



## **O'Connors Property Reports**

Pre-Purchase Inspection Specialists

Building

Pest

Strata

Survey

Valuation

## **Strata Scheme Inspection Report**

**6/46 Burns Bay Road  
Lane Cove**

**Reference: 295811**

25 March 2009

Gus Kernot  
c/- Jones Lawyers  
DX 9605 Sydney

Attention : Ms Emily Jones


Our Ref : 295811

## STRATA SCHEME INSPECTION REPORT

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Property Address : **6/46 Burns Bay Road, Lane Cove**  
Lot/s 1 Strata Plan No: **12938**  
Owner : **Simon J Ford**  
Inspection Date : **25/03/09**  
OPR Inspector : **Sue Heaney**

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 We use the international Information symbol to identify sections of text, such as the paragraphs below, which have been prepared as general information rather than specifically generated in response to the records under inspection. All these sections contain important information and should be clearly understood.

### **Important General Information About Strata Records Inspections.**

Information contained in our report has been derived solely from the records available at the time of inspection. We have not inspected the building and often have very little practical information about it. We may not, for instance, be able to distinguish between a low maintenance building in good condition, and one where owners are not making a record of maintenance requirements or building problems.

The Owners Corporation is required to keep Accounts, Minutes of Meetings and Correspondence records but there is no external monitoring of this process. If an Owners Corporation fails to keep a full record of its activities, or fails to keep them in an accessible manner, any inspection will be deficient.

Some Owners Corporations deliberately withhold information with the intention of misleading potential purchasers.

You should make your own observations of the building's condition and you must make further enquiries if material in this report seems inconsistent with your observations. You should, in any case, use the report as a starting point to ask questions of the vendor and we always recommend informal discussions with people living or working in a building as they may identify important matters not in the formal records.

Our inspection is normally confined to a single scheduled viewing of the written records. Strata management staff are not obliged to be available for interview. Some management offices prohibit staff from providing verbal advice. Unless specifically stated, we have not obtained any information other than from files provided by the Strata Manager.

Our primary goal is to identify items in the formal records which may materially affect the value of the unit to a purchaser.

Our inspection has been conducted in a systematic manner. O'Connors Property Reports Strata Inspectors use our own specially developed computer software and are trained to conduct strata inspections.

Beyond their inspection training, Strata Inspectors have no specialist professional skills. They are not Lawyers, Accountants, Auditors, Engineers, Fire Safety Experts, Builders, or Psychologists. Inspectors do acquire some knowledge specifically useful to strata inspection, such as general familiarity with common report formats and filing conventions. They tend to recognise the names and letterheads of regular expert professional advisers but, they are not themselves experts.

Nothing in this report should be construed as legal advice. Where we refer to any legislation or other legal matter we are providing general information only. This report is an adjunct to, not a substitute for, considered legal advice.

Unless otherwise stated this report relates to an inspection of Owners Corporation records to a maximum of 4 years prior to the date of inspection.

Some or all of this report may have come from our archives. Some or all of this report may be used by us for current and future clients.

## 1. MANAGING AGENT / SECRETARY

Owners Corporation records are held by:

Name : Strata Professionals  
Address : 1st Floor, 283 Penshurst Street  
Willoughby

Telephone Number : 9417 2366

Manager's Name : Richard Smith

The managing agent has been involved with this property for a number of years.

The building was managed prior to 2005 by Strata Associates.

## 2. EXECUTIVE COMMITTEE

Ron Lowry - Chair      John Clark (9) - Sec      Adam Cox (3) - Treas  
Harry Hearn

## 3. STRATA ROLL

We did not sight a printed strata roll. Information was obtained from a report for the subject lot.

Owner : John Ford      20/10/08  
305 George Street  
Sydney NSW 2000

Mortgagee : None noted

Unit Entitlement : Lot 6 = 20      Aggregate Unit Entitlement : 250

**i Section 98 Compliance:** The Act contains several requirements in respect of the records kept with the strata roll. These requirements are based upon manual record keeping procedures while strata managers use largely computer based records. Further, in our experience, default in this area is of only technical interest. It has no implications for any purchase decision, nor does it place the Owners Corporation at risk of prosecution. We do not separately report on Sec. 98 compliance.

### 3.1 INITIAL PERIOD

The initial period has expired, according to available records.

## 4. STRATA PLAN

We sighted a copy of the Strata Plan registered on 01/05/75.

## 5. CERTIFICATE OF TITLE

We did not inspect any title documents for the common property.

