

A stylized black house icon with a white roofline and a small black square chimney.

TLC REPORT

**1 Green Street
Auckland (Sample)**

An expert review of the legal aspects of the property and the
terms and conditions of the auction agreement

Prepared by a lawyer specialising in Property Law

Includes a comprehensive Property Information Pack

A black rectangular box containing the text '— THE —', 'PROPERTY PRACTICE', 'LAWYERS', and 'www.propertypractice.co.nz'. The background of the entire page features a black and white photograph of a house with a gabled roof and a palm tree in the foreground.

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TLC SUMMARY

1. Who was this report prepared for: Joe Blogs
2. Property details
 - a) Property address 1 Green Street, Auckland
 - b) Area/size 1000m2 more or less
 - c) Legal description Lot 1 DP123456
 - d) Type of Title Freehold in Fee Simple
 - e) Government Capital Value \$500,000.00
 - f) Current Annual Rates \$2,000.00 per annum
3. Date TLC Report prepared: 1 September 2013
4. Documents reviewed:
 - a) Draft Particulars and Conditions of Sale by Auction
 - b) Certificate of Title ABCDE/1234
 - c) Auckland Council LIM Report

5. Summary of Review:

No legal issues. The documents reviewed are all in order.

Disclaimer

This Title and LIM Check Report (TLC) has been prepared by The Property Practice Limited Lawyers (TPP) for the person/s named at number 1 above and TPP acts solely for the person/s named in paragraph 1 above in relation to this TLC. No liability is assumed by TPP for any losses suffered by any other person who chooses to rely directly or indirectly upon this TLC Report and it is recommended that other parties should seek independent legal advice.

The information contained in this TLC is based on the information contained in the documentation set out in paragraph 4 above and TPP cannot verify the accuracy of the information contained in the documents set out in paragraph 4.

TPP has not carried out a physical inspection of the land and/or buildings for the purpose of preparing this TLC. Specifically, but without any limitation to the foregoing, TPP may be unaware of illegal and/or unauthorised building works or additions on the land and/or any use of the land that is not authorised by law. Neither does TPP make any warranties or representations in the TLC Report as to the physical state of any of the structures/buildings on the land.

AGREEMENT

The draft Particulars and Conditions of Sale of Real Estate by Auction relating to the property at 1 Green Street, Auckland, have been reviewed ("Agreement").

This is the Agreement that will be signed by the Buyer and Seller if and when the property is sold at auction and includes all the terms upon which the parties buy and sell the property and any details particular to the property.

A copy of the Agreement reviewed is attached to this TLC [see Attachment 1].

We recommend that you read through this Agreement carefully and consider the following points:

1. Purchase Price

The purchase price is inclusive of GST.

2. Deposit

A deposit of 10% of the purchase price is required to be paid upon signing the Agreement.

3. Chattels

The chattels to be included in the sale are listed in the chattels list on the first page.

4. Possession

The property is being sold with vacant possession (i.e. there is no tenant at the property).

5. Settlement and Possession Date

The Settlement and Possession date is 1 October 2013. Vacant possession of the property will be required to be given to the buyer on this date.

6. Conditions

There are no conditions in the Agreement; it is 'unconditional'.

7. Warranties (Promises) [Clause 8]

A number of warranties (promises) are given by the seller to the buyer which the seller is contractually obliged to comply with. These include, in particular, the following:

- a. That the seller has not received any notice or demand, and has no knowledge of any requisition or outstanding requirement from any local government authority (i.e. the council), or given by any person under the Resource Management Act 1991, and that the seller has not given any consent or waiver in relation to an application under the Resource Management Act 1991 which affects the property (i.e. given any consent to a neighbour) and which has not been disclosed in writing to the buyer.

- b. That the chattels included in the sale are the seller's unencumbered property. This means that no charges are registered against the chattels on the Personal Property Securities Register (i.e. for chattels bought on hire purchase).
- c. All electrical and other installations on the property are free of any charge and that if the seller has done, or allowed to be done on the property, any works where a building consent was required, a permit or consent has been obtained, and the works completed in compliance with the permit or consent. Where appropriate, a Code of Compliance Certificate has been issued and that all other obligations imposed under the Building Act 2004 have been fully complied with.

