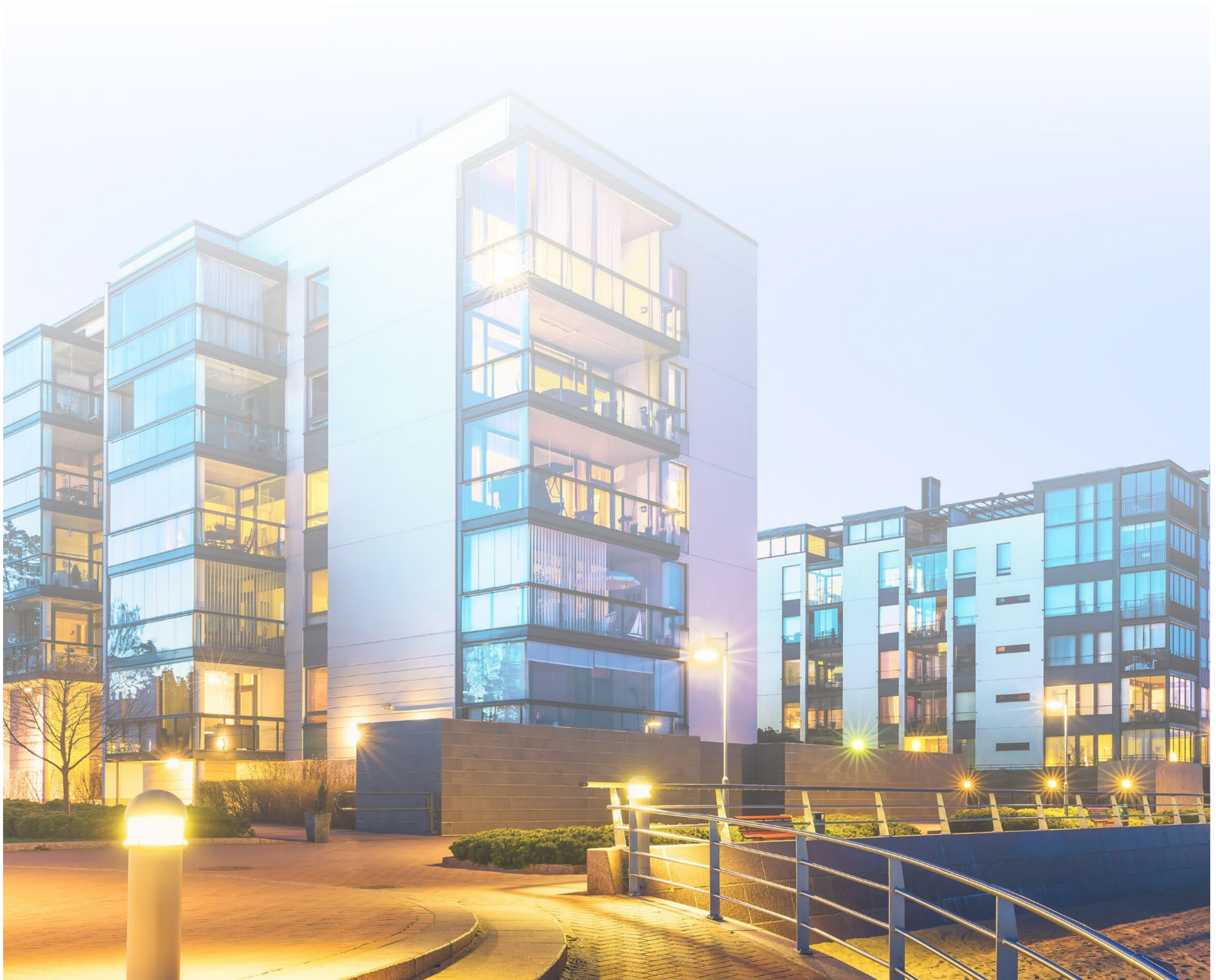
Thompson Wentworth

Body Corporate Services

Manage - Advise - Transact

www.thompsonwentworth.nz



Pre-contract disclosure statement
Section 146, Unit Titles Act 2010

Property Address: 21-33 Shands Road, Hornby, Christchurch 8042
Unit Plan: 389880
Body Corporate Number: 389880
Unit Number: Unit 4 and 1/2 share of Accessory Unit 1
Unit Owner: MKB Properties Limited

Pre-contract disclosure statement

1. This pre-contract disclosure statement is provided to prospective buyers of the property in accordance with section 146(1) of the Unit Titles Act 2010.