Number of Lots : 10  
Number of Units : 10  
Number of Units tenanted : Not determined

## 6. INSURANCE

Broker : Austbrokers Sydney Pty Ltd

### 6.1 POLICIES

#### **Ace Insurance Ltd**

Policy No : 4A9359  
Due Date : 01/05/09  
Held by : Owners Corporation

Building	3,960,000
Public Liability	20,000,000
Voluntary Workers	100,000/1,000
Office Bearers Liability	2,000,000
Fidelity Guarantee	40,000
Loss Of Rent	594,000
Common Contents	39,600
Catastrophe	594,000

#### **QBE Insurance Ltd**

Policy No : SFE010063GWC  
Due Date : 01/05/09  
Held by : Owners Corporation

Workers Compensation As Per Act

Total Premium : \$4,313

Documents : Certificate of Currency (enclosed)

We did not sight a current insurance valuation among the records.

Please confirm all policies with certificates of currency.

**i** The Strata Schemes Management Act 1996 requires the Owners Corporation have:  
1) Building insurance at least to the value of the building as determined by a valuation, which must be obtained at least every 5 years. 2) Public Liability cover to a minimum of \$10,000,000 and 3) Voluntary Workers insurance.

After 30 June 2008 employers paying less than \$7,500pa wages in NSW are not required to carry Workers Compensation insurance.


It should be noted the Owners Corporation insurance policies normally cover only risks associated with the common property and not individual lots. It should be noted this can apply even where damage to property in an individual lot results from a fault arising in the common property.

Owners and occupiers need to have adequate cover for their own contents and other risks.

## 7. FINANCIAL RECORDS

### 7.1 FUND BALANCES

Administrative Fund	:	\$73,930	and
Sinking Fund	:	Deficit (\$14,730)	as at 25/03/09
Source of Information	:	Balance Sheet	

 Fund balances are from information provided by the Strata Manager. This information has not been subject to any audit. The Property Stock & Business Agents Act, and Strata Schemes Management Act between them make a number of requirements in respect of accounts, accounting reports and funds held in trust for Owners Corporations. We have not reviewed these requirements.

### 7.2 INCOME AND BUDGET

We enclose statements of Income and Expenditure for the year ended 30/06/08 tabled at the last Annual General Meeting.

Annual levies equal the current budget.

Administrative Fund	\$43,000
Sinking Fund	\$10,000

#### Past Special Levies:


Year	Amount	Purpose
2007	\$85,000	Repairs to unit 9 and painting of eastern wall.
2007	\$50,000	Retaining wall repairs.

### 7.3 UNIT LEVIES

Lot levies are:

Administrative Fund	\$860.00 per quarter paid to 31/03/09
Sinking Fund	\$200.00

Levies appear to have been calculated correctly in accordance with the unit entitlement.

 Levy information is provided by the Strata Manager at the date of inspection. It may be desirable to have the Strata Manager provide a Section 109 Certificate prior to settlement to confirm any levies or other charges payable by the lot owner.

### 7.4 POSSIBLE / PROPOSED SPECIAL LEVIES


We noted a deficit of \$14,730 in the Sinking Fund. The Act requires that any deficit be cleared by the determination of a Special Levy within three months of a deficit occurring.

There are a number of unresolved items listed under BUILDING MATTERS. Any of these might cause a requirement for a Special Levy.

### 7.5 LONG TERM SINKING FUND FORECAST

08/08/07 We enclose extract of a Sinking Fund Forecast prepared by Partners.

25/03/09 Sinking Fund levies are well below the levels suggested in the forecast.


 Regulations require Owners Corporations prepare a plan of anticipated major Sinking Fund expenditure for a 10 year period. The forecast requires item-by-item assessment of major building elements and must be reviewed at each AGM. It is to be adjusted, if necessary, at every fifth AGM and a new plan is to be prepared at the conclusion of the 10 years. Most Owners Corporations seek professional assistance for these forecasts.

The Regulations came into force early in 2007 and implementation has been staged depending on the SP number. All Owners Corporations with a number greater than SP30000 are required to have a plan in place at their next AGM. Plans for schemes with numbers greater than SP10000 are required for the AGM after 1 July 2008 and older schemes with numbers up to SP10000 after 1 July 2009.

## 7.6 TAXATION

We noted a Tax File Number.

The Owners Corporation does not collect GST.

 Owners Corporations are not normally considered a “non-profit” entity within the terms of the GST legislation so the obligation to collect GST commences when total income exceeds \$75,000. Income earned by the Owners Corporation from sources such as rent is taxable in the hands of individual lot owners. We have made no review of the Owners Corporation taxation obligations.

## 8. MINUTES & RECORDS

The prescribed books of accounts are kept.

Minutes are retained for the prescribed period.


