

M & W LEGALS
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**REPORT & INSPECTION OF THE BOOKS & RECORDS
OF THE OWNERS CORPORATION**

For and on Behalf of
Mr/Mrs Jones
C/- **Smith Conveyancing Services**

| | |
|-----------------|---------------------------------------|
| Matter of: | Jones from Brown |
| File Reference: | 07/257 |
| Address: | 5/72 Collins Avenue Collinvale |
| Lot No: | 5 |
| Strata Plan No: | 00000 |

P R E F A C E

This complex was managed by Smith Property Centre prior to the appointment of Jones Strata Management in 2003.

Strata Roll

The following information is taken from the Strata Roll which is maintained **on computer apparently** in accordance with the requirements of Section 118 of the Strata Schemes Management Act, 1996.

| | |
|------------------------------|--|
| Name: | Mr BE Brown |
| Address: | 27 Black Street Blacktown |
| Mortgagee: | Westpac Bank |
| Other Interests: | Possibly Tenanted |
| No. of Owner/Occupier Units: | 27 |
| No. of Tenanted Units: | 3 |
| Original Owner: | Purple Projects Pty Ltd 45 Purple Street Sydney |

Insurance

Insured: The Proprietors Strata Plan 00000
 Insurer: Corporate Home Unit Underwriting Agencies Pty Ltd
 Policy No: 000000
 Current To: 28 Feb 2008

| Cover | Sum Insured |
|-----------------------------|-----------------------------------|
| Building | \$4,785,000 |
| Common Contents | \$39,000 |
| Loss Rent/Temp. Accommod. | \$717,750 |
| Legal Liability | \$20,000,000 |
| Voluntary Workers Liability | \$100,000/\$1,000 |
| Workers Compensation | As Per Act |
| Office Bearers Liability | \$1,000,000 |
| Fidelity Guarantee | \$40,000 |
| Excess: | Any Cause Whatever - \$450 |
| Premium | \$6,149.67 |

Home Owners Warranty Insurance

Home Owners Warranty Insurance Cover was not sighted.

Levies

| | Amount | Frequency | Paid To |
|---------------------|----------|-----------|-------------|
| Administrative Fund | \$231.65 | Qtrly | 30 Jun 2007 |
| Sinking Fund | \$108.25 | Qtrly | 30 Jun 2007 |

Levy arrears for the subject lot, currently amount to \$339.90.

Levies are due on the first day of January, April, July & October of each year. Interest of 10% is payable on overdue levies.

Bank Accounts

| | Account With | Balance Date | Balance |
|---------------------|----------------|--------------|-------------|
| Administrative Fund | Macquarie Bank | 20 Jul 2007 | \$7,992.21 |
| Sinking Fund | Macquarie Bank | 20 Jul 2007 | \$12,085.39 |

A copy of the balance sheet is attached for your perusal.

Special Levies

| Date | Amount | Purpose | Payable |
|-------------|------------|------------------------------------|-------------|
| 16 Oct 1996 | \$7,668.00 | Installation of Intercom | 1 Dec 1996 |
| 19 Oct 1995 | \$6,500.00 | Administrative Fund Deficit | 19 Dec 1995 |
| 8 Feb 1990 | \$2,500.00 | Balcony Repairs | 1 Apr 1990 |
| 15 May 1989 | \$2,000.00 | Swimming Pool and Woodwork Repairs | 1 Jul 1989 |

Owners Corporation Meetings

Date Minutes Held Since: 23 Aug 1983
 Date Last Annual General Meeting: 18 Sep 2007
 Copy of Minutes Attached: Yes

Executive Committee

Mr M Green
 Ms R Young
 Mr D White

Budget

Administrative Fund Budget: \$27,827.00
 Sinking Fund Budget: \$13,000.00
 Effective From: 1 Oct 2006

Last Annual General Meeting

A copy of the Minutes is attached for your perusal.

Attention is drawn to:

- It was resolved to obtain quotations to replace guttering.

Refer to 'Matters Pending'

- It was resolved to obtain quotations to replace common property garage doors.

Refer to 'Matters Pending'

Expenditure

Recurrent Items

A copy of the Income & Expenditure Statement for the financial year to 31 Jul 2006, and also showing the interim period from 1 Aug 2006 to 20 Jul 2007 is attached for your perusal.