8. GST

Both the seller and the buyer are required to complete their GST information in Schedule 1 attached to the Agreement. Both parties should confirm in this Schedule whether they are registered for GST, and if so their GST registration number. If you require any advice in relation to GST, we recommend that you contact either your accountant or us to discuss further.

If any of the above information contained in the Agreement is incorrect, it should be changed prior to the parties signing the Agreement. Please contact us if you have any queries in this regard.

TITLE

A Certificate of Title (Title) is a record of who owns or has an interest in land and records fundamental information about each parcel of land in New Zealand. It lists the owner/s, the type of ownership of the land, what the area of the piece of land is and also gives details of any interests that affect the land such as land covenants, easements, Council notices, mortgages and any number of other examples of interests registered against the property.

A copy of the Title to the property is attached to this TLC [see Attachment 2].

1. Is the Title ok?

We confirm that the Title appears to us to be in order with no apparent defects.

2. What type of Title is it?

Fee Simple

Definition:

A Freehold in Fee Simple title is the most common type of title to land in New Zealand, and is what most people would refer to as a 'normal' or 'freehold' title. It conveys the greatest possible degree of benefits/freedoms available to the owner in respect of use and enjoyment compared with other types of ownership.

3. Details of the Land in the Title

1000 square metres more or less.

4. Interests registered against the Title

We have obtained and reviewed each of the documents registered against the title and have attached copies to this TLC with an explanation of each below:

- a) Easement Instrument 123456.78 [see Annexure 3]. This document gives you, as owner of the Property, a 'right of way' over the area highlighted yellow on the plan attached to the title. It also provides for grant of a reciprocal right of way over your share of this land to your neighbours (Lots 2 and 3).
- b) Caveat 234567.89 [Annexure 4]. There is a Caveat on the Title which the seller is required to have withdrawn before they can transfer the property to the buyer on settlement.
- c) The Property is subject to s241(2) Resource Management Act 1991. This states that Lot 4 (the driveway) must be held in undivided 1/3rd ownership shares by the three related titles.

LIM

A copy of the council Land Information Memorandum (LIM) which has been reviewed is attached to this TLC [see Attachment 5].

We recommend that you read through this LIM carefully and consider the following:

1. Are there any matters of concern contained in the report?

No, there is nothing unusual contained in the LIM report.

2. We particularly draw your attention to the following points contained within the LIM:

- a) Those intending to develop the land should satisfy themselves that the land is suitable for any intended use or future development proposal. The report specifically mentions 'Limited Drainage' and 'Main Residential'.
- b) The Property is affected by two oil and gas pipelines as per page 6. Contact details for the relevant providers are given in-case required.
- c) Tree protection restrictions may apply to this site on all native and some exotic trees.

3. Rates

The annual rates for the property are \$2,000.00

3. Government Capital Value

The current government capital value for the property is \$500,000.00

4. Permits/Consents, Code of Compliance Certificates

All permits/consents and Code of Compliance Certificates issued for the property are set out in the schedule on page 3 of the LIM.

Important note 1: It is recommended that the Council records are viewed and compared with the actual building and activities on site to identify any illegal or unauthorised building works or activities.

Important note 2: Where you rely on a LIM that has been obtained from the Council for another person, the Council will not accept any legal responsibility if the LIM is later found to be incorrect or deficient, because there is no direct contractual relationship between you and the Council.

A stylized graphic of a house with a dark roof and a small square chimney.

TLC REPORT

Attachment 1 Particulars and Conditions of Sale by Auction



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Attachment 2
Title ABCDE/123

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Attachment 3
Instrument: Easement 123456.00



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Attachment 4
Instrument: Caveat 234567.89

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A stylized house icon composed of a dark gray triangle pointing downwards, with a small dark gray square centered below its base.

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Attachment 5
LIM Report

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