Last Annual General Meeting : 25/08/08 (enclosed)

Last item in the Minute Book : Executive Committee Meeting 27/01/09

An auditor has been appointed.


The Executive Committee holds about four meetings each year and produces detailed minutes.

There are no expert consultants' engineering reports among the files inspected.

 The Act requires notice of a forthcoming Executive Committee Meeting be distributed to all Owners not less than 72 hours before the meeting and minutes distributed to all Owners within 7 days after the meeting. If the scheme is smaller than 100 Lots, and maintains a Notice Board, the notice and minutes may be displayed on that board. Minutes must be displayed for a minimum of 14 days.

## 9. LITIGATION

The recovery of levy arrears is presently being pursued.

 The Act provides an Owners Corporation or Executive Committee must not seek legal advice or the provision of other legal services, or initiate legal action, for which any payment may be required unless a resolution is passed at a General Meeting of the Owners Corporation. There may be some exemptions provided in the Regulations.


For new buildings this change to the Act should be understood in conjunction with Home Building Amendment (Insurance Exemptions) Regulation 2003, which exempts buildings over three stories in height, commenced after 31 December 2003 from the requirement to have Home Owners Warranty Insurance.

## 10. BY-LAWS

### 10.1 CHANGES TO BY-LAWS

We noted changes to the by-laws that may not yet be registered on title.

Annual General Meeting 25/08/08 Resolved exclusive use by law for lot 9 to use courtyard next to the lot. Access shall not be denied to or through the area by other residents and tradespeople.

 Changes to By-laws require the passing of a Special Resolution at a General Meeting. The Act then allows two years for the new By-law to be registered at the Titles Office. Part of our inspection includes a search for By-laws that may not yet be registered.


Strata Schemes registered prior to 1 July 1997 have by-laws as defined by Schedule 1 of the Act, subject to later registered changes. For Strata schemes registered from 1 July 1997, a copy of the by-laws will be among documents registered with the strata plan.

## 10.2 ALTERATIONS/IMPROVEMENTS

28/10/06 Unit 9 - we note approval for renovations to include replacement of timber floors.

25/01/07 Unit 10 – Permission granted to install split system air conditioner.

Items listed here are not necessarily a complete list of approvals sought. We have provided a sample to give an indication of the types of items that have been discussed over time.

 As a general rule Owners are not allowed to make any alteration to their lot or common property except where it is permitted in the By-laws. In a practical situation this means an Owners Corporation permission must be sought for such things as, installing air conditioning, satellite dishes, awnings and security doors; closing balconies; removing carpet, installation of timber or tile flooring; moving or removing walls and or doors.

Any permission is normally granted with conditions in respect of the brand, style, colour, capacity and future maintenance of the changed item. Typically, any item of common property altered by a Lot Owner will become the responsibility of the Owner.

Please refer to the By-laws & Section 116 of the Strata Schemes Management Act.

## 10.3 ANIMALS

Minutes confirm “Option C” has been adopted - subject to section 49 (4), an owner or occupier of a residential lot must not keep any animal on the lot or common property.

## 11. BUILDING MATTERS

### FIRE SAFETY

Environmental Planning and Assessment Regulations require most Owners Corporations lodge an Annual Fire Safety Statement known as a Form 15A.

The statement must be completed by an appropriately qualified person and must certify essential fire safety measures have received regular maintenance and function in the way they were designed. It does not imply the whole building complies with current standards.

The statement must be submitted, annually, to the local Council, Fire Brigade and a copy must be displayed at the building.

09/10/08 We sighted a current Annual Fire Safety Statement prepared by the Strata Manager.

### RETAINING WALL

22/01/08 Minutes note repairs to the wall had commenced and quotes to be obtained for the construction of steps, handrail.

07/05/08 Minutes note Repairs have been completed, however a diagram of the construction of the steps, handrail was required.

### CONCRETE CANCER

We did not sight any Inspection Reports in the records inspected and believe they may be held by the Executive Committee.

- 11/09/07 Resolved to obtain quote for repair of concrete cancer in laundry.
- 26/11/07 Resolved D to arrange repair of the laundry ceiling, subject to engineer's approval of proposed work.  
D to request engineer to draw up specifications for lowering of the entry bridge, which is to be included in the Development Application. It was noted the entry bridge also has concrete cancer.
- 12/03/08 Resolved drawing from engineer to go to contractor to proceed with laundry repair at quoted price (not sighted).
- 27/01/09 Resolved top appoint Duffy to project manager the repair of concrete cancer in the bridge and to call for tenders for the work.  
Also asked to confirm the reconstructed bridge would support car parking on completion.
- 25/03/09 We note the entry bridge work has not yet been approved, we were unable to determine what stage the bridge work was at. There was mention of obtaining quotes, have specifications prepared for the lowering of the bridge and treating concrete cancer. This may be a costly project that will require a Special levy.