   All supporting information is available via the link contained in item 16 below and/or the https links noted in this statement.

General information

2. General information about Unit title ownership and Bodies Corporate
   - Unit title property ownership. Unit titles are a common form of multi-unit property ownership. They allow owners to privately own an area of land or part of a building and share common property with other unit owners. Unit title developments may also be structured in varied ways including staged unit title developments and layered unit title developments.
   - This combination of individual and shared ownership of land and buildings, often in an intensive built environment, means owning a unit title involves a different set of rights and responsibilities than traditional house and land ownership.
   - Unit title developments have a body corporate management structure to ensure decisions affecting the development can be made jointly by the unit owners. The creation and management of unit title developments is governed by the Unit Titles Act 2010 and supporting regulations.
   - Unit plan: Every unit title development has a unit plan, which shows the location of the principal units as well as any accessory units and common property in the development. The unit plan is the formal record of all of the boundaries of the units, and the common property.
   - Ownership and utility interests. Each unit is allocated an ownership interest and a utility interest, and such interests are relevant to the determination of many of the unit owner’s rights and responsibilities under the Unit Titles Act 2010.
   - Ownership interest is a number that reflects the relative value of each unit to the other units in the development and is used to determine a range of matters including the unit owners’ beneficial share in the common property and share in the underlying land if the unit plan is cancelled.
   - By default, the utility interest of a unit is the same as the ownership interest (unless it is otherwise specified on the deposit of the unit plan or subsequently changed) and is used to calculate how much each owner contributes to the operational costs of the body corporate.
   - Body corporate operational rules. The body corporate for a unit title development can make its own operational rules on the use of the development, and governance of the body corporate. These operational rules are subject to the provisions of the Unit Titles Act 2010 and regulations made under that Act.
   - All unit owners, occupiers, tenants and the body corporate must follow the body corporate operational rules that apply to their unit title development.
   - Transitional provisions for unit title developments created before the Unit Titles Act 2010 came into effect on 20 June 2011 apply to the body corporate rules in place at that time.

- When an owner of a community title property is selling a property that is subject to the Unit Titles Act, they are required to undertake a "stepped" disclosure regime and this is outlined as follows. This two-step regime as outlined in the next two paragraphs is mandatory.

Pre-Contract Disclosure Statement - before an agreement for sale and purchase is signed, a vendor must provide to any potential purchaser with what is often referred to as a pre-marketing or more correctly a pre-contract disclosure statement. This disclosure statement defines some of the basic terms that relate to a unit title development, such as body corporate rules, an explanation of unit title property ownership and provides general information in relation to the specific unit being promoted for sale. The pre-contract disclosure statement sets out a range of prescribed matters including but not limited to:

- the amount of contribution levied by the body corporate in respect of the unit;
- an estimate of the next period body corporate levy;
- details of the maintenance the body corporate intends to carry out over the next 12 months such as any material programme of works the body corporate is involved in e.g. master maintenance plans or capital works upgrade programmes including any natural disaster (e.g. earthquake) repair programme.
- a set of the latest financial statements and details of all bank accounts held by the body corporate (including the balance of those accounts);
- the last several years' worth of AGM minutes;
- other relevant capital or maintenance investment programmes at foot or historical that assist the purchaser make an informed decision on their proposed acquisition.

Pre-settlement disclosure statement - before settlement of the sale of a unit, the seller must provide a pre-settlement disclosure statement to the purchaser, which includes information on:

- the unit number and body corporate number
- the amount of the contribution levied by the body corporate for that unit
- the period covered by the contribution
- how the levy is to be paid
- the date on or before which the levy must be paid
- whether any amount of the levy is currently unpaid and, if so, how much
- whether legal proceedings have commenced in respect of any unpaid levy
- whether any metered charges (e.g., for water) are unpaid and, if so, how much
- whether any costs relating to repairs to building elements or infrastructure contained in the unit are unpaid and, if so, how much
- the rate of interest accruing on any unpaid amounts
- whether there are any legal proceedings pending against the body corporate
- whether there have been any changes to the body corporate rules.

