

BUILDING & PEST INSPECTION AGREEMENT

Inspection & report:

We will carry out the inspection and report ordered by you in accordance with this agreement and you agree to pay for the inspection on or before delivery of the report.

In ordering the inspection, you agree that the inspection will be carried out in accordance with the following clause (s), which define the scope and limitations of the inspection and the report.

BUILDING REPORTS

SCOPE OF THE INSPECTION & THE REPORT

The inspection will be carried out in accordance with AS4349.1 2007. The purpose of the inspection is to identify major defects, the incidence of minor defects and safety hazards associated with the property at the time of the inspection. The inspection and reporting is limited to Appendix C of the AS4349.1 2007.

1. The report does not include an estimate of the cost for rectification of the Defects. The overall condition of this building has been compared to similarly constructed and reasonably maintained buildings of approximately the same age. Areas for inspection shall cover all safe and accessible areas.
2. The inspection shall comprise a visual assessment of the items listed in Appendix C to AS4349.1 2007 for the structures within 30 metres of the building and within the site boundaries including fences.
3. Subject to safe and reasonable access (see definitions below) the inspection will normally report on the condition of each of the following areas:-
 - The interior
 - The roof void
 - * The Exterior
 - * The subfloor
 - * The roof exterior
4. The inspector will report individually on Major Defects and safety hazards evident and visible **on the date and time of the inspection**. The report will also provide a general

assessment of the property and collectively comment on minor defects which would form a normal part of property maintenance.

5. Where a major defect has been identified, the inspector will give an opinion as to why it is a major defect and specify its location.

LIMITATIONS

6. The inspector will conduct a non-invasive visual inspection which will be limited to those accessible areas and sections of the property to which Safe and Reasonable Access (see definitions below) is both available and permitted on the date and time of the inspection. Areas where reasonable entry is denied to the inspector, or where safe and reasonable access is not available, are excluded from and do not form part of, the inspection. Those areas may be the subject of an additional inspection upon request following the provision or reasonable entry and access.
7. The inspection WILL NOT involve any invasive inspection including cutting , breaking apart , dismantling , removing or moving objects including , but not limited to , roofing, wall and ceiling sheeting , ducting, foliage, mouldings, debris, roof insulation, sarking, floor or wall coverings, siding, fixtures, floors, pavers, furnishings, appliances or possessions.
8. The inspection and report compares the inspected building with a building constructed to the generally accepted practice at the time and which has been maintained, so there has been no significant loss of strength and permanence.
9. The inspection excludes the inside of walls , between floors, inside skillion roofing, inside the eaves, behind stored goods , in cupboards, and other areas that are concealed or obstructed , the inspector WILL NOT dig, gouge, force or perform any invasive procedures.
10. The report is not a certificate of compliance that the property complies with the requirements of any Act, regulations, local law or by-law, or as a warranty or an insurance policy against problems developing with the building in the future.
11. The inspection WILL NOT look for or report on Timber Pest Activity. You should have an inspection carried out in accordance with AS4349.3 1998 Timber Pest Inspections, by a fully qualified, licensed and insured Timber Pest inspector.
12. If Timber Pest Damage is found then it will be reported. The inspector will only report on the damage which is visible.
13. **ASBESTOS: No inspection for asbestos will be carried out at the property and no report on the presence or absence will be provided.** If during the course of the inspection asbestos or materials containing asbestos happened to be noticed then this may be noted in the general remarks section of the report. If asbestos is noted as present within the property then you agree to seek advice from a qualified asbestos removal expert as

to the amount and importance of the asbestos present and the cost sealing or of removal.

