground contact. In these cases it may be impossible to determine their presence until extensive timber damage occurs.

Termite Damage; Once in contact with the timber they excavate it often leaving only a thin veneer on the outside. If left undiscovered the economic species can cause many thousands of dollars damage and cost two to five thousand dollars (or more) to treat.

Subterranean Termite Ecology. These termites are social insects usually living in underground nests. Nests may be in trees or in rare instances they may be in above ground areas within the property. They tunnel underground to enter the building and then remain hidden within the timber making it very difficult to locate them. Where timbers are concealed, as in most modern homes, it makes it even more difficult to locate their presence. Especially if gardens have been built up around the home and termite barriers are either not in place or poorly maintained. Termites form nests in all sorts of locations and they are usually not visible. There may be more than one nest on a property. The diet of termites in the natural environment is the various hardwood and softwood species growing throughout Australia. These same timbers are used in buildings. Worker termites move out from their underground nest into surrounding areas where they obtain food and return to nurture the other casts of termites within the nest. Termites are extremely sensitive to temperature, humidity and light and hence cannot move over ground like most insects. They travel in mud encrusted tunnels to the source of food. Detection of termites is usually by locating these mud tunnels rising from the ground into the affected structure. This takes an expert eye.

Termite barriers protect a building by forcing termites to show themselves. Termites can build mud tunnels around termite barriers to reach the timber above. The presence of termite tracks or leads does not necessarily mean that termites have entered the timber though. A clear view of walls and piers and easy access to the sub-floor means that detection should be fairly easy. However many styles of construction do not lend themselves to ready detection of termites. The design of some properties is such that they make the detection by a pest inspector difficult, if not impossible.

The tapping and probing of walls and internal timbers is an adjunct or additional means of detection of termites but is not as reliable as locating tracks. The use of a moisture meter is a useful aid for determining the presence of termites concealed behind thin wall panels, but it only detects high levels of activity. Older damage that has dried out will not be recorded. It may also provide false readings. Termite tracks may be present in the ceiling space however some roofs of a low pitch and with the presence of sisalation, insulation, air conditioning ductwork and hot water services may prevent a full inspection of the timbers in these areas. Therefore since foolproof and absolute certain detection is not possible the use of protective barriers and regular inspections is a necessary step in protecting timbers from termite attack.

BORERS OF SEASONED TIMBERS

Borers are the larvae of various species of beetles. The adult beetles lay their eggs within the timber. The eggs hatch out into larvae (grubs) which bore through the timber and can cause significant structural damage. The larvae may reside totally concealed within the timber for a period of several years before passing into a dormant pupal stage. Within the pupal case they metamorphose (change) into the adult beetle which cuts a hole in the outer surface of the timber to emerge, mate and lay further eggs to continue the cycle. It is only through the presence of these emergence holes, and the frass formed when the beetles cut the exit holes that their presence can be detected. Where floors are covered by carpets, tiling, or other floor coverings and where no access to the underfloor area is available it is not possible to determine whether borers are present or not. This is particularly the case with the upper floors of a dwelling.

Borers of 'green' unseasoned timber may also be present. However these species will naturally die out as the timbers dry out in service. Whilst some emergence holes may occur in a new property it would be unusual for such a borer to cause structural damage, though the exit holes may be unsightly.

Anobium borer (furniture beetle) and Queensland pine borer. These beetles are responsible for instances of flooring collapse, often triggered by a heavy object being placed on the floor (or a person stepping on the affected area!) Pine timbers are favoured by this beetle and, while the sapwood is preferred, the heartwood is sometimes attacked. Attack by this beetle is usually observed in timbers that have been in service for 10-20 years or more and mostly involves flooring and timber wall panelling. The *frass* from the flight holes (faeces and chewed wood) is fine and gritty. Wood attacked by these borers is often honeycombed.

Lyctus borer (powder post beetle): These borers only attack the sapwood of certain susceptible species of hardwood timber. Since it is a requirement that structural timbers contain no more than 25% Lyctus susceptible sapwood these borers are not normally associated with structural damage. Replacement of affected timbers is not recommended and treatment is not approved. Where decorative timbers are affected the emergence holes may be considered unsightly in which case timber replacement is the only option. Powder post beetles mostly attack during the first 6-12 months of service life of timber. As only the sapwood is destroyed, larger dimensional timbers (such as rafters, bearers and joists) in a house are seldom weakened significantly to cause collapse. In small dimensional timbers (such as tiling and ceiling battens) the sapwood may be extensive, and its destruction may result in collapse. Replacement of these timbers is the only option available.

TIMBER DECAY FUNGI

The fruiting bodies of wood decay fungi vary in size, shape and colour. The type of fungi encountered by pest controllers usually reside in poorly ventilated subfloors, below wet areas of the home, exterior timbers and in areas that retain water in the soil. The durability and type of timbers are factors along with the temperature and environment. Destruction of affected timbers varies with the symptoms involved. Removal of the moisture source usually alleviates the problem. Fungal decay is attractive to termites and if the problem is not rectified it may well lead to future termite attack.

TERMS & LIMITATIONS:

Important Information Any person who relies upon the contents of this report does so acknowledging that the following clauses which define the Scope and Limitations of the inspection form an integral part of the report.

- 1. THIS IS A VISUAL INSPECTION ONLY** in accord with the requirements of AS 4349.3 Inspection of buildings Part 3: Timber pest inspections. Visual inspection was limited to those areas and sections of the property to which reasonable access (See Definition) was both available and permitted on the date of Inspection. The inspection DID NOT include breaking apart, dismantling, removing or moving objects including, but not limited to, foliage, mouldings, roof insulation/sisalation, floor or wall coverings, sidings, ceilings, floors, furnishings, appliances or personal possessions. The inspector CANNOT see inside walls, between floors, inside skillion roofing, inside the eaves, behind stored goods in cupboards, in other areas that are concealed or obstructed. The inspector DID NOT dig, gouge, force or perform any other invasive procedures. An invasive inspection will not be performed unless a separate contract is entered into. In an occupied property it must be understood that furnishings or household items may be concealing evidence of Timber Pests which may only be revealed when the items are moved or removed. In the case of Strata type properties only the interior of the unit is inspected.
- 2. SCOPE OF REPORT:** This Report is confined to reporting on the discovery, or non discovery, of infestation and/or damage caused by subterranean and dampwood termites (white ants), borers of seasoned timber and wood decay fungi (hereinafter referred to as "Timber Pests"), present on the date of the Inspection. The Inspection did not cover any other pests and this Report does not comment on them. Dry wood termites (Family: KALOTERMITIDAE) and European House Borer (*Hylotrupes bujulus Linnaeus*) were excluded from the Inspection, but have been reported on if, in the course of the Inspection, any visual evidence of infestation happened to be found. If *Cryptotermes brevis* (West Indian Dry Wood Termite) or *Hylotrupes bujulus Linnaeus* are discovered we are required by law to notify Government Authorities. If reported a special purpose report may be necessary.
- 3. LIMITATIONS:** Nothing contained in the Report implies that any inaccessible or partly inaccessible areas or sections of the property being inspected by the Inspector on the date of the Inspection were not, or have not been, infested by Timber Pests. Accordingly this Report is not a guarantee that an infestation and/or damage does not exist in any inaccessible or partly inaccessible areas or sections of the property. Nor is it a guarantee that a future infestation of Timber Pests will not occur or be found.
- 4. DETERMINING EXTENT OF DAMAGE:** The Report is NOT a structural damage Report. We claim no expertise in building and any observations or recommendations about timber damage should not be taken as expert opinion and CANNOT be relied upon. If any evidence of Timber Pest activity and/or damage resulting from Timber Pest activity is reported either in the structure(s) or the grounds of the property, then You must assume that there may be concealed structural damage within the building(s). This concealed damage may only be found when wall linings, cladding or insulation is removed to reveal previously concealed timbers. An invasive Timber Pest Inspection (for which a separate contract is required) is strongly recommended and You should arrange for a qualified person such as a Builder, Engineer, or Architect to carry out a structural inspection and to determine the full extent of the damage and the extent of repairs that may be required. You agree that neither We nor the individual conducting the Inspection is responsible or liable for the repair of any damage whether disclosed by the report or not.
- 5. MOULD:** Mildew and non wood decay fungi are commonly known as Mould and is not considered a Timber Pest but may be an indicator of poor ventilation or the presence of termites, wood decay or water leaks. Mould and their spores may cause health problems or allergic reactions such as asthma and dermatitis in some people.
- 6. DISCLAIMER OF LIABILITY:** No liability shall be accepted on account of failure of the Report to notify any Termite activity and/or damage present at or prior to the date of the Report in any areas(s) or section(s) of the subject property physically inaccessible for inspection, or to which

access for Inspection is denied by or to the Licensed Inspector (including but not limited to any area(s) or section(s) so specified by the Report).

- 7. DISCLAIMER OF LIABILITY TO THIRD PARTIES:** Compensation will only be payable for losses arising in contract or tort sustained by the Client named on the front of this report. Any third party acting or relying on this Report, in whole or in part, does so entirely at their own risk. However, if ordered by a Real Estate Agent or a Vendor for the purpose of auctioning a property then the Inspection Report may be ordered up to seven (7) days prior to the auction, copies may be given out prior to the auction and the Report will have a life of 14 days during which time it may be transferred to the purchaser. Providing the purchaser agrees to the terms of this agreement then they may rely on the report subject to the terms and conditions of this agreement and the Report itself.

Note: In the ACT under the Civil Law (Sale of Residential Property) Act 2003 and Regulations the report resulting from this inspection may be passed to the purchaser as part of the sale process providing it is carried out not more than three months prior to listing and is not more than six months old.