- There are legal consequences on the seller for failing to provide the pre-settlement disclosure in the timeframes required by the Unit Titles Act 2010 including delay of settlement and cancellation of the contract.
- Computer register. Previously known as a certificate of title, for a unit title development this document records the ownership of a unit, contains a legal description of the unit boundaries and records any legal interest which is registered against the title to the unit (for example a mortgage or easement). A copy of the computer register for a unit should come with:
    - the unit plan attached. Unit title plans were discussed earlier in this section.
    - a supplementary record sheet attached. A supplementary record sheet records the ownership of the common property, any legal interests registered against the common property or base land, and other information such as the address for service of the body corporate and the body corporate operational rules.
- The common property in a unit title development does not have a computer register.

- Land Information Memorandum. A land information memorandum (LIM) is a report which provides information held by the local council about a particular property. You must order and pay for a LIM from the applicable local council. Delivery times vary between councils. The information contained in a LIM will vary between councils, but is likely to include details on:
    - rates information
    - information on private and public storm-water and sewerage drains
    - any consents, notices, orders or requisitions affecting the land or buildings
    - District Plan classifications that relate to the land or buildings
    - any special feature of the land the local council knows about including the downhill movement, gradual sinking or wearing away of any land, the falling of rock or earth, flooding of any type and possible contamination or hazardous substances
    - any other information the local council deems relevant
- Full details of what a local council is obliged to provide in a LIM is contained in section 44A of the Local Government Official Information and Meetings Act 1987.
- Easements and covenants. An easement is a right given to a landowner over another person's property (for example, a right of way, or right to drain water). A land covenant is an obligation contained in a deed between two parties, usually relating to the use of one or both properties (for example a covenant to restrict one party using their property in a certain way).
- Easements or covenants may apply to:
    - a unit and are usually recorded on the computer register for that unit.
    - common property and will be recorded on the supplementary record sheet for the unit title development.

3. Further information about the matters set out above can be obtained from:

Unit title property ownership	Ministry of Business, Innovation and Employment www.tenancy.govt.nz 0800 UNIT TITLES (0800 864 884)
Unit plan Ownership and utility interests Computer register Easements and covenants	Land Information New Zealand www.linz.govt.nz 0800 ONLINE (0800 665 463)
Body corporate operational rules Pre-settlement disclosure statement Additional disclosure statement	The body corporate of the unit title development
Land Information Memorandum	Local council

For detailed information on any of the above matters relating to your specific circumstances, the Ministry of Business, Innovation and Employment recommends you obtain independent legal advice from your lawyer.

Information about Unit

4. The Body Corporate Chairperson is Damian Reid.
5. Body Corporate Manager is Thompson Wentworth Limited, Christchurch, E: bcmanagement@twl.net.nz, P: 03 357 1340.
6. The amount of the contribution levied by the body corporate under section 121 of the Unit Titles Act 2010 in respect of the unit for the period 01/09/2025 to 31/08/2026 is **$26,575.28,** and the date on or before which the payments are due:
   a. Tranche 1 – 03/11/2025 **$15,945.17**
   b. Tranche 2 – 03/03/2026 **$10,630.11**
7. The body corporate levies outlined above are determined in each year's Annual General Meeting which generally follows each body corporate's financial year end by some 6-8 weeks.
8. Facilities, Compliance & Maintenance Management at a Body Corporate:

   This involves the coordination of the annual Building Warrant of Fitness (BWOF) where the body corporate has relevant local authority specified fire protection systems in place and the maintenance of the body corporate's **"common area"** or **"commonly managed"** assets.

   Building Compliance: All owners at a Body Corporate have a responsibility to; (i) ensure they or their tenants use and occupy their units in compliance with the underlying zoning, relevant fire protection codes and applicable bylaws; and (ii) facilitate access to their unit for the relevant council mandated IQP (independent qualified person) periodic inspections required to monitor the condition and compliance of any specified systems (fire protection, mechanical ventilation and exit pathways and signage etc) installed at the Body Corporate. This is important as it facilitates the efficient renewal of the annual Building Warrant of Fitness (BWoF) for the Body Corporate (where this is required). Note Not all Body Corporates require a BWOF. Your body corporate Secretary will be able to provide you specific information on any BWOF influence to the specific unit involved in this disclosure statement.