14. **MOULD (MILDEW) AND NON-WOOD DECAY FUNGI DISCLAIMER:** No inspection or report will be made for Mould (Mildew) and non-wood decay fungi.
15. **MAGNESITE FLOORING DISCLAIMER:** No inspection for Magnesite Flooring was carried out at the property and no report on the presence or absence of Magnesite Flooring is provided. You should ask the owner whether Magnesite Flooring and/or seek advice from a Structural Engineer.
16. **ESTIMATING DISCLAIMER:** Any estimates provided in the report are merely opinions of possible costs that could be encountered, based on the knowledge and experience of the inspector, and are not estimates in the sense of being a calculation of the likely costs to be incurred. The estimates are NOT a guarantee or quotation for work to be carried out. The inspector accepts no liability for any estimates provided throughout this report where they occur you agree to obtain and rely on independent quotations for the work.
17. If the property to be inspected is occupied then you must be aware that furnishings or household items may be concealing evidence of problems, which may only be revealed when the items are moved or removed. Where the report says the property is occupied you agree to:
 - (a) Obtain a statement from the owner as to:
 - i. Any timber pest activity or damage
 - ii. Timber repairs or other repairs
 - iii. Alterations or other problems to the property known to them
 - iv. Any other work carried out to the property including Timber Pest treatment
 - v. Obtain copies of any paperwork issued and the details of all work carried out
 - (b) Indemnify the inspector from any loss incurred by you relating to the items listed in clause (a) above where no such statement is obtained.
18. The inspection will not cover or report the items listed in Appendix D to AS4349.1 2007
19. Where the property is a strata or similar title, only the interior and immediate exterior of the specified dwelling will be inspected by the inspector. The inspection will be as outlined in AS4349.1 2007 Appendix B. Therefore it is advised that the client obtain and inspection of the common areas prior to any decision to purchase.
20. The inspection and report WILL NOT report on any defects which may not be apparent due to prevailing weather conditions at the time of the inspection. Such defects may only become apparent in differing weather conditions.

21. You agree that we cannot accept any liability for our failure to report a defect that was concealed by the owner of the building being inspected and you agree to indemnify us for any failure to find such concealed defects.
22. Where our report recommends another type of inspection including an invasive inspection and report then you should have such an inspection carried out prior to the exchange of contracts or end of cooling-off period. If you fail to follow our recommendations then you agree and accept that you may suffer a financial loss and indemnify us against all losses that you incur resulting from your failure to act on our advice.
23. The report is prepared and presented, unless stated otherwise under the assumption that the existing use of the building will continue as a Residential Property.

TIMBER PEST REPORTS

SCOPE OF THE INSPECTION & THE REPORT

1. Pre-Purchase Timber Pest Inspections will be in accord with the requirements of Australian Standard AS 4349.3-1998 Inspection of buildings Part 3 : Timber Pest Inspections.
2. All inspections (whether in accord with AS 4349.3-1998) will be non-invasive visual inspection and will be limited to those areas and sections of the property to which Reasonable Access is both available and permitted on the date and time of the inspection.
3. The inspections WILL NOT involve any invasive inspection including cutting, breaking apart, dismantling , removing, or moving objects including but not limited to roofing wall and ceiling sheeting, ducting, foliage, mouldings, debris, roof/thermal insulation, sarking, sisalation, floor or wall coverings, siding, fixtures, floors, pavers, furnishings, appliances or personal possessions.
4. Pre Purchase Timber Pest Inspections in accord with AS 4349.3 1998 the Inspection and resulting Report will be confined to reporting on the discovery, or non discovery, of infestation and/or damage caused by timber pests, present on the date and time of the inspection.
5. The Inspection will not cover any other pests and the report will not comment on them. Dry wood termites (Family: KALOTERMITIDALE) and European house borer (Hylotrupes bujulus Linnaeus) are excluded from the Inspection and subsequent Report.
6. The Report will identify any evidence of a termite treatment found by the Inspector.
7. Where evidence of treatment is reported you must agree to obtain a statement including paperwork from the owner about:
 - a) any termite activity at the Property

- b) any termite damage at the Property : and
- c) any treatment that have been carried out at the property.

You agree to indemnify the inspector from any loss incurred by you relating to the items listed in a) and b) above where no such statement is obtained.

8. No inspection for mould will be carried out at the property and no report on the presence or absence of mould will be provided. Mildew and non wood decay fungi is commonly known as mould and is not considered a timber pest.