### FIRE ORDER

- 22/08/06 Resolved D arrange to invite S to provide a report to show the building will comply with Councils requirements in respect to the Fire Order.
- 12/03/08 Resolved to engage architect to review Fire Order requirement and negotiate with Council.
- 07/05/08 Minutes note onsite meeting with architect has been arranged to review Fire Order requirements and negotiate with Council.  
Minutes note all Fire Order requirements - smoke alarm, detectors have been inspected and units 9 has been certified.
- 27/01/09 Strata Manager had not received any correspondence from the Council in relation to the fire order and the Executive Committee assumed the building complies.
- 25/03/09 We sighted no further mention of this matter among the records inspected.

### SOLAR HOT WATER & RAIN WATER TANK

- 07/05/08 Minutes note enquiries have been made on the feasibility of installing solar hot water and a rain water tank.

### ELECTRICAL WIRING

- 27/01/09 Resolved to review the electrical rewiring of the building once the entry bridge work is completed.
- 25/03/09 We enclose a quote from LM Electrics for replacement of the main switchboard wiring at a cost of \$4,000 and a further estimate of \$12,000 to replace existing wiring through the building.

## 12. SIGNIFICANT EXPENDITURE ITEMS

	Period To 25/03/09 \$	y/e 30/06/08 \$	y/e 2007 \$	y/e 2006 \$	y/e 2005 \$	y/e 2004 \$
consultant fees		13,844		2,283		
electrical			1,264			
paths/fences/letterboxes					12,276	
plumbing		1,517				
pool maintenance		5,192	3,500			
special levy expenses		40,870	31,059			
structural rectification			12,668	29,904	2,731	

This list comprises notable or unusual expenses only and consists primarily of Sinking Fund items. The list is not intended to be exhaustive nor does it include items of a common or regular nature.

### Notices and Orders

We recommend as a standard enquiry the Local Council, Sydney Water and other relevant bodies be contacted to ascertain if there are outstanding Notices or Orders against the Owners Corporation.

### Home Owners Warranty Insurance

The Home Building Act 1989 applies to building work on residential properties. Among other things, the Act provides for warranties for a period of 7 years and requires that these be insured.

The legislation allows an insurer to exclude claims made later than 6 months after the beneficiary first becomes aware, or ought reasonably to be aware, of the fact or circumstance under which the claim arises. Insurers specifically enforce this exclusion.

Accordingly the insurer should be advised in writing of any building defects claims, immediately they are communicated with the builder, regardless of the builder's likely response. It is beyond the scope of a standard inspection to provide comment on the management of building defects claims.

Home Owners Warranty Insurance does not apply to unit buildings over 3 stories in height where construction commenced after 31 December 2003.

### Occupational Health And Safety Act

The common property of many residential buildings may be included under the definition of workplace. This means the Owners Corporation, it's executive and strata managers, are obliged to ensure the property complies with the "safe workplace" requirements of the legislation.

Compliance with the legislation is compulsory. Any purchaser of a strata title property needs to be aware the safety of the common property requires the ongoing attention of every Owners Corporation.

### Service & Maintenance Agreements

No examination has been made of any service or maintenance or other agreements entered into by the Owners Corporation and they are not covered by this report.

### Legislation and Government

The Strata Schemes Management Act and Regulations can be viewed in their complete form at Australasian Legal Information Institute website at [www.austlii.edu.au](http://www.austlii.edu.au). We have quick links on our website [www.opr.com.au](http://www.opr.com.au).

The Office of Fair Trading has several "plain language" publications discussing various aspects of strata living, including the management of disputes. These can be seen at [www.fairtrading.nsw.gov.au](http://www.fairtrading.nsw.gov.au).

### Professional Indemnity Insurance

O'Connors Property Reports Pty Ltd carries Professional Indemnity insurance underwritten by Pacific International Insurance Limited, policy number AUS 07-473, with a limit of \$1,000,000 on any one claim.

### Limit of Liability

This report is provided exclusively for the use of the person to whom it is addressed or, where has been provided by internet order, the person whose name appears on the internet invoice. No other person or corporation has any authority to make use of any or all of this report. This report supersedes any other report, verbal or written, given in respect of the property.

