

ANNEXURE "....."

AUSTRALIAN STANDARD PREPURCHASE SIGNIFICANT DEFECTS REPORT

This annexure forms part of the Contract for the Sale of Land or Strata Title for the Property at

1. This Contract is conditional upon the Buyer at their expense receiving a written Report about the Property and providing a copy to the Seller, before the Date.
2. If the Report discloses **Significant Defects** to the Property's residential building, the Buyer may at any time within five (5) Business Days after the Date:
 - (a) give notice in writing terminating the Contract and the Deposit and other monies paid shall be repaid to the Buyer, OR
 - (b) serve a Significant Defects Notice giving the Seller five (5) Business Days to agree to pay for the Cost.
- 3.1 If the Seller at the Seller's expense does not agree to pay for the Cost of the Work within five (5) Business Days from when the Significant Defects Notice was served then the Buyer may at any time within five (5) Business Days after that period, give notice in writing terminating the Contract and the Deposit and other monies paid shall be repaid to the Buyer.
- 3.2 Unless otherwise agreed, if the Seller agrees to pay for the Cost of the Work and the Buyer and Seller **can** agree upon the Cost then that amount shall be paid by the Seller to the Buyer at Settlement. If the Cost of the Work **cannot** be agreed, then, unless otherwise agreed, the Cost shall be determined by a builder appointed by the President of the Master Builder's Association (Inc.) at the request of either party or by an independent builder appointed by mutual agreement at the Seller's cost. The builder's determination shall be final. The builder shall be given access to the Property and the Report to assess the Cost.
- 4.1 If the Buyer and Seller do not receive the Report before the Date or the Buyer does not terminate the Contract pursuant to Clause 3.1, then the Buyer shall be deemed to have waived the benefit of this clause. Time is of the essence.
- 5.1 "Consultant" means an independent person, partnership or company qualified and experienced in undertaking property inspections.
- 5.2 "Cost" means the cost of doing the Work.
- 5.3 "Significant Defects Notice" means a Notice in writing to the Seller to provide the Seller with the opportunity to agree to pay for the Work.
- 5.4 "Date" means 4PM on/...../..... . If nothing is inserted then the Date will be five (5) Business Days from the Contract Date or the agreed Latest Date for Finance Approval (if any), whichever is the later.
- 5.5 "Report" means a report performed in accordance with Australian Standard 4349.1-1995 Property Inspections-Residential Buildings ("the Standard") by a Consultant. It is not a Special Purpose Report, nor an all-encompassing report dealing with every aspect of the Property. The Report should only be a reasonable attempt to identify Significant Defects.
- 5.6 "Significant Defects" means significant defects to the residential building only taking into account the age and type of the building, requiring substantial repairs or urgent attention and rectification that is visible at the time of inspection, but does not include defects that are common to most properties including minor blemishes, corrosion, cracking, weathering, general deterioration, unevenness, and physical damage to materials and finishes.
- 5.7 "Work" the work required to remedy or rectify the Significant Defects.
- 5.8 Words not defined in this clause shall have the same meaning as defined in the Standard.

...../...../.....
Buyer

...../...../.....
Buyer

...../...../.....
Seller

...../...../.....
Seller