Major Items

| Year | Item | Value |
|----------------------|---------------------------------|-------------|
| 2006/07 (Pt Year) | General Replacements (numerous) | \$3,076.00 |
| | General Repairs (numerous) | \$4,480.00 |
| 2005/06 | Carpeting | \$7,950.00 |
| | General Repairs (numerous) | \$8,510.50 |
| | Garden Upgrade | \$5,081.75 |
| | Sewer Line Replacement | \$17,309.00 |
| 2004/05 | General Repairs (numerous) | \$1,997.20 |
| 2003/04 | General Repairs (numerous) | \$2,870.30 |
| | Replace Garage Door - U16 | \$1,211.00 |
| 2002/03 | Brushwood Pool Screen | \$1,755.00 |
| | Pool Fence | \$5,950.00 |
| | General Repairs (Numerous) | \$4,635.24 |

| Year | Item | Value |
|---------|----------------------------------|-------------|
| 2001/02 | Resurface Swimming Pool | \$9,100.00 |
| | Plumbing | \$2,363.00 |
| | Interior Painting | \$4,070.00 |
| | General Repairs (Numerous) | \$2,113.30 |
| | Ceiling - Unit 26 | \$1,589.50 |
| | Pool Decking Support | \$1,982.00 |
| | Pool Fence | \$5,950.00 |
| 2000/01 | Redesign Box Gutters | \$17,328.00 |
| 1999/00 | Pigeon Proofing | \$1,443.00 |
| | TV Antenna | \$3,107.00 |
| | Ceiling - Unit 29 | \$1,650.00 |
| | Brick Cleaning | \$1,200.00 |
| 1998/99 | Render Repairs | \$2,617.00 |
| 1997/98 | Stairwell Window | \$5,720.00 |
| 1996/97 | Intercom | \$7,668.00 |
| 1995/96 | Carpet | \$1,899.00 |
| | Bird Proofing | \$1,880.00 |
| 1994/95 | General Replacements | \$1,659.00 |
| 1993/94 | New Installation (not specified) | \$3,693.00 |
| 1992/93 | Carpets | \$1,780.00 |
| | General Replacements | \$1,184.00 |
| | New Installation (not specified) | \$1,059.00 |
| 1991/92 | Painting | \$2,850.00 |
| 1990/91 | Painting | \$7,000.00 |
| | General Replacements | \$4,100.00 |
| | New Installation (not specified) | \$1,450.00 |

Certificate of Title to Common Property

Volume & Folio or CP/SP: CP/SP00000
 Dated: 18 Jul 1975
 Title Held By: Strata Manager
 Exceptions & Encumbrances: 1. Reservations & Conditions in the Crown Grant

Strata Plan

Date of Registration: 7 Mar 1974
 Total No. Of Lots: 30
 Unit Entitlement Subject Lot: 226
 Aggregate Unit Entitlement: 6 788
 Corresponding Unit & Lot No's: Yes
 Approx. Area Subject Lot: Total - 93m² Unit - 75m²
 Garage / Carspace: Yes
 Approx Area Garage / Carspace: 18m²

Insurance Valuation

Valuer: John Green & Associates
 Date: 20 Oct 2007
 Value: \$4,785,000

Financial Records

The Books of Accounts of the Owners Corporation are on computer and appear to have been maintained correctly in accordance with the Strata Schemes Management Act 1996, for the prescribed period. They are maintained by the Managing Agent.

Audit Report

Prepared By: LKD Chartered Accountants
Financial Year Ended: 31 Jul 2007

Taxation Return

Prepared By: Jones Strata Management
Financial Year Ended: 30 Jun 2007

Sinking Fund Analysis

The Strata Schemes Management Act of 1996 requires that all Owners Corporations established on or after 7 February 2005 prepare a ten year Sinking Fund Plan and to undertake reviews at specified intervals. An Amendment (Sinking Funds) Regulation 2006 now requires that Owners Corporations established before 7 February 2005 prepare a ten year Sinking Fund Plan as follows:

- . Where the Strata Plan number is equal to or greater than 50,000 by 1 July 2006.
- . Where the Strata Plan number is 30,000 to 50,000 by 1 July 2007.
- . Where the Strata Plan number is 10,000 to 30,000 by 1 July 2008.
- . Where the Strata Plan number is less than 10,000 by 1 July 2009.

