

MS JENNA BURTEN / DW:Burten

LOT No: 43

STRATA PLAN No: 90001

PROPERTY ADDRESS: 43/3 Sample Street, Sydney

DATE INSPECTED: 2nd March 2024

COMMISSIONED BY: Westwell Conveyancing

CONTACT: Mrs Donna Westwell

CONDITIONS OF THIS STRATA INSPECTION REPORT

The contents of this report are based upon an inspection of those Owners Corporation records available for a period of up to four (4) years prior to the date of this report unless otherwise stated. Whilst all reasonable care has been taken in the production of this report, no guarantee of accuracy is offered or implied in respect of the information supplied to us at the time of inspection and no responsibility is accepted for any loss or damage whatsoever arising from inaccuracies contained in the information supplied to us at the time of inspection.

We can offer no assurances that the records made available were complete and it is always possible that other relevant records exist that were not inspected.

Where there is an inconsistency between information provided in this report and information in an attachment to the report, the information in the attachment will prevail, unless otherwise stated.

We do not warrant that any Insurance Policy mentioned in this Report which benefits the Owners Corporation is either valid, continuing or enforceable. Where the information was available to us, we have provided contact details of the Broker to enable you to seek that information.

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

At the end of this report we refer to important information arising from COVID-19 related issues.

CONTACT THE INSPECTOR

Please feel free to contact the inspector **Michael**, who carried out this inspection, on **0401 000 000**.

Should you have any difficulty in understanding anything contained in this report you should immediately contact the inspector and have the matter explained to you prior to acting upon this report. The inspector can only discuss facts contained in this report and cannot provide an interpretation of the information or offer opinions.

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1. Important information about this report

The following information is derived entirely from an inspection of the records made available at the time of our inspection. We are unable to guarantee that all the Owners Corporation records were made available to us at the time of our inspection or attest to the accuracy of the information contained in those records. In some cases Managing Agents hold “pending” files which may not be produced. We have not inspected the building and we cannot necessarily determine whether the building is well maintained or not.

The personnel of Strata Manager’s offices are not required to be available for interview and some Strata Managers prohibit their personnel from offering information verbally. Unless otherwise indicated, the information in our report has been obtained solely from the records made available to our inspector.

Whilst every effort is made to ensure the accuracy of the information contained in this report, we cannot accept liability for any incorrect information that may be obtained from those records or derived verbally from the Secretary, Treasurer or Managing Agent of the Owners Corporation.

Any part of the information in this report may be based on our archives. The information in this report may be used by us for other clients.

(a) Abbreviations

Throughout this report the following definitions apply:

‘Act’ means the Strata Schemes Management Act 2015

‘Regulations’ means the Strata Schemes Management Regulation 2016

‘Y’ indicates ‘Yes’

‘N’ indicates ‘No’

‘Nil apparent’ indicates ‘Nil apparent from available records’

2. STRATA ROLL – Part 10, Division 1

Recorded Owner:	YANGQI LUO
Recorded address:	43/3 Sample Street, SYDNEY
Recorded Mortgagee:	Nil Apparent
Aggregate Unit Entitlement:	10,000
Unit entitlement of the subject lot:	123
Number of units in Strata Plan:	Unable to determine
Number of lots in Strata plan:	91
Lot number and unit number correspond:	Y
Ascertained from:	Strata Roll and Certificate of Title

3. COMPLIANCE – Part 10, Division 1

Kept in book form:	N
Separate page for common property:	N
By-laws are included:	N
Insurance Schedule is included:	N
Original owner's name and address is recorded:	N
One page per lot:	Y
Unit entitlements are recorded:	Y
Owner's names are recorded:	Y
Owner's addresses are recorded:	Y
Details of Mortgages are recorded:	Y
Lessee details are recorded:	Y
Initial Period has expired:	Y

4. RECORDS OF NOTICES AND ORDERS – Section 179

Notices given to the owners corporation are kept:	N
Orders served on the owners corporation are kept:	N
A register of Notices and Orders is kept:	N
Notices or Orders adversely affecting the owners corporation:	Y
Notices or Orders adversely affecting the subject lot:	Unable to determine

Details of Notices / Orders sighted:

Attached is Fire Safety Order dated 8.8.2023.

It is referred to in **attached** Minutes of the 2020 Annual General Meeting.

5. ACCOUNTING – Part 5, Division 4

The financial position of the Owners Corporation is as follows:

Administrative Fund:	\$ (29,740.57) DR
Capital Works Fund:	\$ (1,054,069.10) DR
As at	1.3.2023

These figures include a Loan with a current balance of \$1,553,954.15.