8. COMPLAINTS PROCEDURE

In the event of any dispute or claim arising out of, or relating to the Inspection or the Report, You must notify Us as soon as possible of the dispute or claim by email, fax or mail. You must allow Us (which includes persons nominated by Us) to visit the property (which visit must occur within twenty eight (28) days of your notification to Us) and give Us full access in order that We may fully investigate the complaint. You will be provided with a written response to your dispute or claim within twenty eight (28) days of the date of the inspection.

If You are not satisfied with our response You must within twenty one (21) days of Your receipt of Our written response refer the matter to a Mediator nominated by Us from the Institute of Arbitrators and Mediators of Australia. The cost of the Mediator will be borne equally by both parties or as agreed as part of the mediated settlement.

Should the dispute or claim not be resolved by mediation then the dispute or claim will proceed to arbitration. The Institute of Arbitrators and Mediators of Australia will appoint an Arbitrator who will hear and resolve the dispute. The arbitration, subject to any directions of Arbitrator, will proceed in the following manner:

- (a) The parties must submit all written submissions and evidence to the Arbitrator within twenty one (21) days of the appointment of the Arbitrator; and
- (b) The arbitration will be held within twenty one (21) days of the Arbitrator receiving the written submissions.

The Arbitrator will make a decision determining the dispute or claim within twenty one (21) days of the final day of the arbitration. The Arbitrator may, as part of his determination, determine what costs, if any, each of the parties are to pay and the time by which the parties must be paid any settlement or costs.

The decision of the Arbitrator is final and binding on both parties. Should the Arbitrator order either party to pay any settlement amount or costs to the other party but not specify a time for payment then such payment shall be made within twenty one (21) days of the order.

In the event You do not comply with the above Complaints Procedure and commence litigation against Us then You agree to fully indemnify Us against any awards, costs, legal fees and expenses incurred by Us in having your litigation set aside or adjourned to permit the foregoing Complaints Procedure to complete.

LIMITED LIABILITY TO A PURCHASER WITHIN THE AUSTRALIAN CAPITAL TERRITORY ONLY:

Within the Australian Capital Territory (ACT) and in accordance with the ACT Civil Law (Sale of Residential Property) Act 2003 and Regulations, a copy of the Report may be attached to the

Contract for Sale.

This Report may be attached to the Contract, provided that:

- I. This Report must include: -
 - (a) the Inspection Date; and
 - (b) the date the Report was prepared; and
 - (c) the Pacific International Insurance Limited policy number and expiry date of the professional indemnity insurance policy covering the Inspector who provided the Report.
- II. The Vendor and the Purchaser are advised that within 7 days after the Inspection Date the following information will be given to the Territory (defined in the Act) for inclusion in a publicly available register: -
 - (a) the fact that this Report has been prepared; and
 - (b) the street address of the property inspected; and
 - (c) the Inspection Date stated in this Report; and
 - (d) the name and contact details of the company, partnership or sole trader that employs the Timber Pest Inspector who prepared the Report; and
 - (e) the name of the Timber Pest Inspector who carried out the inspection.
- III. As required by Part 2, Section 7 and Clause 5 of the Regulations the circumstances in which reliance may be placed on the report in respect to the state of the property at the time of the inspection are:
 - (a) the inspection was carried out not more than three months prior to the date the property named on the front of the Report was first listed or offered for sale; and
 - (b) the date on which the settlement took place was not more than one hundred and eighty (180) days after the Inspection Date; and
 - (c) the Report is given by the Vendor to the prospective Purchaser prior to Exchange; and

The Purchasers agreement to the 'Notice to the Purchaser' should be in a recordable form e.g. email, text, a signed "Notice to the Purchaser," to the company, partnership or sole trader at the address shown on the front of the Report not less than four (4) days prior to the date of settlement, If it is more than 60 days from the inspection date, we recommend a new inspection and report.

- IV. The Vendor and the Purchaser are advised that, upon payment of a reasonable fee, the company, partnership or sole trader that employed the Timber Pest Inspector who prepared this Report may supply a copy to any person, Solicitor, company or organization purporting to represent or be a person who has entered into a contract to buy the property.

NOTE: The provisions of the above 'Limited Liability to a Purchaser within the Australian Capital Territory only' clause together with the 'Notice to the Purchaser' shall, in all circumstances, form part of the Contract between the Purchaser and the company, partnership or sole trader that employs the Timber Pest Inspector who carried out the Inspection.

WARNING: The Purchaser is advised that this Report reflects the condition of the property existing at the time of the inspection (Inspection Date) and may not reflect the current state. Timber Pests, particularly Termites, may have gained entry to the property since the Inspection Date. Termites can, in a relatively short period, cause significant damage to both structural and non-structural timbers within and around the buildings of the Property. Termites (white ants) may be difficult to detect and much of the damage caused may not be readily visible. If damage exists then it may cost thousands of dollars to repair. It is, therefore, very strongly recommended that You promptly arrange for another inspection and report in accordance with Australian Standard AS4349.3 to be carried out prior to the expiration of the 'Cooling off Period' and settlement.

Name of Inspector

Company Date of Inspection.....

Street Address of the Property

Post Code Exchange Date

Contact Details:

Full name of the Purchaser.....

Address

Suburb Post Code

Phone ()

Mobile

Fax.....

Email@.....

Signed on this the day of 2013

NAME OF INSPECTOR


The inspection was carried out by: Marc O'Donnell

State Licence Number: 15-007448-003

Insurance Accreditation Number: AUS-13-10935

Dated this 24th Day of January 2014

Signed for and on behalf of Lawrie Paul Building & Pest Services



Marc O'Donnell



**PACIFIC
INTERNATIONAL**
Pacific International Insurance Limited

PO Box 19-410 Avondale
Auckland New Zealand
Telephone: (64 9) 820 3433
Fax: (64 9) 820 3434
Email: insurance@pacificintins.com

CERTIFICATE OF CURRENCY

This is intended for use as evidence that the cover summarised below has been effected and shall be subject to all terms and conditions and exclusions of the Policy document and Schedule.

If the Insured has a Premium Funding agreement in place, this Policy may be cancelled in accord with the terms of the Insurance Contracts Act if the Insured fails to make the required payments.

The Insured: Mick Ffrench Pest & Building Services Pty Ltd
T/as Lawrie Paul Building Services

Address: 16 Marril Street
QUEANBEYAN NSW

PARTICULARS OF INSURANCE COVER

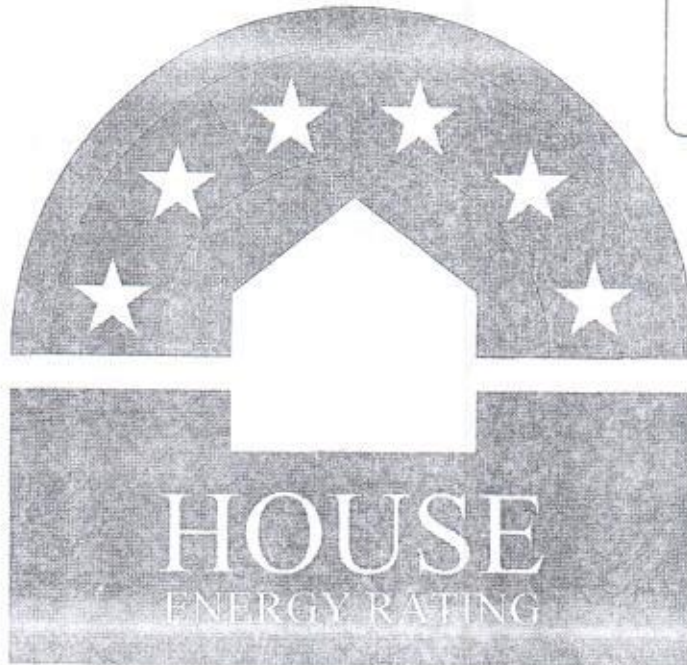
Insurer:	Pacific International Insurance Limited	
Policy Number:	AUS-13-10935	
Period of Insurance Cover:	14 October 2013 To 14 October 2014	
Limit of General & Public Liability:	\$5,000,000	Any one claim and in the aggregate during the period of insurance.
Sub-Limit of General & Public Liability Environmental Impairment:	\$250,000	Any one claim and in the aggregate during the period of insurance.
Limit of Professional Indemnity:	\$500,000	Any one claim and in the aggregate during the period of insurance.

Pacific International accepts no responsibility for any failure to notify the recipient of this Certificate of Currency in the event of the policy being cancelled.



Monday, 14 October 2013

FirstRate Report



ACT HOUSE ENERGY
RATING SCHEME

TONY PIKE 01 -0034

[Signature]
FirstRate Assessor

YOUR HOUSE ENERGY RATING IS: ★★
in Climate: 24

2 STARS

SCORE: -37 POINTS

Name:

[REDACTED]

Ref No: 4467

House Title: 10/518 GORDON

Date: 27-01-2014

Address: 13 TALLON PL

GORDON

2906

Reference: C:\...AGD 518 010 H 00 00 000

Approx Area 102 sqm

Tony Pike - Lic No 2011185

IMPROVING YOUR RATING

The table below shows the current rating of your house and its potential for improvement.

Star Rating	POOR			AVERAGE				GOOD			V. GOOD	
	0 Star	★	★★	★★★	★★★★	★★★★★	★★★★★★	★★★★★★★	★★★★★★★★	★★★★★★★★★		
Point Score	-71	-70	-46	-45	-26	-25	-11	-10	4	5	16	17
Current	-37											
Potential	8											

Incorporating these design options will add the additional points required to achieve the potential rating shown in the table. Each point represents about a 1% change in energy efficiency. This list is only a guide to the range of options that could be used.

Design options

Additional points

Change added wall insulation

R 1.5

45

ORIENTATION

Orientation is one of the key factors which influences energy efficiency. This dwelling will achieve different scores and star ratings for different orientations.