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**O'Connors Property Reports**

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Issued on behalf of the Insurers:  
QBE Insurance ( Aust ) Ltd ABN 78 003 191 035 82 Pitt Street Sydney NSW 2000 ( AFS Licence No: 239545 )  
QBE Workers Compensation (NSW) Limited - Agent for the NSW WorkCover Scheme ABN 83 564 379 108 004

The Specialists in Strata and  
Community Title Insurance

Policy Number: 829723  
Period of Insurance:  
From: 17/09/2008  
To: 17/09/2009

Postal Address MASON & BROPHY STRATA MANAGEMENT  
PO BOX 567  
DEE WHY  
NSW 2099

The Insured & Situation  
THE OWNERS - SP 71178  
18 GOODWIN STREET  
NARRABEEN  
NSW 2101

## RESIDENTIAL STRATA INSURANCE PLAN RENEWAL CERTIFICATE - TAX INVOICE

Cover Selected	Sum Insured
POLICY 1 INSURED PROPERTY (Building) Loss of Rent/Temp Accommodation (15.0%) INSURED PROPERTY (Common Area Contents)	4,520,000 678,000 45,200
POLICY 2 LEGAL LIABILITY	10,000,000
POLICY 3 VOLUNTARY WORKERS	100,000/1000
POLICY 4 WORKERS COMPENSATION (NSW, ACT, TAS & WA ONLY)	Not selected
POLICY 5 FIDELITY GUARANTEE	100,000
POLICY 6 OFFICE BEARER'S LEGAL LIABILITY	2,000,000
POLICY 7 MACHINERY BREAKDOWN	Not selected
POLICY 8 CATASTROPHE INSURANCE (Insured Property) Extended cover - Rent/Temp Accommodation (15%) Escalation in Cost of Temp Accommodation (5%) Cost of Storage and Evacuation (5%)	Not selected Not selected Not selected Not selected
POLICY 9 Government Audit Costs Appeal Expenses - common property health & safety breaches Legal Defence Expenses	25,000 100,000 50,000
POLICY 10 LOT OWNER'S FIXTURES AND IMPROVEMENTS (per lot)	250,000

Base Premium: 4,347.11  
Fire Service Levy: 610.08  
GST: 499.71  
Stamp Duty: 490.75  
CHU Admin Fee: 40.00  
**TOTAL PAID: 5,987.65**

Date of Issue: 5/9/2008  
This certificate forms part of your Residential Strata Insurance Plan  
CHU Underwriting Agencies Pty Ltd is an underwriting intermediary acting on behalf of the insurers.

mml



STRATA PLAN NO 46143  
86-88 ALFRED STREET SANS SOUCI NSW 2219  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 31 JANUARY 2007

ADMINISTRATIVE FUND

	Notes	2007 \$	2006 \$
<u>INCOME</u>			
Levies receivable		33,017.86	31,745.66
Interest receivable on arrears		12.35	14.33
Inspection fees		114.91	25.64
Insurance claims received		927.73	1,787.59
Rent received / receivable - landlord		9,684.44	5,729.75
Section 109 certificates		540.00	84.00
		<u>44,297.29</u>	<u>39,386.97</u>
<u>LESS: EXPENDITURE</u>			
Accounting / tax fees		150.00	150.00
Administration		727.50	692.87
Air conditioner & vacuum cleaner		-	2,068.18
Audit fees		363.00	330.00
Cleaning		15,520.19	14,575.00
Community room		117.42	-
Electricity		1,012.43	1,048.22
Fire control		-	229.85
Flower arrangement		34.55	-
Gardening & lawns		6,421.90	5,766.60
Inspection fees		114.91	25.64
Insurance	(4)	7,192.63	6,834.71
Management fees		4,683.72	4,460.70
Printing, postage & stationery	(5)	66.30	53.86
Refund of interest		-	8.06
Repairs & maintenance	(6)	5,769.08	13,555.45
Report fees		220.50	209.95
Schedule B fees		460.88	441.24
Section 109 certificates		540.00	84.00
Security		1,391.87	689.55
Telephone		539.99	484.28
Water rates		471.60	207.55
		<u>45,798.47</u>	<u>51,915.71</u>
Surplus/(deficit) for the year		(1,501.18)	(12,528.74)
Owner's funds at beginning of year		9,744.01	22,272.75
Owner's funds at end of year transferred to balance sheet		<u>8,242.83</u>	<u>9,744.01</u>

STRATA PLAN NO 46143  
86-88 ALFRED STREET SANS SOUCI NSW 2219  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 31 JANUARY 2007