Accounting records kept as per the Act:	Y
Accounting records retained as per the Act:	Y
Annual Financial Statements prepared:	Y
Annual Budgets prepared:	Y
Auditors are appointed:	Y

6. MAINTENANCE LEVIES – Section 83

Current Standard Levies

Administrative Fund:	\$ 1,115.60
Capital Works Fund:	\$ 227.80
Payable:	Quarterly
Paid to:	Unable to determine
Amount in Arrears (Subject Lot):	\$ 2,696.40
Last Change:	1.1.2024
Allocated according to unit entitlement:	Y
Amount in Arrears (Entire Complex):	\$ 19,766.96
As at:	1.3.2024

Special Levies

Proposed Special Levy:	Yes
Current Special Levy:	Nil Apparent

Important Note: This report includes information in relation to levies that we have obtained from the available records. We strongly recommend that a Section 184 Certificate be obtained prior to settlement to confirm levies and any other applicable charges.

Financial Status – Budget

Annual Contributions effective from:	1.10.2023
To the Administrative Fund:	\$ 330,000.00 PA
To the Capital Works Fund:	\$ 73,073.00 PA

7. BY-LAWS – Part 7 of the Act and Schedule 3 in the Regulation

By-Laws passed but not registered: Unable to determine

Details of By-Laws

AR348588 – Consolidation of Registered By-Laws and see Minutes of 2023 Annual General Meeting.

Animals

Unable to be determined from available records – Registered By-Laws not sighted and should be with the Contract for Sale.

The keeping of animals within the Lot or on Common Property is subject to the Act and the By-Laws registered with the Strata Plan and/or any other instrument taking precedence. You should seek approval under those instruments.

8. MANAGING AGENT – Part 4, Divisions 1-3

A Managing Agent has been appointed.

Date of Appointment: Unable to determine
Licence No.: 10089815
Name: Jamesons & Associates
Address: PO Box 547, SURRY HILLS NSW 2010
Telephone Number: 8969 3300

9. TITLE DEED

Copy only of the Certificate of Title for the common property was sighted. Registration of any notification of By-Laws cannot be determined. Copies of such registration can be obtained from the Registrar General's Office.

Identifier: CP/SP95301
Edition: 4
Date Issued: 23.8.2021
Easements: Not Applicable

Note: For Strata Schemes registered after 1 July 1997 a copy should be obtained of the By-Laws registered with the Strata Plan. A search should be made at the Land Titles Office to ascertain all registered dealings.

10. MINUTES – Part 2, Division 3 and Schedule 1

Minutes are kept for seven (7) years or since registration: Unable to determine

Minutes are retained for seven (7) years or since registration: Unable to determine

NOTABLE ITEMS (from Minutes)

16.10.2023 Annual General Meeting – Minutes *attached* – referring to notable items including (without limitation) Special Levy (Motion 4), Building Defects (Motion 11), New By-Law (Motion 17), Major Defect / Deed of Settlement (Motion 19).

Loan Repayment Schedule *attached* to Minutes. We were unable to determine what transpired with the Deed of Settlement.

23.5.2023 Extraordinary General Meeting – Minutes *attached* – referring to building defect related matters and Loan of \$4,956,272.06 to pay for the works.

16.12.2022 Extraordinary General Meeting – Minutes *attached* – referring to Special Levy to fund Defect Claim against the Builder.

Work and expense and other notable items in *attached* Minutes of the following Meetings:

- 21.4.2022 Strata Committee Meeting
- 3.2.2022 Defect Claim Minutes
- 13.4.2022 Defect Claim Minutes
- 9.11.2021 Defect Claim Minutes
- 29.9.2021 Strata Committee Meeting
- 2.7.2021 Strata Committee Meeting
- 17.12.2020 Annual General Meeting

Time constraints meant we were unable to read all these documents.

Last Annual General Meeting: 16.10.2023

11. HISTORY OF EXPENDITURE

(a) Carpet

The common carpet is the original laid.

(b) Painting

The internal and external common areas of the building do not appear to have been painted since construction.

(c) General – Expenditure Items of Significance

This listing consists mainly of Capital Works Fund expenditure and only significant or notable items are listed – it does not include items of a regular nature or minor common items. It is not, and should not be interpreted as being, exhaustive.

Year	Type	Cost
2023/2024	Consultants	\$ 373,453.00
	Legal fees	\$ 11,744.00
	Fire protection	\$ 13,972.00
	General replacement	\$ 859,757.00
	See attached Account extract	
2022/2023	Consultants	\$ 47,780.00
	Legal fees	\$ 15,116.00
	Fire protection	\$ 14,642.00
2021/2022	Fire protection	\$ 30,474.00
	Plumbing and drainage	\$ 10,598.00
2020/2021	Consultants	\$ 16,620.00
	Fire protection	\$ 19,575.00
	General replacement	\$ 22,129.00
2019/2020	Fire protection	\$ 21,078.00

No physical inspection of the property has been carried out. If you require such an inspection please call our inspection department.