9. Nothing contained in the report in the report will imply that any inaccessible or partly inaccessible area or section of the property are not, or have not been , infested by termites or timber pests. Accordingly the report will not guarantee that an infestation and/or damage does not exist in any inaccessible or partly inaccessible areas or sections of the property. Nor does it guarantee that a future infestation of timber pests will not occur or be found .

10. Nothing contained in the report will imply that any obstructed or restricted, or, partly obstructed or restricted area or section of the property are not, or have not been , infested by termites or timber pests.

Accordingly , the report is not a guarantee that termite or timber pests activity and / or damage does not exist in any obstructed or restricted or partly obstructed or restricted area or section of the property. Nor does it guarantee that a future infestation of timber pests will not occur or be found.

11. The report will describe termite damage found as 'minor', 'moderate' or 'severe'. This information is not the opinion of an expert, as the inspector is not qualified to give an expert opinion. The report cannot, and will not, state the full extent of any timber pest damage. If any evidence of timber pest activity and/or damage is reported either in any structure or the grounds of the property, then you must obtain a statement from the owner about any termite activity, damage at the property. If the owner does not provide any such information you will seek further advice from the inspection about carrying out an invasive inspection before proceeding with the purchase.

12. If Timber Pest activity and/or damage are found within the structures or the property , then because damage may exist in concealed areas such as framing timbers you agree to obtain a statement from the owner about any termite activity , damage , at the property, and any treatments that have been carried out to the property. It is important to obtain copies of any paperwork issued. You also agree the inspector is not responsible or liable for the repair of any damage whether disclosed by the report or not.

COMPLAINTS PROCEDURE

24. In the event of a dispute or a 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 eight (28) 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.

THIRD PARTIES

25. Compensation will only be payable for losses arising in contract or sustained by 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 Real Estate Agent or 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 fourteen (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 (3) months prior to listing and is not more than six (6) months old.

26. Prohibition on the Provision or Sale of the Report

The report may not be sold or provided to any other person without our express written permission , unless the client is authorised to do so by Legislation. If we give permission it may be subject to conditions such as payment of a further fee by the other person and agreement from the other person to comply with this clause.

However, we may sell the report to any other person although there is no obligation for us to do so.

27. Release

You release us from any and all claims, actions, proceedings, judgments, damages, losses, Interest, costs and expenses of whatever nature that the person may have at any time hereafter arising from the unauthorised provision or sale of the Report by you to a person without our express written permission.

28. Indemnity

You indemnify us in respect of any and all liability , including all claims , actions, proceedings, judgements, damages, losses, interest, costs and expenses of any nature, which may be incurred by, brought, made or recovered against directly or indirectly from the unauthorised provision or sale of the Report by you to a person without our express written permission.

Definitions For Pest Inspections

You should read and understand the following of words used in this agreement and the report. This will help you understand what is involved in a property and pest inspection, following the inspection.

Active / Activity: Means the presence of live timber pests at the time of inspection.

Moderate damage: Means from what could be seen on the date of the inspection the inspector suspects there to be damage requiring some timber to be replaced. It is Not a statement that far greater damage exists that may only be discovered by an invasive inspection.

Severe Damage: Means the visible timbers that are damaged need to be replaced and it is likely that more timbers are damaged . The full extent of damaged timbers can only be

discovered by a suitably qualified tradesman , such as a builder, carrying out an invasive inspection.

Property: Means structures and fences (Not Pool Fences) up to 50 metres from the exterior walls of the main building BUT within the boundaries of the land being purchased. If you want the inspection and the report to include structures and fences more than 50 metres from the exterior walls of the main building you must make the request in writing and clearly identify what you want to be included in the inspection and report.

Timber Pests Means subterranean and dampwood termites (white ants) , borers of seasoned timber and wood decay fungi (Rot) .

Safe and Reasonable Access: Does not include the use of destructive or invasive inspection methods or moving furniture or stored goods.