Current Rating	8	★★★★★
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Largest windows in the dwelling;

Direction : North East

Area : 11 m²

The table below shows the total score for the dwelling when these windows face the direction indicated.

Note that obstructions overshadowing windows have been removed from all windows in these ratings to allow better comparisons to be made between orientations.

ORIENTATION	POINT SCORE	STAR RATING
1. North East	-37	★★
2. East	-43	★★
3. South East	-52	★☆
4. South	-54	★☆
5. South West	-53	★☆
6. West	-44	★★
7. North West	-38	★★
8. North	-33	★★☆

FirstRate Mode
Climate: 24

RATING SUMMARY for: 10/518 GORDON, 13 TALLON PL, GORDON

Assessor's Name: Tony Pike
 Net Conditioned Floor Area: 79.3 m²

Feature	Points					
	Winter	Summer	Total			
CEILING	4	1	4			
Surface Area: 0 Insulation: 4						
WALL	-2	1	-1			
Surface Area: -23 Insulation: -23 Mass: 0						
FLOOR	10	0	10			
Surface Area: 0 Insulation: -3 Mass: 14						
AIR LEAKAGE (Percentage of score shown for each element)	-4	0	-4			
Fire Place 0 % Vented Skylights 0 %						
Fixed Vents 0 % Windows 15 %						
Exhaust Fans 25 % Doors 39 %						
Down Lights 0 % Gaps (around frames) 22 %						
DESIGN FEATURES	0	0	0			
Cross Ventilation 0						
ROOF GLAZING	1	-1	-1			
Winter Gain 2 Winter Loss -1						
WINDOWS	-11	-11	-22			
Window Direction	Area		Point Scores			
	m2	%NCFA	Winter* Loss	Winter Gain	Summer Gain	Total
NE	11	14%	-31	27	-6	0
SE	5	6%	-14	6	-3	0
NW	2	3%	-6	7	-2	0
Total	18	23%	-51	40	-11	-22

* Air movement over glazing can significantly increase winter heat losses. SEAV recommends heating/cooling duct outlets be positioned to avoid air movement across glass or use deflectors to direct air away from glass.

The contribution of heavyweight materials to the window score is 1 point.

	Winter	Summer	Total
RATING ★★★★★	SCORE -2	-11	8*

* Includes 21 points from Area Adjustment

Detailed House Data

House Details

ClientName [REDACTED]
 HouseTitle 10/518 GORDON
 StreetAddress 13 TALLON PL
 Suburb GORDON
 Postcode 2906
 AssessorName Tony Pike
 FileCreated 27-01-2014

Climate Details

State
 Town Canberra
 Postcode 2600
 Zone 24

Floor Details

ID	Construction	Sub Floor	Upper	Shared	Foil	Carpet	Ins RValue	Area
1	Concrete Slab on ground	No Subfloor	No	No	No	Carp	R0.0	31.0m ²
2	Concrete Slab on ground	No Subfloor	No	No	No	Float Timb	R0.0	58.0m ²

Wall Details

ID	Construction	Shared	Ins RValue	Length	Height
1	Brick Veneer	No	R0.0	39.0m	2.4m

Ceiling Details

ID	Construction	Shared	Foil	Ins RValue	Area
1	Attic - Standard	No	No	R3.5	89.0m ²

Window Details

ID	Dir	Height	Width	Utility	Glass	Frame	Curtain	Blind	Fixed & Adj Eave	Fixed Eave	Head to Eave
1	SE	2.0m	0.6m	No	SG	ALSTD	NC	No	1.2m	1.2m	0.0m
2	SE	2.0m	1.8m	No	SG	ALSTD	HD	No	0.0m	0.0m	0.0m
3	NW	1.2m	1.6m	No	SG	ALSTD	HD	No	0.0m	0.0m	0.0m
4	NW	0.9m	0.5m	Yes	SG	TIMB	NC	No	0.0m	0.0m	0.0m
5	NE	1.2m	1.6m	No	SG	ALSTD	HD	Yes	0.6m	0.6m	0.0m
6	NE	1.2m	1.8m	No	SG	ALSTD	HD	Yes	0.6m	0.6m	0.0m
7	NE	2.1m	1.8m	No	SG	ALSTD	HD	No	2.4m	0.6m	0.0m
8	NE	2.0m	1.6m	No	SG	ALSTD	HD	No	0.6m	0.6m	0.2m

Window Shading Details

ID	Dir	Height	Width	Obst Height	Obst Dist	Obst Width	Obst Offset	LShape Left Fin	LShape Left Off	LShape Right Fin	LShape Right Off
No shaded windows											

Sky Light Details

ID	Dir	Tilt	Type	Shade	Utility	Width	Length
1	N	15 degrees	Single Clear	No	No	0.5m	0.5m
2	N	15 degrees	Single Clear	No	Yes	0.5m	0.5m

Zoning Details

Is there Cross Flow Ventilation? Average

Air Leakage Details

Location	Suburban
Is there More than One Storey ?	No
Is the Entry open to the Living Area ?	No
Area of Heavyweight Mass	0m ²
Area of Lightweight Mass	0m ²

	<u>Sealed</u>	<u>UnSealed</u>
Chimneys	0	0
Vents	0	0
Fans	0	1
Downlights	0	0
Skylights	0	0
Utility Doors	0	3
External Doors	1	2

Unflued Gas Heaters	0
Percentage of Windows Sealed	100%
Windows - Average Gap	Medium
External Doors - Average Gap	Medium
Gaps & Cracks Sealed	No

Important Asbestos Advice for ACT homes built before 1985

Asbestos is hazardous but it can be managed safely.

Follow the three steps for managing materials containing asbestos (MCAs) in your home.

Step 1. Identify where MCAs may be in your home

When was your house built?

- If your house was built before 1985, the table below gives you an indication of where you are likely to find MCAs in your home. There is also a diagram on the back of this sheet showing where MCAs are commonly found.
- If your house was built after 1985, it is unlikely to contain MCAs.
- If in doubt, assume that materials DO contain asbestos.

Common locations of MCAs in ACT homes*

(Percentage (%) of properties sampled where asbestos was detected)

Location	Pre 1965	1965-1979	1980-1984	1985-now*
Eaves	86%	92%	40%	0%
Garage/shed	80%	70%	15%	0%
Bathroom	54%	75%	50%	0%
Laundry	75%	80%	50%	0%
Kitchen	52%	23%	15%	0%

*Results of 2005 Asbestos Survey of over 600 ACT Homes. *One MCA was found in a 1985 house supporting roof tiles on a gable end.

Step 2. Assess the risk

Visually check the condition of the MCA – is it cracked, broken, etc?

- If it's in good condition and left undisturbed, it does not pose a health risk.
- If you suspect it is not in good condition, arrange for appropriate maintenance or removal by a qualified person.

Step 3. Manage safely

Make sure you remember to:

- Keep an eye on MCAs to make sure they remain in good condition.
- Consider removal of the MCA by a qualified person, when renovating or doing home repairs.
- Inform tradespeople working on your home of the location of any possible MCAs.
- Engage a qualified person if you decide to obtain a professional asbestos report on MCAs in your home.

For further information or advice on managing asbestos or home renovations visit the asbestos website www.asbestos.act.gov.au or call 13 22 81.



Asbestos Awareness.
Helping everyone breathe easier.

Common locations of materials containing asbestos in ACT homes

If your house was built before 1985, some of the materials it was built from probably contain asbestos.



Garages, carports, sheds and dog kennels



Wet areas including wall and ceiling lining



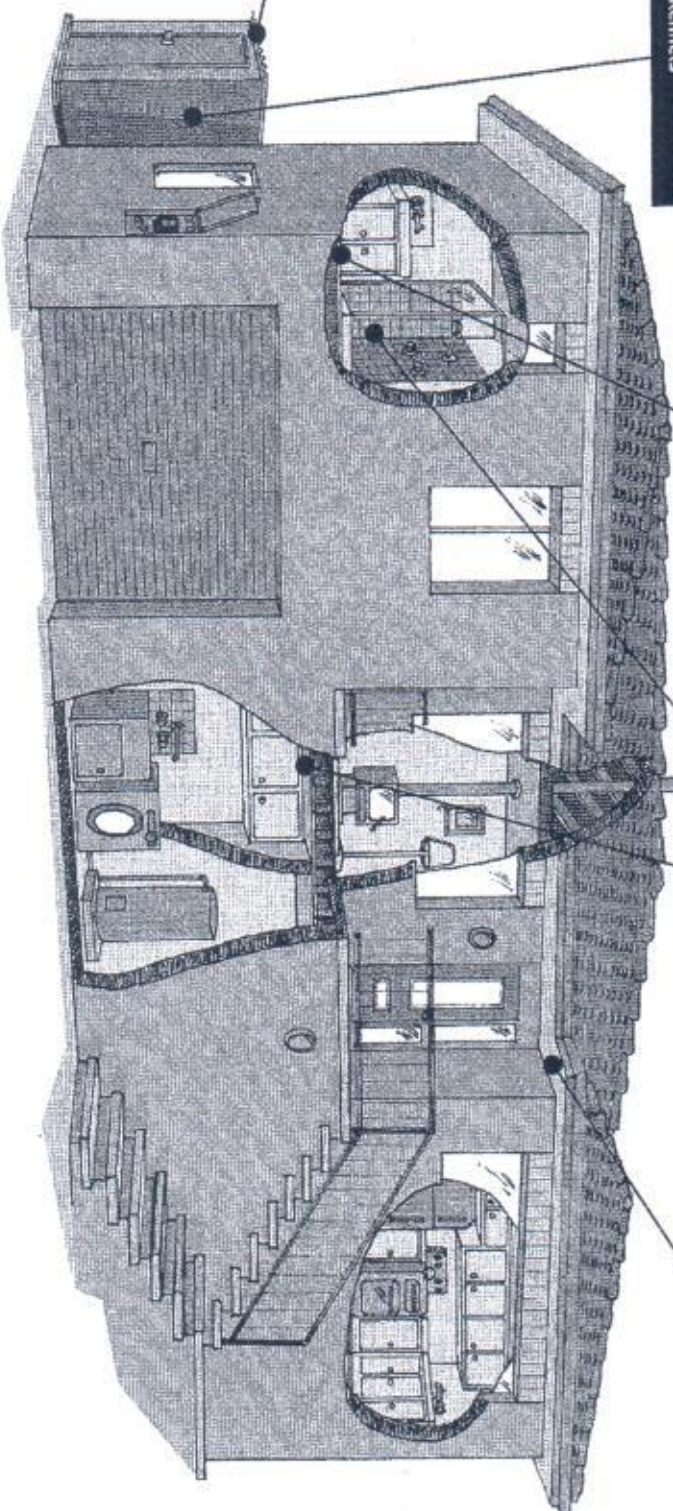
Wet areas including wall and ceiling lining



Eaves



Corrugated asbestos roofing



Asbestos Awareness.
Helping everyone breathe easier.