SINKING FUND

	Notes	2007 \$	2006 \$
<u>INCOME</u>			
Levies receivable		5,308.22	6,579.25
Interest receivable on arrears		2.17	2.87
Taxation refund received		46.10	536.00
		<u>5,356.49</u>	<u>7,118.12</u>
<u>LESS: EXPENDITURE</u>			
Anti slip strip on stairs		510.00	-
New dryer		-	253.64
Painting		-	1,421.00
PAYG instalment		-	89.00
Roof repairs / replacement		1,495.00	-
Security		754.40	-
		<u>2,759.40</u>	<u>1,763.64</u>
Surplus/(deficit) for the year		2,597.09	5,354.48
Owner's funds at beginning of year		56,034.14	50,679.66
Owner's funds at end of year transferred to balance sheet		<u>58,631.23</u>	<u>56,034.14</u>

## SUMMARY OF CONTRIBUTIONS

10 YEAR PLAN - 20 YEAR FORECAST : Starting April 2008

for

### 506 MOWBRAY ROAD SP 76693

Prepared by Leary & Partners Pty Ltd - Job No. 11510

Dated : 16 October 2007

Fund Balance @ April 2008: \$6,000.00

Period Apr to Apr	Total Contributions	Expected Requirements	Fund Balance*
2008-09	\$16,478	\$3,101	\$20,452
2009-10	\$17,187	\$3,140	\$35,621
2010-11	\$17,926	\$4,145	\$50,571
2011-12	\$18,696	\$3,224	\$67,264
2012-13	\$19,500	\$12,659	\$75,378
2013-14	\$20,339	\$8,483	\$88,561
2014-15	\$21,214	\$15,545	\$95,613
2015-16	\$22,126	\$28,701	\$90,481
2016-17	\$23,077	\$54,603	\$60,461
2017-18	\$24,069	\$27,938	\$58,163

\*This balance includes interest earned on the fund balance and tax payable on these earnings.

**EXPECTED REQUIREMENTS**

Item	Area	Description	Unit	Qty.	Rate	FR Yrs	RC Yrs	to Apr 2009	to Apr 2010	to Apr 2011	to Apr 2012	to Apr 2013	to Apr 2014	to Apr 2015	to Apr 2016	to Apr 2017	to Apr 2018
#1	Basement	Replace batteries to emergency lights (approx. 25%)	No.	2	106	1	1	223									
#2	Basement	Repaint carpark line markings	m	94	7	3	5		234								
#3	Basement	Replace ventilation fans and motors (approx. 20%)	No.	1	1,536	5	7			246	258	271	284	298	313	329	346
#4	Basement	Replace door hardware (approx. 15%)	No.	1	722	6	6			737		1,957					
#5	Basement	Replace 1.5kW stormwater pump (approx. 50%)	No.	1	3,743	7	9						966				
#6	Basement	Replace automatic basement door opening gear	No.	1	1,701	7	9							5,257			
#7	Basement	Replace emergency light fittings (approx. 25%)	No.	2	277	8	5							2,390			
#8	Basement	Replace light fittings (approx. 10%)	No.	2	181	8	2								818		
#9	Basement	Replace tiling to floor (approx. 50%)	m2	1	225	8	10								533		587
#10	Basement	Replace hot water system (approx. 50%)	Item		3,289	10	12								332		
#11	Basement	Replace metal ventilation louvres (approx. 30%)	m2	1	531	10	12										5,348
#12	Basement	Replace exposed internal ductwork (approx. 30%)	m2	5	105	10	12										863
#13	Basement	Replace basement door	No.	1	1,822	12	14										856
#14	Basement	Replace metal door frame (approx. 15%)	No.	1	301	13	15										
#15	Basement	Replace fire hose reel and nozzle	No.	1	980	18	20										
#16	Building	Patching of render to external walls and columns	m2	48	55	6	8										
#17	Building	Paint building facade	m2	1,104	28	9	10						3,553				
#18	Building	Replace handrail-type balustrade to units (approx. 5%)	m	5	217	10	12									48,317	
#19	Building	Replace wheelchair lift components	Item		29,700	15	15										1,764
#20	Building	Replace aluminium windows and hardware (approx. 30%)	m2	15	581	18	8										
#21	External	Replace bollard lights (approx. 30%)	No.	1	343	5	7										
#22	External	Replace external signs	Item		127	5	7					437					
#23	External	Replace 0.75kW stormwater pump (approx. 50%)	No.	1	2,478	7	9					161					
#24	External	Replace traffic light and controller	Item		750	7	9										
#25	External	Replace horizontal timber fence (approx. 50%)	m	26	123	8	10							3,480			
#26	External	Replace timber lapped fence (approx. 50%)	m	40	79	8	10							1,053			
#27	External	Replace metal pit grates (approx. 50%)	No.	2	426	8	10								4,712		
#28	External	Replace metal drain grates (approx. 50%)	m	2	378	8	10								4,668		
#29	External	Replace timber sleeper retaining wall (approx. 25%)	m2	3	241	8	5								1,256		
#30	External	Replace timber gates	No.	1	283	8	10								1,114		
#31	External	Replace timber louvres (approx. 30%)	m2	4	454	9	5								1,068		
#32	External	Replace intercom system	Item		4,955	10	12								418		
#33	External	Replace underground pipework (approx. 30%)	Item		5,446	13	15									2,813	
#34	External	Replace aluminium letterboxes	No.	15	97	13	15										8,057
#35	External	Replace timber latticework	m2	6	97	13	15										
#36	External	Replace external lights	No.	1	125	13	15										
#37	Roof	Replace pointing to roof tiles (approx. 50%)	m	57	48	10	12										
#38	Roof	Replace eaves gutters (approx. 30%)	m	35	52	13	15										
#39	Roof	Replace downpipes (approx. 30%)	m	18	64	13	15										4,460
#40	Roof	Replace television aerial	No.	1	449	13	15										