12. STRATA COMMITTEE – Part 3

See Motion 14 in *attached* Minutes of October 2024 Annual General Meeting for details of the Strata Committee.

13. INSURANCES – Part 9

Note: Please confirm all insurance details with a Certificate of Currency. A current Certificate should be obtained to ensure the policy has not been cancelled.

Company: QBE INSURANCE (AUSTRALIA) LTD

Type	Policy No.	Amount	Premium	Due Date
Building & Contents	HU0032	\$ 38,885,400	\$ 82,453.22	31.8.2024
Public Liability	As above	\$ 30,000,000	Included above	As Above
Personal Accident	As above	\$ 200,000	Included above	As Above
Fidelity Guarantee	As above	\$ 250,000	Included above	As above
Office Bearers Liability	As above	\$ 5,000,000	Included above	As above
Machinery Breakdown	-	\$ Not Selected	-	-
Loss of Rent	As above	\$ 5,781,000	Included above	As above
Building Catastrophe	-	\$ Not Selected	-	-
Government Audit Costs	As above	\$ 25,000	Included above	As above
Appeal Expenses – OH & S Breaches	As above	\$ 100,000	Included above	As above
Legal Defence Expenses	As above	\$ 50,000	Included above	As above
Lot Owners Fixtures / Improvements (per lot)	As above	\$ 250,000	Included above	As above

Excess: Fire \$25,000.00; All other Building related Claims \$5,000.00

Evidence sighted:	Attached Certificate of Currency and Insurance Renewal Proposal
Insurance Broker:	Y
Name:	Coverforce Insurance Broking
Telephone:	9376 7888
Levels of Insurance confirmed by General Meeting of Owners Corporation:	Y
Last valuation amount:	Not Sighted
Valued by:	-
As at:	-

14. MISCELLANEOUS

- a) Tenanted Units: Unable to be determined from available records.
- b) Age of Building: 7 Years (approximately)
- c) Strata Plan Registered: 2.6.2017
- d) Last income Tax Return: Unable to be determined from available records.
- e) Harmony: The records and books disclosed evidence of the following breaches of By-Laws: none sighted
- f) Other: **Comment on the Records Inspected** – Because of the nature and extent of the building defects, the records are vast. That meant we were unable to inspect all relevant documents because of time constraints.
- Defect Report – Attached.**
- Cladding Report – Attached.**
- Capital Works Fund Plan – Attached.**
- Annual Fire Safety Statement (AFSS) – Sighted, dated 4.1.2024.**

COVID-19 Related Complications with Information Provided to our Inspectors

As a result of the COVID-19 pandemic, we have found that many strata managers have closed their offices, with individual strata managers working from their homes.

To enable strata inspections to continue to be undertaken, many of those strata managers have set up on-line strata inspections. That means relevant information is either emailed to our inspectors, or a link to the records is provided to enable access.

Unfortunately, this has led to concerns common with all strata inspection businesses in New South Wales, including:

1. Important information is not always provided to our inspectors

It is our experience that strata managers almost always have separate files to the files made available for inspection. That means our inspectors only get to see the information strata managers choose to make available to them.

Often there is missing information which is important because it relates to a materially significant issue facing the owners corporation or relates to the subject lot.

2. Records are not provided to our inspectors in an orderly manner

Particularly with strata managers who have just started on-line inspections, our experience is that the files made available to us are often out of date and subject order. For example, minutes can be included in correspondence files and have no order as to the dates in which they are filed.

This means it can take an extended time to sort through what is or is not relevant to our report. Given that our inspectors are allocated a little more than an hour to inspect records, it can lead to problems in extracting useful information to include in their reports within the time limited.

Problems also arise where the indexing of computer files is poor. For example, an item of correspondence may simply be labelled 'Correspondence' without any mention of date or subject matter. We recently had an experience where the records provided to our inspector included hundreds of entries entitled simply 'correspondence', with no indication as to date or subject matter.

The only way to determine the relevance of items of correspondence was to open each item. It made a meaningful inspection within the time limited for our inspection very difficult.

As a provider of strata inspection reports for over 30 years, our aim is to continue to provide you with strata reports of industry leading quality. We will continue to do this to the best of our ability. We ask that you keep the concerns we refer to above in mind.

As mentioned above, these concerns are common to all strata inspection businesses in New South Wales, whether they disclose this or not.

15. ATTACHMENTS

166 pages

For and on behalf of
Pink Inspection Services