COOLING OFF PERIOD (for residential property only)

- 1 The Buyer may rescind this Contract at any time before 5 p.m. on the 5th working day after the day this Contract is made except if any circumstance in paragraph 2 applies.
- 2 There is no cooling off period if:
 - the Buyer is a corporation; or
 - the Property is sold by tender; or
 - the Property is sold by auction; or
 - before signing this Contract, the Buyer gives the Seller a certificate in the form required by the Sale of Residential Property Act signed by the Buyer Solicitor; or
 - this Contract is made on the same day the Property was offered for sale by auction but passed in and the Buyer was recorded in the bidders record as a bidder or a person for whom a bidder was bidding.
- 3 A Buyer exercising the cooling off right by rescinding this Contract forfeits 0.25% of the Price. The Seller is entitled to recover the amount forfeited from the Deposit and the Buyer is entitled to a refund of any balance.

WARNINGS

- 1 The Lease may be affected by the *Residential Tenancies Act 1997* or the *Leases (Commercial & Retail) Act 2001*.
- 2 If a consent to transfer is required by law, see cl. 4 as to the obligations of the parties.
- 3 As some risks associated with the Property pass from the Seller to Buyer on the Date of this Contract, (except if the Property is a Unit) the Buyer should take out insurance on the Property on the Date of this Contract.
- 4 The Buyer will usually have to pay stamp duty on this Contract. The Buyer may incur penalties if the Buyer does not pay the stamp duty within the required time.
- 5 There are serious risks to a Buyer releasing the Deposit before Completion. The Buyer should take legal advice before agreeing to release the Deposit.
- 6 The Buyer should consider the application of the Territory Plan and other planning and heritage issues before signing this Contract.
- 7 If the Lease is a concessional lease then restrictions on transfer and other dealings may apply.

DISPUTES

If there is a dispute, the Law Society encourages the use of informal procedures such as negotiation, independent expert appraisal or mediation to resolve the dispute.

EXCHANGE OF CONTRACT

- 1 An Agent, authorised by the Seller, may:
 - insert:
 - the name and address of, and contact details for, the Buyer;
 - the name and address of, and contact details for, the Buyer Solicitor;
 - the Price;
 - the Date of this Contract,
 - insert in, or delete from, the Goods; and
 - exchange this Contract.
- 2 An Agent must not otherwise insert, delete or amend this Contract.
- 3 **The Agent must not exchange this Contract unless expressly authorised by the Seller or (if a solicitor is acting for the Seller) by the Seller or the Seller Solicitor.**

The Seller agrees to sell and the Buyer agrees to buy the Property for the Price on these terms:

1 Definitions and interpretation

1.1 Definitions appear in the Schedule and as follows:

Affecting Interests any mortgage, encumbrance, lease, lien, charge, notice, order, caveat, writ, or other interest;

Agent has the meaning in the Sale of Residential Property Act;

Balance of the Price the Price less the Deposit;

Breach of Covenant

- a Development not approved under the Planning Act including a development for which design and siting approval has not been obtained;
- a breach of the Building and Development Provision;
- a breach of any obligation of the Seller in a registered restrictive covenant affecting the Lease;
- a breach of any other term of the Lease;
- a breach of the articles of the Owners Corporation (if the Property is a Unit);
- an Unapproved Structure;

Building Act the *Building Act 2004*;

Building and Development Provision has the meaning in the Planning Act;

Building Conveyancing Inquiry Document has the meaning in the Sale of Residential Property Act;

Building and Compliance Inspection Report has the meaning in the Sale of Residential Property Act;

Business Day any day other than a Saturday, Sunday, public holiday or bank holiday in the Australian Capital Territory;

Class A Unit has the meaning in the Sale of Residential Property Act;

Common Property for a Unit has the meaning in the Unit Titles Act;

Common Property for a Lot that forms part of a Community Title Scheme has the meaning in the Community Title Act;

Community Title Act the *Community Title Act 2001*;

Community Title Body Corporate the entity referred to as such in the Community Title Act;

Community Title Management Statement has the meaning in the Community Title Act;

Community Title Master Plan has the meaning in the Community Title Act;

Community Title Scheme has the meaning in the Community Title Act;

Completion the time at which this Contract is completed;

Compliance Certificate a certificate issued for the Lease under s.296 of the Planning Act or under s. 28 of the *City Area Leases Act 1936*; or s. 180 of the Land Act

Covenant includes restrictive covenant;

Default Notice a notice in accordance with cl. 18.5 and cl. 18.6;

Default Rules has the meaning in the Unit Titles Management Act;

Deposit the deposit forming part of the Price;

Developer in respect of a Unit has the meaning in the Unit Titles Act; in respect of a Lot has the meaning in the Community Title Act;

Developer Control Period has the meaning in the Unit Titles Management Act;

Development has the meaning in the Planning Act;

Development Statement has the meaning in the Unit Titles Act;

Encumbrance has the meaning in the Sale of Residential Property Act but excludes a mortgage;

Energy Efficiency Rating Statement has the meaning in the Sale of Residential Property Act;

General Fund Contribution has the meaning in s. 78(1) of the Unit Titles Management Act;

GST has the meaning in the *A New Tax System (Goods and Services Tax) Act 1999*;

GST Rate the prevailing rate of GST specified as a percentage;

Improvements the buildings, structures and fixtures erected on and forming part of the Land;

Income rents and profits derived from the Property;

Land Act the *Land (Planning & Environment) Act 1991*;

Land Charges rates, land rent, land tax and other taxes and outgoings of a periodic nature in respect of the Property;

Land Rent Act the *Land Rent Act 2008*;

Land Rent Lease a Lease that is subject to the Land Rent Act;

Lease the lease of the Land having the meaning in the Planning Act;

Lease Conveyancing Inquiry Document has the meaning in the Sale of Residential Property Act;

Legislation Act the *Legislation Act 2001*;

Liability of the Owners Corporation any actual or contingent liability of the Owners Corporation attributable to the Unit on a Unit Entitlement basis (other than normal operating expenses) or expenditure to be made by the Owners Corporation to fulfil its obligations under the Unit Titles Management Act;

Lot has the meaning in the Community Title Act;

Non-Land Rent Lease a Lease that is not subject to the Land Rent Act;

Notice to Complete a notice in accordance with cl. 18.1 and cl. 18.2 requiring a party to complete;

Owners Corporation the Owners Corporation for the Unit constituted or to be constituted under the Unit Titles Management Act following registration of the Units Plan;

Pest Inspection Report has the meaning in the Sale of Residential Property Act;

Pest Treatment Certificate has the meaning in the Sale of Residential Property Act;

Planning Act the *Planning and Development Act 2007*;

Planning and Land Authority has the meaning in the Legislation Act;

Prescribed Building has the meaning in the Building Act;

Prescribed Terms has the meaning in the *Residential Tenancies Act 1997*;

Property the unexpired term of the Lease, the Improvements and the Goods, or (if the Land is a Unit) the unexpired term of the Unit Lease, the Improvements and the Goods;

Required Documents has the meaning in the Sale of Residential Property Act and includes a Section 119 Certificate but excludes a copy of this Contract;

Rescission Notice has the meaning in the Sale of Residential Property Act;

Sale of Residential Property Act the *Civil Law (Sale of Residential Property) Act 2003*;

Section 119 Certificate a certificate for the Unit issued under s. 119 of the Unit Titles Management Act;

Section 56 Certificate a certificate for a Lot issued under s. 56 of the Community Title Act;

Section 67 Statement a statement for a Lot complying with s. 67(2)-(4) of the Community Title Act;

Service includes air, communication, drainage, electricity, garbage, gas, oil, radio, sewerage, telephone, television or water service;

Staged Development – see s. 17(3) of the Unit Titles Act;

Tenancy Agreement includes a lease for any term and whether for residential purposes or otherwise;

Unapproved Structure has the meaning in the Sale of Residential Property Act;

Unit the Unit referred to in the Schedule and which has the meaning in the Unit Titles Act;

Unit Entitlement for the Unit has the meaning in the Unit Titles Act;

Unit Title is the Lease together with the rights of the registered lessee of the Unit;

Unit Titles Act the *Unit Titles Act 2001*;

Unit Titles Management Act the *Unit Titles (Management) Act 2011*;

Units Plan all the documents relating to the subdivision of the Land registered as the Units Plan for the Unit under the *Land Titles (Unit Titles) Act 1970*.