   What are the "common area" assets? - These are the areas as delineated on the Body Corporate's title plan as such i.e. called Common Area, along with any underlying services to the site e.g. stormwater drainage, sewer, potable (drinking) water supply, power, communication and any internal facility lifts, automatic entry doors, gas infrastructure and recreational facilities (Gyms, Pools and Tennis courts), that serve (more than 1 unit in a body corporate or unit title development). A Body Corporate's duties for repair and maintenance of these common area assets are governed under Sec 138 of the Unit Titles Act 2011 https://www.legislation.govt.nz/act/public/2010/0022/latest/DLM1160733.html

   What are "commonly managed" assets? - These are assets or title areas that while not registered as common areas on a unit title plan (i.e. they may be owner assigned principal or accessory unit zones), however the owners of the body corporate (at a General Meeting) may have determined that it makes sense for these areas to be managed and provisioned for by the Body Corporate as a whole rather than by individual owners. Examples are roof, gutter and rainwater systems, unit facades and landscaped areas where they are common to the overall body corporate complex or community, and it makes economic sense and provides for a consistent look and feel for these areas to be maintained as a whole.

   Maintenance Management:

   - Annual Scheduled Maintenance Plan: A scheduled regime for items such as Pest control (spider-proofing), roof clean, gutter clean, facade/ fences/ feature walls cleaning & washdown, lawn mowing, garden maintenance, tree trimming (arboriculture services).
   - Miscellaneous Ready Response/Break-fix jobs: These comprise events such as plumbing, electrical, garage doors and general handyman/ carpentry type callouts. Who is Responsible for miscellaneous break-fix or unforeseen repairs? i.e. Is it a body corporate responsibility or individual unit owner responsibility? The general rule of thumb is: (i) the Unit owner to ask themselves...."*is the fault impacting their respective unit only or is it a common area fault i.e. impacting more than 1 unit".* If just an individual unit specific issue, its more than likely the

respective unit owner's responsibility to coordinate the required vendor to fix and fund the repair.

- Long Term Maintenance Planning (LTMP):

  A body corporate under (section 116) of the Unit Titles Act 2010 (UTA) must establish and regularly maintain a long-term maintenance plan for a period of at least 10 years from the date of the plan or the last review of the plan. This plan identifies future maintenance/ replacement requirements associated with the body corporate's "Common Area" of "Commonly Managed" assets over the life of these assets and provides a basis for levying owners a portion of their overall annual levy that is allocated to building a fund (the Long-Term Maintenance Fund - LTMF) to provide for future asset replacement/ repair as theses common area or commonly managed assets come to the end of their economic life.

  A LTMP and depending on the Body Corporate's resolved scope of assets to be managed by the LTMP (i.e. common area assets as delineated on the title only or additional assets zones as agreed by the Body Corporate to also be commonly managed), covers the following typical types of common area assets: (i) External Façade Painting; (ii) Building Element Replacement (roof membranes, gutters/downpipes, facia board, flashing systems, decks, balustrades, handrails, fencing, gates, security systems, exterior common area lighting etc.); and (iii) Hardstand Surfaces - driveways, access ways, parking areas, drains and stormwater systems, paths and patios.

  Under Section 116 and 157C of the Unit Titles Act, and Section 30 of the Unit Titles Regulations, body corporates must:

  - Be able to present a summary of the current state of the common property.
  - Establish and regularly maintain/ review a long-term maintenance plan for the common property building elements and infrastructure of the unit title development and any additional items the body corporate by ordinary resolution resolves to include in its LTMP; and,
  - Conversely identify the asset elements that are resolved not be maintained as part of the body corporate's LTMP.

  A LTMP identifies future maintenance requirements and estimates of costs involved in replacing "in-scope" asset elements at the end of their respective economic lives. The Unit Titles (Strengthening Body Corporate Governance and Other Matters) Amendment Act 2022 imposes requirements on larger body corporates (deemed as 10 or more units) to have a 30-year plan (which is to be reviewed 3-yearly) and to have a high-level view of value of any key contingent liabilities likely to be involved in the plan in Years 11 - 30. This requirement became effective from 9 May 2023. In addition, if the body corporate becomes aware of any material item impacting the plan, it must review the plan as soon as is practicable and this new review date becomes the start date for the next 3-yearly review cycle for the plan.