<b>EXPECTED REQUIREMENTS</b>																	
Item	Area	Description	Unit	Qty.	Rate	FR Yrs	RC Yrs	to Apr 2009	to Apr 2010	to Apr 2011	to Apr 2012	to Apr 2013	to Apr 2014	to Apr 2015	to Apr 2016	to Apr 2017	to Apr 2018
#41	Roof	Replace concrete roof tiles (approx. 10%)	m2	40	64	18	20										
#42	Typical lobb	Replace batteries to emergency lights (approx. 25%)	No.	5	106	1	1	557	585	614	645	677	711	746	784	823	864
#43	Typical lobb	Replace fire detectors (approx. 20%)	No.	1	197	3	5			227					290		
#44	Typical lobb	Paint walls and ceilings	m2	280	19	5	10					6,835					
#45	Typical lobb	Replace door hardware (approx. 5%)	No.	1	484	6	2						647		714		787
#46	Typical lobb	Replace carpet	m2	43	61	8	10								3,891		
#47	Typical lobb	Replace floor tiles (approx. 25%)	m2	9	173	8	10								2,300		
#48	Typical lobb	Replace emergency light fittings (approx. 25%)	No.	5	277	8	5								2,045		
#49	Typical lobb	Replace light fittings (approx. 10%)	No.	1	125	8	2								184		203
#50	Typical lobb	Replace signage to doors	No.	13	51	10	12										1,083
#51	Typical lobb	Replace timber noticeboard	No.	2	123	10	12										400
#52	Typical lobb	Replace handrails (approx. 30%)	m	6	233	13	15										
#53	Typical lobb	Replace metal door frame (approx. 15%)	No.	3	301	13	15										
		Contingency						2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321
	<b>Total</b>							<b>3,101</b>	<b>3,140</b>	<b>4,145</b>	<b>3,224</b>	<b>12,659</b>	<b>8,483</b>	<b>15,545</b>	<b>28,701</b>	<b>54,603</b>	<b>27,938</b>

# SUMMARISED SINKING FUND BUDGET FORECAST

10 YEAR PLAN - 20 YEAR FORECAST : Starting April 2008

for

## 506 MOWBRAY ROAD SP 76693

Prepared by Leary & Partners Pty Ltd - Job No. 11510

Dated : 16 October 2007

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### 1.0 General Information

The contributions shown in this report are based on a 20 year forecast period, i.e. the forecast calculations take into account the replacement and maintenance requirements of the building over the next 20 years. This report displays the forecast contributions and expenses for the first ten years of this period.

### 2.0 Current Sinking Fund Balance

The starting sinking fund balance used in these calculations is \$6,000.00 as at 1 April 2008.

### 3.0 Summary of Required Sinking Fund Contributions

These contributions have been calculated to ensure that sufficient funds are available to meet all foreseeable expenses. The calculations take into account the current balance of the owners corporation's sinking fund, as well as the effect of inflation, interest earnings and taxation.

For Period	to Apr-09	to Apr-10	to Apr-11	to Apr-12	to Apr-13	to Apr-14	to Apr-15	to Apr-16	to Apr-17	to Apr-18
<b>Total Sinking Fund Contribution</b>	\$16,478	\$17,187	\$17,926	\$18,696	\$19,500	\$20,339	\$21,214	\$22,126	\$23,077	\$24,069
<b>Contribution per Entitlement</b>	\$16.48	\$17.19	\$17.93	\$18.70	\$19.50	\$20.34	\$21.21	\$22.13	\$23.08	\$24.07

### 4.0 Summary of Expected Expenditure

The table below is a summary of the forecast sinking fund expenditure for the next ten years. A contingency allowance has been included to provide for general unforeseen expenses which may occur during the forecast period. Detailed information about the expense items listed in this summary are contained in an extended forecast report. If you wish to view the extended report please contact your Owners Corporation or Strata Manager.