1.2 In this Contract:

- a reference to the Seller or to the Buyer includes the executors,

- administrators and permitted assigns of any of them, if an individual, and the successors or permitted assigns of any of them, if a corporation;
- the singular includes the plural, and the plural includes the singular;
 - a reference to a person includes a body corporate;
 - a term not otherwise defined has the meaning in the Legislation Act;
 - a reference to an Act includes a reference to any subordinate legislation made under it or any Act which replaces it.
- 1.3 Headings are inserted for convenience only and are not part of this Contract.
- 1.4 If the time for something to be done or to happen is not a Business Day, the time is extended to the next Business Day, except in the case of cl. 2.1.
- 1.5 A reference to "this Contract" extends to the Schedule, any annexure, additional clauses and attachments forming part of this Contract.
- 1.6 If there is more than one buyer or more than one seller the obligations which they undertake bind them jointly and individually.
- 1.7 Where the Buyer consists of more than one person, as between themselves, they agree to buy the Property in the specified manner of Co-ownership or if one alternative is not marked, as joint tenants.
- 2 Terms of payment**
- 2.1 The Buyer must pay the Deposit on the Date of this Contract, to the Stakeholder or, if no Stakeholder is named, then to the Seller.
- 2.2 The Deposit becomes the Seller's property on Completion.
- 2.3 The Deposit may be paid by cheque or cash but if it is not paid on time or, if it is paid by cheque which is not honoured on first presentation, the Buyer is in default.
- 2.4 If the Buyer is in default under cl. 2.3, then immediately and without the notice otherwise necessary under cl. 18, cl. 19 applies.
- 2.5 On Completion the Buyer must give the Seller an authority directing the Stakeholder to account to the Seller for the Deposit.
- 2.6 On Completion the Buyer must pay to the Seller in Canberra the Balance of the Price by unendorsed bank cheque, or in cash (up to \$200).

- 2.7 Any money payable to the Seller by the Buyer or the Stakeholder must be paid to the Seller or as the Seller Solicitor directs in writing and payment in accordance with that direction will be sufficient discharge to the person paying.
- 2.8 Completion must take place on the Date for Completion or as otherwise determined by this Contract and if not specified or determined, within a reasonable time.
- 3 Title to the Lease**
- 3.1 The Lease is or will before Completion be granted under the Planning Act.
- 3.2 The Lease is transferred subject to its provisions.
- 3.3 The title to the Lease is or will before Completion be registered under the *Land Titles Act 1925*.
- 3.4 The title to the Lease must be transferred free from all Affecting Interests except as otherwise provided.
- 3.5 The Buyer cannot insist on any Affecting Interests being removed from the title to the Lease before Completion provided, on Completion, the Seller gives the Buyer any documents and registration fees necessary to remove the Affecting Interests.
- 4 Restrictions on transfer**
- 4.1 The Lease is not subject to any restrictions on transfer other than any Restriction on Transfer.
- 4.2 If the Lease is subject to a Restriction on Transfer under the Planning Act due to non-compliance with the Building and Development Provision then this Contract is subject to the grant of the unconditional consent referred to in s. 298 of the Planning Act. A Restriction on Transfer referring to "s. 298" refers to this restriction.
- 4.3 If the Lease is granted under the Planning Act and is a lease of the type referred to in s.251 of the Planning Act then this Contract is subject to the grant of the unconditional consent in s. 251 and s. 252 of the Planning Act. A Restriction on Transfer referring to "s. 251" refers to this restriction.
- 4.3A If the Lease is subject to a Restriction on Transfer under s.265 of the Planning Act, then this Contract is subject to the grant of the unconditional consent in ss. 265 and 266 of the Planning Act. A Restriction on Transfer referring to "s. 265" refers to this restriction.
- 4.4 Immediately after the Date of this Contract the Seller must do everything reasonably necessary to remove the restriction or obtain

the consent required. If requested in writing, the Buyer must join in any application of the Seller and must do everything reasonably necessary to enable the Seller to obtain the consent. The Seller must pay all associated fees in connection with the application.

- 4.5 If the consent referred to in cl. 4.2, cl. 4.3 or cl. 4.3A is not granted by the Date for Completion then either party may rescind this Contract (provided that the party seeking to rescind is not then in default) and cl. 21 applies.

5 Particulars of title and submission of transfer

- 5.1 Unless cl. 5.3 applies the Seller need not provide particulars of title.

- 5.2 Within 7 days after the Date of this Contract the Seller must give the Buyer a transfer of the Lease executed by the Seller in the form prescribed by the *Land Titles Act 1925* to be held by the Buyer on trust for the Seller until Completion only for the purpose of:

- 5.2.1 signing;
- 5.2.2 completing the Buyer details and Co-ownership in accordance with this Contract; and
- 5.2.3 stamping by the Buyer,

and the Buyer must immediately return the transfer if the Seller demands it.

- 5.3 If the Seller is not the registered proprietor of the Lease at the Date of this Contract, the Seller must give to the Buyer no later than 14 days before the Date for Completion a copy of the instrument and any other documents necessary to enable the Seller to be registered as proprietor.

6 Buyer rights and limitations

- 6.1 If the Buyer establishes before Completion that except as disclosed in this Contract there is any Unapproved Structure on the Property, then the Buyer may:

- 6.1.1 require the Seller to arrange for the Unapproved Structure to be approved before Completion; and
- 6.1.2 if the Unapproved Structure is not approved before Completion, rescind or complete and sue the Seller for damages.

- 6.2 If the Buyer establishes, immediately before Completion, that, except as disclosed in this Contract:

- 6.2.1 the Property is subject to an encumbrance other than the

encumbrances shown on the title to the Lease; or

- 6.2.2 the Buyer is not entitled to vacant possession,

then the Buyer may either:

- 6.2.3 rescind; or
- 6.2.4 complete and sue the Seller for damages.

- 6.3 The Buyer is not entitled to make any requisitions on the title to the Property.

- 6.4 The Buyer cannot make a claim or objection or rescind or terminate in respect of:

- 6.4.1 a Service for the Property being a joint service or passing through another property, or any Service for another property passing through the Property;
- 6.4.2 a wall being or not being a party wall or the Property being affected by an easement for support or not having the benefit of an easement for support;
- 6.4.3 any change in the Property due to fair wear and tear before Completion;
- 6.4.4 a promise, representation or statement about this Contract, the Property or the Lease, not made in this Contract;
- 6.4.5 any Breach of Covenant described in the Schedule or disclosed elsewhere in this Contract;
- 6.4.6 the ownership or location of any dividing fence;
- 6.4.7 the ownership of any fuel storage tank; and
- 6.4.8 anything disclosed in this Contract (except an Affecting Interest).

7 Seller warranties

- 7.1 The Seller warrants that at the Date of this Contract:

- 7.1.1 the Seller will be able to complete at Completion;
- 7.1.2 the Seller has no knowledge of any unsatisfied judgment, order or writ affecting the Property;
- 7.1.3 the Seller has no knowledge of any current or threatened claims, notices or proceedings that may

lead to a judgment, order or writ affecting the Property; and

- 7.1.4 the Seller is not aware of any material change in the matters disclosed in the Required Documents.

7.2 The Seller warrants that on Completion:

7.2.1 the Seller will be or will be able to be the registered proprietor of the Lease and will own the rest of the Property free from any Affecting Interests;

7.2.2 the Seller will have the capacity to complete;

7.2.3 there will be no unsatisfied judgment, order or writ affecting the Property;

7.2.4 the Seller has no knowledge of any current or threatened claims, notices or proceedings that may lead to a judgment order or writ affecting the Property;

7.2.5 the Seller is not aware of any encroachments by or upon the Property except as disclosed. This warranty does not extend to the location of any dividing fence;

7.2.6 there will be no Breach of Covenant except as disclosed in this Contract; and

7.2.7 unless disclosed in the Schedule or elsewhere in this Contract, the Lease is a Non-Land Rent Lease and not a Land Rent Lease.

7.3 The Seller gives no warranties as to the present state of repair of any of the Improvements or condition of the Land, except as required by law.

8 Adjustments

8.1 Subject to cl. 8.2:

8.1.1 the Seller is entitled to the Income and is liable for all Land Charges up to and including Completion after which the Buyer will be entitled to the Income and liable for the Land Charges; and

8.1.2 the parties must pay any adjustment of the Income and Land Charges calculated under this clause on Completion.

8.2 If the Property is liable to land tax, the Seller must pay it on or before Completion and no adjustment of land tax will be made if the Buyer warrants (in writing if the Seller

requires it) that the Buyer is or will on Completion be entitled to an exemption from land tax.

8.3 Any concessional Land Charges must be adjusted on the concessional amount of those Land Charges.

8.4 If any of the Land Charges have not been assessed on Completion, the Buyer will be entitled to retain in the Buyer Solicitor trust account from the Balance of the Price an amount sufficient to pay the Seller's proportion of those Land Charges.

8.5 Attached are copies of the relevant invoices for the cost of obtaining the Building and Compliance Inspection Report and Pest Inspection Report. The Buyer must pay to the Seller the cost of obtaining the Building and Compliance Inspection Report and the Pest Inspection Report as required by s. 18 of the Sale of Residential Property Act on Completion.

9 Terms of possession

9.1 The Seller must give the Buyer vacant possession of the Property on Completion unless otherwise marked in the Schedule.

9.2 If the Property is sold subject to a tenancy, the Seller has:

9.2.1 attached to this Contract a copy of the signed Tenancy Agreement; or

9.2.2 completed the tenancy summary on page 2.