  Under Section 117 of the UTA, a body corporate must establish and maintain a long-term maintenance fund (to fund the BCs developed long term maintenance plan - LTMP), unless the body corporate, by special resolution, decides not to establish a long-term maintenance fund.

9. Details of maintenance that the body corporate proposes to carry out on the unit title development in the year following the date of the disclosure statement and how the body corporate proposes to meet the cost of that maintenance is contained in sections 8 and 10 of the body corporate 2025 AGM minutes.

10. Long Term Maintenance Plan:

    a. During the 2022 year, the Body Corporate procured a Long-Term Maintenance Plan (currently in draft form) from external provider Plan Heaven, which called out the main long term maintenance elements at the body corporate and amortized the replacement cost over a 10-year period. The AGM resolved that the committee and Secretary would revise the figures provided by Plan Heaven to inform the budgetary decisions for the 2023-24 financial year (see LTMP saved under item 17 below) to reflect the below discussion. A long-term maintenance plan and its corresponding budgetary resolutions would usually be reviewed annually at each AGM.

b. The LTMP discussion at the 2022 AGM confirmed the two main LTMP items for funding moving forward should be (i) common area zones as per title plan (access and parking zones) and (ii) the overall look and feel/ and general maintenance of the frontage under the verandas and covering the walkway across the frontages of the units.

c. Given that each individual unit's painting is influenced by the tenants respective signage/ branding for each unit, then the painting of individual units most practically was resolved to fall back to the individual owners so each owner's tenant requirements can be reconciled into the periodic repaint scope for each unit. Owners would undertake an exterior repaint as a common initiative, however the BC would not formally provision for this in the BCs LTM funding (sinking fund). The rules around working together on the periodic repaint regime as well as ensuring the facades are kept tidy and in keeping with a particular look and feel of the complex would be monitored at each AGM.

d. In line with the above framework, the long-term maintenance plan is reviewed at each AGM (the most recent at 24 Sept 2025). Any proposed works under the long-term maintenance plan for the unit title development to be carried out or begun within the next 3 years and the estimated costs of the works is provided in the line with any commentary to this effect under section 8 of the AGM minutes and in line with the LTMP provided in the supporting information.

11. Any remediation reports commissioned by the body corporate in within the previous three years: Nil
12. The balance of every fund or bank account held or operated by or on behalf of the body corporate as at the date of 12/12/2025:
    a. Operational Fund: **$72,014.96**
    b. Long Term Maintenance Fund: **$23,996.05**
13. The body corporate or body corporate committee has no actual knowledge that any part of the unit title development has weathertightness issues for which a claim has been made under the Weathertightness Homes Resolution Services Act 2006; or
    a. Weathertightness issues that have been remediated without a claim under that Act or other proceedings before a court or tribunal; or
    b. Weathertightness issues that have not been remediated; or
    c. Earthquake-prone issues; or
    d. Any other significant defects in the land (including the unit title development and the land on which it is situated) that may require remediation.
14. The body corporate is not involved in any proceedings in any court or tribunal.
15. Earthquake Impacts and Insurance Claim and Repair Management Information:

    During late 2018 Vero and the Body Corporate agreed an earthquake repair scope of work. A $333,000 (incl GST) fixed price contract for repair of this work was let and commenced in February 2019. It was substantially completed in September 2019 on receipt of relevant vendor Producer Statements and architectural and council signoff to the original design and consent documentation was received. Supporting claim management and associated engineering documentation is provided in the supporting information.
16. Body Corporate Information - The following information is provided in the link [00-Body Corporate 359880 Disclosure Information] (please copy the link and paste it into your internet browser)
    a. Financial Statements for the previous 3 years.
        i. The body corporate has opted out of undertaking an audit for the previous 3 years (see resolution in body corporate minutes).
    b. Insurance schedule containing:

i. The insurer’s name and contact information

ii. The overall insurance policy, including the type and amount of cover, the annual amount payable, and the excess payable on any claim

iii. Any specific exclusions from cover

c. Body Corporate Rules

d. AGM Minutes & Notices of general meetings for the previous 3 years

e. Long Term Maintenance Plan

f. EQ Repair and Insurance Claim Information

Signed for and behalf of the Owner of Unit 4 by:

Name: MKB Properties Limited – Mark Brown