Categories	Expected Sinking Fund Requirements									
	to Apr-09	to Apr-10	to Apr-11	to Apr-12	to Apr-13	to Apr-14	to Apr-15	to Apr-16	to Apr-17	to Apr-18
Doors & Other Openings						1,613		714		787
Floor Coverings								6,523		
Furniture & Fittings					161		1,053			
Surface Finishes			737		6,835	3,553		940	48,317	
Air Handling Systems					1,957					1,719
Electrical Systems	780	819	859	902	1,385	995	1,045	4,677	1,152	2,000
Fire Equipment			227					290		
Pumps & Motors							11,126			
Communication Systems										8,057
Roofing Items										4,460
Hot Water Installations										5,348
Drainage & Water Systems								2,369		
External Timberwork								1,068	2,813	
Fencing & Barricades								9,798		1,764
Contingency	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321
<b>Total Expected Expenditure</b>	\$3,101	\$3,140	\$4,145	\$3,224	\$12,659	\$8,483	\$15,545	\$28,701	\$54,603	\$27,938

PRESENT: Lots 3, 4, 5, 15, 17 (proxy to Mrs V Wolfenden) & 19

PRESENT BY: Lots 1 & 13

PROXY:

IN ATTENDANCE: Lot 7  
Mr P McNair, Strata Associates Pty Limited

CHAIRPERSON: Mr P McNair

MINUTES: RESOLVED that the Minutes of the last General Meeting of the Owners Corporation be confirmed as a true record and account of the proceedings at that Meeting.

FINANCIAL STATEMENTS: RESOLVED that the Audited Financial Statements for the period ended 31 January 2004 be adopted.

AUDITOR: RESOLVED that the Owners Corporation appoint Stirling Warton Williams as auditors for the Owners Corporation for the financial year ending 31 January 2005.

INSURANCES: RESOLVED the Owners Corporation increase Office Bearers Liability Insurance to \$2,000,000 and retain Fidelity Guarantee Insurance at \$40,000.

ELECTION OF EXECUTIVE COMMITTEE: RESOLVED that the following persons be nominated to the Executive Committee: -

Ms Belinda Brown	Unit 19
Ms Helena Gaha	Unit 4
Ms Susan Gray	Unit 12A
Ms Helga Stalman	Unit 5
Ms Nancy Shizas	Unit 15
Ms Vicky Treadwell	Unit 1
Mr Malcolm Edgar	Unit 3

Upon the Chairperson declaring that nominations had closed the Meeting RESOLVED the number of the Executive Committee Members be determined at seven (7) and those candidates nominated were duly elected.

SINKING FUND ASSESSMENT/ BUILDING DIAGNOSTIC & OH&S REPORTS: RESOLVED that the Owners Corporation defer authorising the Managing Agent from obtaining on behalf of the Owners Corporation a Sinking Fund assessment, a Building Diagnostic report and an Occupational Health & Safety Risk Assessment Report, and that these matters be considered at the next Annual General Meeting.

BUDGET: RESOLVED that the statement of estimated receipts and payments ("Budget") presented by Strata Associates Pty Limited be amended.

**MINUTES OF THE ANNUAL GENERAL MEETING OF THE OWNERS -  
STRATA PLAN NO. 2356**

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- CONTRIBUTIONS:
- (a) RESOLVED that contributions be determined for the twelve month period from 1 May 2004:
    - (i) to the Administrative Fund in accordance with Section 76 of the Strata Schemes Management Act 1996 for the sum of \$26,000 (plus GST); and
    - (ii) to the Sinking Fund in accordance with Section 76 of the Strata Schemes Management Act 1996 for the sum of \$30,000 (plus GST).
  - (b) RESOLVED that both contributions be paid in four equal quarterly instalments, the first such instalment being due and payable on 1 May 2004 and the subsequent instalments being due and payable on the first days of August and November 2004 and February 2005.
  - (c) RESOLVED that both contributions be levied by notice from the Treasurer of the Owners Corporation in accordance with Section 78 of the Strata Schemes Management Act 1996.

MANAGEMENT FEE: As the proposed management fee of \$4,000 (plus GST) to be paid by the Owners Corporation to Strata Associates Pty Limited was not accepted by the Owners Corporation, the Managing Agent tendered his resignation although will continue to manage the Strata Scheme until the new Managing Agent has been appointed in the next few weeks.

CLOSURE: There being no further business, the Chairperson declared the meeting closed.

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(Chairperson)

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(Date)