9.3 If the Property is sold subject to a tenancy:

9.3.1 the Seller warrants that except as disclosed in this Contract:

(a) if applicable, the rental bond has been provided in accordance with the *Residential Tenancies Act 1997*;

(b) if applicable, the Seller has complied with the *Residential Tenancies Act 1997*;

(c) if applicable, the Seller has no notice of any application by the tenant for the release of the rental bond;

(d) no notices relating to the tenancy have been served on the Seller or any agent of the Seller or on the tenant other than as disclosed in this Contract and there are no

- outstanding claims or disputes with the tenant;
- (e) there is no unremedied breach of the Tenancy Agreement by the tenant or the Seller; and
- (f) if applicable, the Tenancy Agreement incorporates:
 - (i) the Prescribed Terms; and
 - (ii) any other terms approved by the Residential Tenancies Tribunal

9.3.2 The Seller must hand to the Buyer on Completion:

- (a) any written Tenancy Agreement to which this Contract is subject;
- (b) a notice of attornment;
- (c) if applicable, any notice required to be signed by the Seller to transfer the rental bond by the Office of Rental Bonds to the Buyer; and
- (d) if applicable, any other notice required to be signed by the Seller under the *Residential Tenancies Act 1997*.

9.3.3 The Buyer indemnifies the Seller in relation to any liability which the Seller incurs or to which the Seller is subject under the tenancy because of matters occurring after Completion.

10 Inspection and condition of Property

- 10.1 The Buyer may on reasonable notice to the Seller and at reasonable times inspect the Property before Completion.
- 10.2 The Seller must leave the Property clean and tidy on Completion.

11 Inspection of building file

- 11.1 The Seller must, if requested by the Buyer, give to the Buyer all authorities necessary to enable the Buyer (or Buyer's nominee) to inspect and obtain at the Buyer's expense, copies of:

- 11.1.1 any document in relation to the Land and Improvements held by any government or statutory authority; and
- 11.1.2 any notices issued by any authority in relation to the Land and Improvements.

12 Additional Seller obligations

12.1 Except for any Breach of Covenant disclosed in this Contract, the Seller must before Completion:

- 12.1.1 comply with any notice issued by any authority before the Date of this Contract which requires work to be done or money to be spent on or in relation to the Property or the Lease;
- 12.1.2 obtain approval for any Development conducted on the Land;
- 12.1.3 comply with the Lease to the extent to which the Seller is required to comply up to Completion;
- 12.1.4 comply with any obligations on the Seller in a registered restrictive covenant affecting the Lease; and
- 12.1.5 give the Buyer notice of any material change (other than fair wear and tear) the Seller becomes aware of in the matters disclosed in the Required Documents, since the date of each of the relevant Required Documents.

13 Compliance Certificate

13.1 The Seller must give to the Buyer on Completion a Compliance Certificate unless:

- 13.1.1 the Lease does not contain a Building and Development Provision; or
- 13.1.2 the Lease is sold subject to non compliance with the Building and Development Provision within the meaning of cl. 4.2; or
- 13.1.3 a Compliance Certificate has issued before the Date of this Contract and is either noted on the certificate of title for the Lease or the Seller gives to the Buyer other evidence acceptable to the Registrar General that a Compliance Certificate has issued.

13.2 The Seller must give to the Buyer on Completion evidence of approval to conduct any Development on the Land unless:

13.2.1 approval for the Development has been granted by the relevant authority before the Date of this Contract; or

13.2.2 the Development is disclosed as a Breach of Covenant in this Contract.

14 Off the plan purchase

14.1 If the Lease contains a Building and Development Provision which has not been complied with at the Date of this Contract, and cl. 4.2 does not apply, before the Date for Completion, the Seller must at the Seller's expense complete the construction of the Improvements promptly and in a good and workmanlike manner substantially in accordance with the proposed plan, specifications and inclusions list attached.

15 Goods

15.1 The Seller gives no warranties as to the present state of repair of any of the Goods except as required by law.

15.2 The Goods are included in the Price.

15.3 The Seller warrants that the Goods are unencumbered and that the Seller has the right to sell them.

15.4 The Goods become the Buyer's property on Completion.

15.5 Except for fair wear and tear, the Seller must give the Goods to the Buyer on Completion in the same state of repair they are in at the Date of this Contract.

16 Errors and misdescriptions

16.1 If, before Completion, the Buyer becomes aware of an error in the description of the Property the Buyer may:

16.1.1 identify whether the error is material or not material, and ask the Seller to arrange for the error to be corrected before Completion; and

16.1.2 if the error is not corrected before Completion:

(a) for an error that is material - rescind this Contract, or complete this Contract and make a claim for compensation; and

(b) for an error that is not material - complete this Contract and make a claim for compensation.

16.2 This clause applies even if the Buyer did not take notice of or rely on anything in this Contract containing or giving rise to the error or misdescription.

16.3 The Buyer is not entitled to compensation to the extent the Buyer knew the true position before the Date of this Contract.

17 Compensation claims by Buyer

17.1 To make a claim for compensation (including a claim under cl. 16) the Buyer must give notice to the Seller before Completion specifying the amount claimed and:

17.1.1 the Seller can rescind if in the case of a claim that is not a claim for delay:

(a) the total amount claimed exceeds 5% of the Price;

(b) the Seller gives notice to the Buyer of an intention to rescind; and

(c) the Buyer does not give notice to the Seller waiving the claim within 14 days after receiving the notice; and

17.1.2 if the Seller does not rescind under cl. 17.1.1, the parties must complete and:

(a) the lesser of the total amount claimed and 5% of the Price must be paid out of the Price to, and held by, the Stakeholder until the claim is finalised or lapses;

(b) the amount held is to be invested by the Stakeholder (at the risk of the party who becomes entitled to it) with an Australian bank in an interest bearing account at call in the name of the Stakeholder in trust for the Seller and the Buyer;

(c) the claim must be finalised by an arbitrator appointed by the parties or, if an appointment is not made within 28 days of Completion, by an arbitrator appointed by the President of the Law Society of the Australian Capital Territory at the request of a party;

- (d) the decision of the arbitrator is final and binding;
 - (e) the costs of the arbitration must be shared equally by the parties unless otherwise determined by the arbitrator. For clarity, the arbitrator has the power to award indemnity costs on a legal basis against either party;
 - (f) the Buyer is not entitled, in respect of the claim, to more than the total amount claimed and the costs of the Buyer;
 - (g) interest on the amount held, after deduction of all taxes and bank charges, Stakeholder administration fee and other similar charges and expenses, must be paid to the parties equally or as otherwise determined by the arbitrator; and
 - (h) the claim lapses if the parties do not appoint an arbitrator and neither party asks the President of the Law Society of the Australian Capital Territory to appoint an arbitrator within 90 days after Completion and the amount held by the Stakeholder must be paid immediately to the Seller without any further authority being necessary.
- 18.3.1 not be in default; and
 - 18.3.2 be ready willing and able to complete but for some default or omission of the other party.
 - 18.4 Completion at the time date and place specified in the Notice to Complete is an essential term.
 - 18.5 Where one party is in default (other than failing to complete) the other party may at any time after the default serve the party in default a Default Notice.
 - 18.6 A Default Notice:
 - 18.6.1 must specify the default;
 - 18.6.2 must require the party served with the Default Notice to rectify the default within 7* days after service of the Default Notice (excluding the date of service); and
 - 18.6.3 cannot be used to require a party to complete this Contract.
 - 18.7 At the time the Default Notice is served, the party serving the Default Notice must not be in default.
 - 18.8 The time specified in a Default Notice to rectify the specified default is an essential term.
 - 18.9 Cl. 19 or cl. 20 will apply as appropriate where the party served does not comply with the Notice to Complete or the Default Notice which complies with this clause.
 - 18.10 If the party serving a notice under this clause varies the time referred to in the notice at the request of the other party, the time agreed to in the variation remains an essential term. The consent to the variation must be in writing and be served on the other party.
 - 18.11 The parties agree that the time referred to in cl. 18.2 and cl. 18.6.2 is fair and reasonable.

**After as necessary*

18 Notice to Complete and Default Notice

- 18.1 If Completion does not take place in accordance with cl. 2.8, either party may, at any time after the Date for Completion, serve the other party a Notice to Complete.
- 18.2 A Notice to Complete must appoint a time during business hours and a date being not less than 14* days after service of the Notice to Complete (excluding the date of service) by which and a place in Canberra at which to complete this Contract.
- 18.3 At the time the Notice to Complete is served the party serving the Notice to Complete must:

19 Termination - Buyer default

- 19.1 if the Buyer does not comply with a Notice to Complete or a Default Notice or is otherwise in breach of an essential term then the Seller may by notice served on the Buyer terminate and may then keep, or recover and keep, the Deposit (except so much of it as exceeds 10% of the Price) and either:
 - 19.1.1 sue the Buyer for breach; or
 - 19.1.2 resell the Property and any deficiency arising on the resale and all expenses of and incidental to the resale or attempted resale and the Buyer's default are recoverable by the Seller from the Buyer as

liquidated damages provided the Seller has entered into a contract for the resale of the Property within 12 months of termination.

- 19.2 In addition to any money kept or recovered under cl. 19.1, the Seller may retain on termination any other money paid by the Buyer as security for any damages awarded to the Seller arising from the Buyer's default provided that proceedings for the recovery of damages are commenced within 12 months of termination.

20 Termination - Seller default

- 20.1 If the Seller does not comply with a Notice to Complete or a Default Notice or is otherwise in breach of an essential term the Buyer may by notice served on the Seller either:

- 20.1.1 terminate and seek damages; or
20.1.2 enforce without further notice any other rights and remedies available to the Buyer.

- 20.2 If the Buyer terminates, the Stakeholder is authorised to refund to the Buyer immediately any money paid on account of the Price.

21 Rescission

- 21.1 Unless s. 15 of the Sale of Residential Property Act applies, if this Contract is rescinded, it is rescinded from the beginning, and unless the parties otherwise agree:

- 21.1.1 the Deposit and all other money paid by the Buyer must be refunded to the Buyer immediately without any further authority being necessary; and
21.1.2 neither party is liable to pay the other any amount for damages, costs or expenses.