The Standard AS 4349.3 1998 provides information concerning safe and reasonable access: Only areas where reasonable and safe access was available were inspected. Access will not be available where there are safety concerns, or obstructions, or space available is less the following: **ROOF VOID** – the dimensions of the access hole must be at least 500mmX400mm, and reachable by a 3.6m ladder, and, there is at least 600mmX600mm of space to crawl. **ROOF EXTERIOR**- Must be accessible by a 3.6m ladder placed at ground level.

Reasonable access does not include the use of destructive or invasive inspection methods. Nor does reasonable access include cutting or making access traps, or moving heavy furniture or stored goods.

Definitions for Building Inspections

You should read and understand the following of words used in this agreement and the report. This will help you understand what is involved in a property and building inspection, following the inspection.

Acceptance Criteria: The Building shall be compared with a building which was constructed at approximately the same time , using practices which were generally accepted as normal for that time and that the property has received maintenance to ensure that the intended strength and serviceability of the building have not significantly deteriorated over time.

Access Hole (Cover) Means a hole in the structure allowing safe entry to an area.

Accessible area: Is any area of the property and structure allowing the inspector safe and reasonable access within the scope of the inspection.

Building Element: means a part of a building performing a particular function either singularly or in conjunction with other such parts.

Client: means the person(s) or other legal entity for which the inspection is to be carried out. If ordered by the person(s)'s agent then it is agreed that the agent represents the person(s) and has the authority to act and on their behalf. (See also "you/your" below).

Defect: Means a variation or fault in material or a component or assembled element that deviates from its intended appearance of function.

Inspector: Means the company, partnership or individual named below that you have requested to carry out a building inspection and report. (See "Our/Us/We" below).

Limitation: Means any factor that prevents full achievement of the purpose of the inspection.

Major Defect: Means a defect of such significance that without correction would not avoid Safety Concerns, loss of the intended practical performance of the building element or an additional decline in the existing condition of the property inspected.

Minor Defect: Means a defect which is not a Major Defect

Person: Means any individual, company, partnership or association who is not a client.

Property: Means the structures and boundaries up to thirty (30m) metres from the exterior walls of the main building but within the boundaries of the land on which the main building is erected.

Report: Means the document and any attachments issued to you by us following our inspection of the property.

Structural Inspection: Means the inspection shall comprise visual assessment of accessible areas of the property to identify major defects to the building structure and to form an opinion regarding the general condition of the structure of the property. The report will not include those items noted in clause A3 of AS 4349.1 2007 e.g. Condition of roof coverings, partition walls, cabinetry, doors, trims, fencing, minor structures, ceiling linings, windows, non-structural & serviceability damp issues, rising damp, condensation etc.

Safe and Reasonable Access: Does not include the use of destructive or invasive inspection methods or moving furniture or stored goods.

The Standard AS 4349.1 2007 provides information concerning safe and reasonable access: Only areas where reasonable and safe access was available were inspected. Access will not be available where there are safety concerns, or obstructions, or space available is less than the following: **ROOF VOID** – the dimensions of the access hole must be at least 500mmX400mm, and reachable by a 3.6m ladder, and, there is at least 600mmX600mm of

space to crawl. **ROOF EXTERIOR**- Must be accessible by a 3.6m ladder placed at ground level.

Reasonable access does not include the use of destructive or invasive inspection methods. Nor does reasonable access include cutting or making access traps, or moving heavy furniture or stored goods.

Safe Access: Is at the inspector's discretion and will take into account conditions existing on the property at the time of the inspection.

Our/Us/We: Means the company, partnership or individual named below that you have requested to carry out the property inspection and report.

You/Your : Means the party identified on the face page of this agreement as the client , and where more than one party all such parties jointly and severally, together with any agent of that party. You agree that in signing this agreement you have read and understand that contents of this agreement and that the inspection will be carried out in accordance with this document. You agree to pay for the inspection on delivery of the report.

If you fail to sign and return a copy of this agreement to us and do not cancel the requested inspection then you agree that you have read and understand the contents of this agreement and that we will carry out the inspection on the basis of this agreement and that we can rely on this agreement.

Note: Additional inspection requirements requested by you may incur additional expense in regard to the cost of the inspection.