

Dear,

**RE: PURCHASE FROM
PPTY:**

We confirm your instructions to examine the Section 32 Statement for the above property in anticipation of placing an offer to purchase. Having inspected the Statement, we make the following observations:

1. Services including electricity, gas, water, sewerage and telephone are listed as 'available' and not 'connected'. You may be required to contact the service providers to arrange and pay for connection of the services.
2. Water services are provided by South East Water
3. There is no Owners Corporation.
4. The current owners purchased the property in 1994. However, a recent mortgage has been registered against the property in October 2009. Provided the Vendors can discharge the mortgage before settlement, this should not pose any problems. However, we should find out the details of why a mortgage was created so recently. It is possible it was merely a re-finance. However, we must ensure that it will be discharged prior to the sale.
5. The property is in a residential zone. This involves restrictions to the number of animals (two maximum) unless you obtain a permit to keep more than two.
6. A narrow easement exists along the back fence line, approximately two metres wide. This is common to most properties. You are not permitted to build on this area as it must be accessible for services such as plumbing and electricity.
7. A covenant restricts future building on the property. Each private dwelling must have a minimum ground space of 130 square metres with an exterior of either brick, brick veneer or stone. Should you wish to subdivide or building additional houses on the block, your options to do so are limited.
8. The property is subject to a Development Contributions Plan Overlay. The effect of this is that should you wish to make any major changes to the property (such as a subdivision or constructing new buildings/residences), you must obtain

permits. Further, you must provide specific plans, services needed and estimated costs that would relate to any future developments.

9. The property is subject to the Casey Planning Scheme. While the Planning Scheme is quite extensive (911 pages), it outlines government plans to develop the Casey area over coming years. References are made to an intention to promote medium and high density housing, increased public transport and general infrastructure such as shopping, business, leisure and community facilities.
10. The Owners has completed their own building works to the property. These include alterations to the veranda, pergola and carport. All alterations have been inspected and approved by a qualified builder. We note that the builder could not inspect any aspects of the building that were not visible from the outside (such as frames, plumbing or wiring).
11. Page one of the Owner Building Report is not attached. The report states that all pages must be reproduced otherwise the report is invalid. It appears that page one would be merely a covering page. However, we recommend contacting the agent or the Vendor's solicitors to make further enquiries.
12. A planning certificate has not been included in the Section 32. The certificate indicates what can be built on the property and if there are any further restrictions imposed by the Council. As the certificate has not been included, if you enter into a Contract and discover later that important information in a Certificate should have been disclosed to you, you have grounds to end the Contract if you wish to do so. Nonetheless, it is preferable to obtain the Certificate as early as possible.
13. Council and Water rates notices are omitted. These notices stipulate the costs of rates applicable for each quarter or year. We should contact the Vendors and request that they provide these Statements to our office. It is not urgent at this stage but must be obtained prior to settlement.

Based on the documents provided, there do not appear to be any major concerns. However, we recommend obtain a Planning Certificate as early as possible. The primary issue for a prospective purchaser at this stage would be for any purchaser wishing to subdivide and erect more residences, as there appear to be some limitations (although not outright restrictions) in doing so.