22 Damages for delay in Completion

- 22.1 If Completion does not occur by the Date for Completion, due to the default of either party, the party who is at fault must pay the other party as liquidated damages on Completion:

**Insert percentage*

- 22.1.1 if the defaulting party is the Seller interest on the Price at the rate of % per annum calculated on a daily basis from the date 7 days after the Date for Completion to Completion;

**Insert percentage*

- 22.1.2 If the defaulting party is the Buyer interest on the Price at the rate of 10 % per annum calculated on a daily basis from the date 7 days

after the Date for Completion to Completion; and

**Alter as necessary*

- 22.1.3 the amount of \$440* (including GST) to be applied towards any legal costs and disbursements incurred by the party not at fault if Completion occurs later than 7 days after the Date for Completion.

- 22.2 Whether or not percentages are inserted in cl. 22.1.1 or cl. 22.1.2 the party at fault must pay the amount specified in cl. 22.1.3 in addition to any other damages to which the party not at fault is entitled both at law and under this Contract.

- 22.3 The parties agree that:

- 22.3.1 the amount of any damages payable under cl 22.1.1 or cl 22.1.2 to the party not in default is a genuine and honest pre-estimate of loss to that party for the delay in Completion, and

- 22.3.2 the damages must be paid on Completion.

23 Foreign Buyer

- 23.1 The Buyer warrants the Commonwealth Treasurer cannot prohibit and has not prohibited the transfer of the Lease under the *Foreign Acquisitions and Takeovers Act 1975*.

- 23.2 This clause is an essential term.

24 GST

- 24.1 If a party must pay the Price or provide any other consideration to another party under this Contract, GST is not to be added to the Price or amount, unless this Contract provides otherwise.

- 24.2 If the Price is stated in the Schedule to exclude GST and the sale of the Property is a taxable supply, the Buyer must pay to the Seller on Completion an amount equal to the GST payable by the Seller in relation to the supply.

- 24.3 If under this Contract a party (**Relevant Party**) must make an adjustment, pay an amount to another party (excluding the Price but including the Deposit if it is released or forfeited to the Seller) or pay an amount payable by or to a third party:

- 24.3.1 the Relevant Party must adjust or pay at that time any GST added to or included in the amount, but

- 24.3.2 if this Contract says this sale is a taxable supply, and payment would entitle the Relevant Party to claim

an input tax credit, the adjustment or payment is to be worked out by deducting any input tax credit to which the party receiving the adjustment or payment is or was entitled multiplied by the GST Rate.

- 24.4 If this Contract says this sale is the supply of a going concern;
- 24.4.1 the parties agree the supply of the Property is the supply of a going concern;
- 24.4.2 the Seller must on Completion supply to the Buyer all of the things that are necessary for the continued operation of the enterprise;
- 24.4.3 the Seller must carry on the enterprise until Completion;
- 24.4.4 The Buyer warrants to the Seller that on Completion the Buyer will be registered or required to be registered;
- 24.4.5 If for any reason (and despite cl. 24.1 and 24.4.1) the sale of the Property is not the supply of a going concern but is a taxable supply:
- (a) the Buyer must pay to the Seller on demand the amount of any GST payable by the Seller in respect of the sale of the Property; and
- (b) the Buyer indemnifies the Seller against any loss or expense incurred by the Seller in respect of that GST and any breach of cl. 24.4.5(a).
- 24.5 If this Contract says the Buyer and Seller agree that the margin scheme applies to the supply of the Property, the Seller warrants that it can use the margin scheme and promises that it will.
- 24.6 If this Contract says the sale is a taxable supply, does not say the margin scheme applies to the sale of the Property, and the sale is in fact not a taxable supply, then the Seller must pay the Buyer on Completion an amount of one-eleventh of the Price.
- 24.7 On Completion the Seller must give the Buyer a tax invoice for any taxable supply by the Seller by or under this Contract.

25 Power of attorney

- 25.1 Any party who signs this Contract or any document in connection with it under a

power of attorney must, on request and without cost, provide the other party with a true copy of the registered power of attorney.

26 Notices claims and authorities

- 26.1 Notices, claims and authorities required or authorised by this Contract must be in writing.

- 26.2 To serve a notice a party must:

- (a) leave it at; or
- (b) send it by a method of post requiring acknowledgment of receipt by the addressee to,

the address of the person to be served as stated in the Schedule or as notified by that person to the other as that person's address for service under this Contract; or

- (c) serve it on that party's solicitor in any of the above ways; or
- (d) by delivering it to an appropriate place in the facilities of a document exchange system in which the recipient solicitor has receiving facilities (and in the latter case service is deemed effected on the Business Day following delivery); or
- (e) send it by facsimile to a party's solicitor, unless it is not received (a notice is taken to have been received at the time shown in the transmission report that the whole facsimile was sent).

- 26.3 A party's solicitor may give a notice, claim or authority on behalf of that party.

27 Unit title

- 27.1 The following clauses 28 to 39 inclusive apply if the Property is a Unit.

28 Definitions and interpretation

- 28.1 A reference in these clauses 28 to 39 inclusive to a section or Part is a reference to a section or Part of the Unit Titles Management Act.
- 28.2 For the purposes of a claim for compensation pursuant to cl. 39, the provisions of cl. 17 will apply provided that cl. 17.1.1(c) is amended to read "the Buyer does not give notice to the Seller waiving the claim, or so much of it as exceeds 5% of the Price within 14 days after receiving the notice".

29 Title to the Unit

- 29.1 Cl. 3.1, cl. 3.2 and cl. 3.3 do not apply.

29.2 The Unit Title is or will before Completion be granted under the Planning Act and is or will before Completion be registered under the *Land Titles (Unit Titles) Act 1970*.

29.3 The Unit Title is transferred subject to the Units Plan under which the lease to the Unit is held.

30 Buyer rights limited

30.1 In addition to cl. 6, the Buyer cannot make any requisition on title or make a claim for compensation in respect of any Breach of Covenant of the Unit Title, any breach of the lease of the Common Property or breach of rules of the Owners Corporation disclosed in this Contract.

31 Adjustment of contribution

31.1 Any adjustment under cl. 8 must include an adjustment of the contributions to the Owners Corporation under s.78 and s.89.

32 Inspection of Unit

32.1 For the purposes of cl. 10.1 Property includes the Common Property.

33 Seller warranties

33.1 The Seller warrants that at the Date of this Contract:

33.1.1 To the Seller's knowledge, there are no unfunded latent or patent defects in the Common Property or Owners Corporation assets, other than the following:

- (a) Defects arising through fair wear and tear; and
- (b) Defects disclosed in this Contract;

33.1.2 The Owners Corporation records do not disclose any defects to which the warranty in cl. 33.1.1 applies;

33.1.3 to the Seller's knowledge, there are no actual, contingent or expected unfunded liabilities of the Owners Corporation that are not part of the Owners Corporation's normal operating expenses, other than liabilities disclosed in this Contract;

33.1.4 the Owners Corporation records do not disclose any liabilities of the Owners Corporation to which the warranty in cl. 33.1.3 applies;

33.1.5 the Seller or any occupier of the Unit has not committed any act or omission which may cause the

Owners Corporation to incur any costs or perform any repairs;

33.1.6 there is no amount payable to the Owners Corporation by the Seller other than a contribution due under s. 78 and s. 89; and

33.1.7 except for an unregistered Units Plan, the rules of the Owners Corporation are, as appropriate:

- (a) as set out in Schedule 4 to the Unit Titles Management Act; or
- (b) in respect of a corporation established under the *Unit Titles Act 1970 (repealed)* and that was in existence immediately prior to 30 March 2012, the articles in force immediately prior to 30 March 2012; or
- (c) in respect of a corporation established under the Unit Titles Act and that was in existence immediately prior to 30 March 2012, the articles in force immediately prior to 30 March 2012;

except for any alterations to those rules registered under s. 108.

33.2 For clauses 33.1.1 to 33.1.4 inclusive, a Seller is taken to have knowledge of a thing if the Seller has actual knowledge, or ought reasonably to have knowledge, of that thing.

33.3 The Seller warrants that at Completion:

33.3.1 to the Seller's knowledge, there are no circumstances (other than circumstances disclosed in this Contract) in relation to the affairs of the Owners Corporation likely to materially prejudice the Buyer.

33.4 For the purposes of cl. 7, Property includes the Common Property.

33.5 These warranties are in addition to those given in cl. 7.

34 Damage or destruction before Completion

34.1 If the Unit is destroyed or substantially damaged before Completion not due to the fault of either party then either party may by notice to the other rescind and cl. 21 applies.

34.2 For the purposes of cl. 34.1, the Unit is deemed to be substantially damaged if though not destroyed is unfit for the use to

which it was being put at the Date of this Contract or, if not being used at that time, for the purpose permitted by the Unit Title.

the size or value of the Unit described in the plan attached.

35 Notice to Owners Corporation

35.1 The parties must comply with the rules of the Owners Corporation in relation to notification of the sale and purchase of the Unit.

36 Section 119 Certificate

36.1 On Completion the Buyer must pay to the Seller the fee as determined by the Minister pursuant to s. 119(5) for the Section 119 Certificate attached.

37 Unregistered Units Plan

37.1 This clause 37 applies if at the Date of this Contract, the Units Plan has not been registered.

37.2 The Seller must attach a copy of the proposed Units Plan or a sketch plan showing the location and dimensions of the Unit sufficient to enable the Buyer to determine the location and dimensions of the Unit in relation to other units and the Common Property in the proposed development.