A Sinking Fund Analysis was not available for inspection.

Strata Management

Professionally or Self Managed: Professionally
Manager: Jones Strata Management
Address: Suite 15, 10 Forest Road, Blackville
Telephone: 9899 1537
Agency Agreement Date: 13 Sep 2005

Correspondence

| | |
|-------------|---|
| 21 Mar 2007 | Report of Break & Enter into a garage. Police indicated that there had been a spate of such activities in the general area. |
| 13 Sep 2005 | Unit 21 granted permission to instal air conditioner subject to conditions. |
| 14 Nov 2003 | K & B Pty Ltd Consulting Structural and Civil Engineers inspected the cantilevered balconies at the complex indicating that the large balconies exhibited slight "creep" deflection at the overhang resulting in a taper gap up to 10mm wide. The report concludes that the distress was considered not of structural significance and the deformation of the balcony slabs by now has limited. Gap filling with matching cement mortar could be undertaken for aesthetic purposes. |

Matters Pending

Matters as referred to in the minutes attached.

| | |
|-------------|--|
| 28 May 2007 | Quotation of \$1,496 to clean all external windows excluding balcony doors. |
| 27 Mar 2006 | Quotation of \$10,560 for gutter replacement. Report indicates that most sections are at an advanced stage of corrosion and will all need replacing in the near future. File indicates that the matter is 'on hold'. |
| 14 Oct 2005 | Quotation of \$12,200 to replace garage doors. <i>No further correspondence.</i> |

History of Disputes

| | |
|-------------|---|
| 28 Feb 2007 | Notice to All Residents - correct disposal of recyclable rubbish. |
| 20 Feb 2007 | Unit 29 - overdue levies of \$865.10 |
| 13 Feb 2007 | Unit 16 - dog barking constantly when owner not at home - request to remove animal immediately. |
| 5 Feb 2007 | Unit 16 - keeping of dog in contravention of by-laws; excessive noise from dog barking. |
| 19 Oct 2006 | Unit 29 - parking on common property. |
| 1 Sep 2006 | 30 Jersey Avenue Newville claimed from the Owners Corporation the amount of \$838 in recompense for tree root infestation of sewer pipes by trees on the grounds of this complex. The neighbour also requested that action be taken to alleviate the problem. It appears that inspection revealed an uprooted tree which was attended to. |
| 24 May 2006 | Unit 30 - excessive noise. |

Insurance Claims (Over \$250.00)

| Date | Item | |
|-------------|-----------------------------------|------------|
| 24 Nov 2005 | Glass Breakage - Entry Door | \$254.70 |
| 13 May 2005 | Burst Pipe - Hot Water Service U6 | \$1,420.00 |
| 13 May 2005 | Impact - Brick Wall | \$2,530.00 |
| 24 Jun 2004 | Burst Pipe - U19 | \$707.30 |
| 31 Jul 2003 | Malicious Damage | \$325.50 |
| 7 May 2003 | Storm Damage - Tree | \$660.00 |
| 27 Feb 2003 | Glass Breakage | \$418.50 |
| 6 Nov 2002 | Glass Breakage | \$418.50 |
| 1 Aug 2002 | Vandalism - Foyer Door | \$302.50 |
| 26 Jun 2002 | Impact - Brick Fence | \$984.00 |
| 24 Oct 2001 | Burst Pipe - U24 | \$920.00 |
| 20 Aug 2001 | Storm | \$758.00 |

Survey Certificate

A Survey Certificate was not available for inspection.

Certificate of Compliance

A Certificate of Compliance was not available for inspection.

This report was compiled from information obtained from a search of the books and documents of the subject Strata Plan made available and not on any physical inspection of the building.

All reasonable care has been exercised whilst compiling this Report. No warranty or representation is made as to the accuracy of the information provided by the Managing Agent and/or Officers of the Owners Corporation and no responsibility is taken for any loss or damage due to any cause whatsoever, including negligence whether in connection with information supplied by the Managing Agent and/or Officers of the Owners Corporation or otherwise.

Dated: 1 Jan 2007

M & W LEGALS



M.W. HANSLOW
Justice of the Peace
Member of ASIA