37.3 If the Units Plan is not registered by the date specified in the Schedule, or elsewhere in this Contract, the Buyer may at any time after that date by notice served on the Seller require that the Units Plan be registered within 14 days of the service of the notice. If the Units Plan is not registered within the time limited by the notice the Buyer may at any time after expiry of the time in the notice rescind and cl. 21 will apply.

37.4 If the Seller notifies the Buyer that the Units Plan is registered before rescission under this clause, the Buyer will not be entitled to rescind under this clause.

37.5 The Buyer cannot make any objection or requisition on title or claim for compensation in respect of:

37.5.1 any minor variations to the Unit between the plan attached, and the Units Plan registered by the Registrar General; or

37.5.2 any minor alterations required by an authority or the Registrar General in the number, size, location or Unit Entitlement of any other unit in the Units Plan or in or to the Common Property provided the proportion of the Unit Entitlement of the Unit to the other units in the Units Plan is not varied.

In this clause, a minor variation is any variation less than 5% to either

37.6 After the Owners Corporation has been constituted under s. 8, the Seller must cause the Owners Corporation to comply with the rules of the Owners Corporation and with Parts 2, 3, 4, 5 and 7 to the extent to which the Owners Corporation is required by law to comply with those provisions up to the Date for Completion.

37.7 The Seller must not permit the Owners Corporation to vary the rules of the Owners Corporation from those set out in Schedule 4 of the Unit Title Management Act.

37.8 If cl. 37.1 applies, the Seller must give to the Buyer a Section 119 Certificate at the Buyer's expense at least 7 days before Completion.

37.9 The parties acknowledge that the following must form part of this Contract:

37.9.1 the Default Rules;

37.9.2 details of any contract the Developer intends the Owners Corporation to enter, including—

(a) the amount of the Buyer's General Fund Contribution that will be used to service the contract; and

(b) any personal or business relationship between the Developer and another party to the contract;

37.9.3 the Developer's estimate, based on reasonable grounds, of the Buyer's General Fund Contribution for 2 years after the Units Plan is registered;

37.9.4 if a right to approve the keeping of animals during the Developer Control Period is reserved—details of the reservation, including the kind and number of animals; and

37.9.5 if a Staged Development of the Units is proposed—the proposed Development Statement and any amendment to the statement.

37.10 The Developer warrants that the information disclosed under the items referred to in clauses 37.9.1 to 37.9.5 inclusive is accurate.

37.11 The Buyer may, by written notice given to the Developer, cancel this Contract before Completion if:

37.11.1 the information disclosed within the items referred to in clauses 37.9.1

to 37.9.5 inclusive is incomplete or inaccurate; and

- 37.11.2 the Buyer is significantly prejudiced because the disclosure is incomplete or inaccurate.

38 Cancellation of Contract

38.1 The Buyer may, by written notice given to the Seller, cancel this Contract if there would be a breach of a warranty provided in any of clauses 33.1.1, 33.1.2, 33.1.3, 33.1.4 or 33.3.1, were this Contract completed at the time it is cancelled.

38.2 A notice under cl. 38.1 must be given:

38.2.1 if this Contract is entered before the Units Plan for the Unit is registered – not later than 3 days before the Buyer is required to complete this Contract; or

38.2.2 in any other case – not later than 14 days after the later of the following happens:

- (a) the Date of this Contract;
- (b) another period agreed between the Buyer and Seller ends.

38.3 If the Buyer cancels this Contract, the Seller must repay any amount paid to the Seller towards the purchase of the Unit and otherwise the provisions of cl. 21 will apply.

39 Claims for compensation

39.1 This clause 39 applies if, before Completion, the Buyer reasonably believes that, except as disclosed in this Contract, there would be a breach of a warranty established under any of clauses 33.1.1, 33.1.2, 33.1.3, 33.1.4 or 33.3.1 were this Contract to be completed.

39.2 The Buyer may, by written notice given to the Seller:

39.2.1 tell the Seller:

- (a) about the breach; and
- (b) that the Buyer will complete this Contract; and

39.2.2 claim compensation for the breach.

39.3 A notice under cl. 39.2 must be given:

39.3.1 if this Contract is entered before the Units Plan for the Unit is registered – not later than 3 days

before the Buyer is required to complete this Contract; or

39.3.2 in any other case – not later than 14 days after the later of the following happens:

- (a) the Buyer's copy of the Contract is received by the Buyer;
- (b) another period agreed between the Buyer and Seller ends.

40 Community title

40.1 The following clauses 41 to 50 inclusive apply if the Property is, or will on Completion form, a Lot within a Community Title Scheme.

41 Definitions and interpretation

41.1 A reference in these clauses 40 to 50 inclusive to a section or Part is a reference to a section or Part of the Community Title Act.

42 Buyer rights limited

42.1 In addition to cl. 6, the Buyer cannot make any requisition on title or make a claim for compensation in respect of any breach of the lease of the Common Property or breach of rules or by-laws of the Community Title Body Corporate disclosed in this Contract.

43 Adjustment of contribution

43.1 Any adjustment under cl. 8 must include an adjustment of the contributions to the fund under s.45.

44 Inspection of property

44.1 For the purposes of cl. 10.1 Property includes the Common Property.

45 Unregistered Community Title Scheme

45.1 This clause 45 applies if at the Date of this Contract, the Community Title Scheme has not registered.

45.2 The Seller must attach a copy of the proposed Community Title Master Plan, or a sketch plan showing the location and dimensions of the Lot sufficient to enable the Buyer to determine the location and dimensions of the Lot in relation to other lots and the Common Property in the proposed scheme.

- 45.3 The Seller must attach a copy of the proposed Community Title Management Statement.
- 45.4 The Buyer cannot make any objection or requisition on title or claim for compensation in respect of:
 - 45.4.1 any minor variations to the Lot between the plan attached, and the registered Community Title Master Plan; or
 - 45.4.2 any minor alterations required by an authority or the Registrar General in the number, size, location or entitlement of any other Lot in the Community Title Scheme or in or to the Common Property provided the proportion of the entitlement of the Lot to the other lots in the Community Title Scheme is not varied; or
 - 45.4.3 any minor variations between the proposed Community Title Management Statement and the registered Community Title Management Statement;

In this clause, a minor variation is any variation less than 5% to either the size or value of the Lot described in the plan attached and referred to in the proposed Community Title Management Statement.

- 45.5 The Seller must not permit the Community Title Body Corporate to vary the by-laws of the Community Title Scheme from those set out in Schedule 1 of the Community Title Act, unless otherwise disclosed in this Contract.
- 45.6 After the Community Title Body Corporate has been constituted under s. 30, the Seller must cause the Community Title Body Corporate to comply with Part 8 to the extent to which the Community Title Body Corporate is required by law to comply with those provisions up to the Date for Completion.

46 Incomplete development of Community Title Scheme

- 46.1 This clause 46 applies if at the Date of this Contract, development of the Community Title Scheme has not completed.
- 46.2 Until the development of a Community Title Scheme is finished, the Developer warrants to the Buyer that the development will be carried out in accordance with the scheme.
- 46.3 Without limiting the damages recoverable for breach of the warranty in cl. 46.2, the Buyer may recover damages for the loss of a

reasonably expected capital appreciation of the Lot that would have resulted from completion of the development in accordance with the terms of the Community Title Scheme.

47 Incomplete development of Lot

- 47.1 This clause 47 applies if at the Date of this Contract, the Lot is to be developed or further developed in accordance with the Community Title Scheme. For clarity, this clause does not apply if an unconditional Compliance Certificate has issued before the Date of this Contract and the Seller gives to the Buyer evidence acceptable to the Registrar General that an unconditional Compliance Certificate has issued for the Lot, or if the Seller gives an unconditional Compliance Certificate to the Buyer on Completion.
- 47.2 The Buyer becomes bound to develop the Lot in accordance with the Community Title Scheme;
- 47.3 The Seller must give written notice of the proposed sale of the Lot to the Planning and Land Authority;
- 47.4 The Buyer must:
 - 47.4.1 give to the Planning and Land Authority a written undertaking to develop the Lot in accordance with the Community Title Scheme (if a form is approved for an undertaking, the form must be used); and
 - 47.4.2 give the Planning and Land Authority any security required by the Planning and Land Authority, within 28 days after notice of the transaction was given to the Planning and Land Authority, for the development of the Lot in accordance with the Community Title Scheme.

48 Required first or top sheet

- 48.1 The Seller must give to the Buyer, before the Buyer enters into this Contract, a Section 67 Statement.
- 48.2 The Section 67 Statement must:
 - 48.2.1 state that the Lot is included in a Community Title Scheme that imposes obligations on the owner of the Lot;
 - 48.2.2 state the name and address of:
 - (a) the body corporate of the scheme; or

- (b) if it is the duty of the Community Title Body Corporate manager to act for the Community Title Body Corporate in supplying Section 56 Certificates - the manager;

48.2.3 state the amount of annual contributions currently fixed by the Community Title Body Corporate as payable by the owner of the Lot;

48.2.4 identify improvements on common property of the scheme for which the owner of the Lot is responsible;

48.2.5 be signed by the Seller or a person authorised by the Seller; and

48.2.6 be substantially complete.

48.3 The Seller must attach to this Contract, as a first or top sheet, a copy of the Section 67 Statement given to the Buyer under cl. 48.1.

48.4 The Buyer may rescind this Contract if:

48.4.1 the Seller has not complied with clauses 48.1 and 48.3; and

48.4.2 Completion has not taken place.

49 Notice to Community Title Body Corporate

49.1 The parties must comply with the rules and by-laws of the Community Title Body Corporate in relation to notification of the sale and purchase of the Lot.

50 Section 56 Certificate

50.1 The Seller must give to the Buyer a Section 56 Certificate at least 7 days before Completion.

50.2 On Completion, the Buyer must pay to the Seller the fee charged for the Section 56 Certificate.