

**TO : Noosa Property Shop Pty. Ltd.,
C/- Registered Office at MHM Accountants,
Level 2 / 370 Queen Street,
BRISBANE QLD 4000**

15 December 2006

BY FAX : 07 3221 7666

CONFIRMATION BY EMAIL : admin@mhmteam.com.au

ORIGINAL BY MAIL

Dear Noosa Property Shop Pty. Ltd.,

I write to you in your capacity as an Australian registered company (now trading as Laguna Tewantin) that is subject to the provisions of the Commonwealth Trade Practices Act 1974 (TPA) (as amended) and with particular regard to Parts IVA, IVB, V and VI of that Act.

I am a person and consumer who is a lessee of a property situated at 63 Nandroya Road, Cooroy 4563 in Queensland, (the Property). The current owner of the Property is hereinafter referred to as, "the Lessor" and the Lessor has recently purchased the Property from the Noosa Council.

I acted as a consulting agent for the Lessor during negotiations that led to the Lessor's purchase of the Property via an REIQ approved contract provided by you (the Purchase Contract).

You acted as real estate agent for the Noosa Council during the course of the negotiations that led to the Lessor's purchase of the property and during the course of those agency activities you made representations to myself (and the Lessor) via your agent Ms. Jill Burke, via your website www.noosapropertyshop.com.au, via the www.realestate.com.au website and via newspaper advertisements.

As advised to your Ms. Burke during all negotiations, the Property was purchased specifically for me to lease in part so that I could conduct building work improvements on and underneath the Property for the domestic habitat and home business purposes of myself and my family.

Those negotiations and representations were made in trade and commerce and many of the representations which were partly oral and partly in writing, represented that the Property :

- (a) featured a 170sqm highset house;
- (b) featured that the house was fully restored and meticulously refurbished by Noosa Council;
- (c) is suitable for my requirements to build underneath;
- (d) has a 200mm thick concrete slab per engineers specifications under the house;
- (e) has termite protection of the concrete slab for habitable building purposes;
- (f) bathroom wet areas had been built to Building Code of Australia 2006 (BCA) compliance;
- (i) and as set out in the Noosa Council Development Approval 20060345;

- (g) floor wastes in the bathrooms had been installed to BCA compliance;
 - (i) and as set out in the Noosa Council Development Approval 20060345;
- (h) wall insulation had been installed to an r-value of 1 and BCA compliance;
 - (i) and as set out in the Noosa Council Development Approval 20060345;
- (i) roof insulation had been installed to an r-value of 2.2 and BCA compliance;
 - (i) and as set out in the Noosa Council Development Approval 20060345;
- (j) building work is 100% or 110%, as it has all been completed by the Council;
- (k) building work has been done by the Council I can be assured that it has all been done properly and you won't have to worry about a thing;
- (l) has been restored and refurbished to the highest standard as all the work has been performed by the Council;
- (m) has had everything done that needs to be done by the Council, there is nothing to spend;
- (n) does not need a building and pest inspection because of the Council having performed all the building work;
- (o) building inspection would be a waste of money;
- (p) has only about 2 trains a day that go past; and
- (q) gravel road at the side only gets used by trucks about twice a year (according to the Noosa Council).

The above representation :

- (a) is false, in that the house is less than 142sqm; and
- (b) is false, in that the Noosa Council did not perform a substantial amount of the restoration and refurbishment; and
 - (i) is false, by reason of items (f) to (o); and
- (c) is false, by reasons of items (d), (e), (f), (f)(i), (g) & (g)(i) being false; and
- (d) is false, as the slab is only 100mm thick and engineers specifications do not exist; and
- (e) is false, as there is no such termite protection; and
- (f) is false; and
 - (i) is false; and
- (g) is false; and
 - (i) is false; and
- (h) is false; and
 - (i) is false; and
- (i) maybe false to the best of my knowledge and belief; and
 - (i) maybe false to the best of my knowledge and belief; and
- (k) is false; and
- (l) is false; and
- (m) is false; and
- (n) is false; and
- (o) is false; and
- (p) is false; and
- (q) is false.

Further, during negotiations you failed to disclose the existence of special condition 2 of the Purchase Contract or the existence of the matters contained within that special condition when :

- you had a duty to observe, the Code of Conduct made pursuant to the Property Agents and Motor Dealers Act 2000, and as a member of the Real Estate Institute of Queensland (REIQ), the REIQ Standards of Business Practice; and
- the partly oral and partly in writing positive representations set out at items (a) to (q) above were intended to be negated by way of special condition 2 of the Purchase Contract and as such special condition 2 or matters contained within that condition should have been fully and openly disclosed to me in (and the Lessor) in order for me to make an informed decision as to whether to advise the Lessor to purchase the Property.

In reliance of your false representations and failure to disclose special condition 2, I advised the Lessor to pay the full asking price for the Property being \$350,000

All of those representations that were false, were thus inherently misleading or deceptive and also of a kind that may be likely to mislead or deceive. As such, your conduct is in contravention of sections 52 and 53A(1)(b) of Part V of the TPA and section 51AD of Part IVB of the TPA (Contravention of Industry Codes).

Further, your failure to disclose the existence of special condition 2 of the Purchase Contract is also in contravention of sections 52 and 53A(1)(b) of Part V of the TPA, section 51AD of Part IVB of the TPA together with section 51AC of Part IVA of the TPA (Unconscionable Conduct in Business Transactions).

Your conduct has caused me loss and damage as a lessee of the Property. Remedies for my loss and damage are available under Part VI of the TPA pursuant to sections that include 82 and 87. Particulars of that loss and damage include :

- Having no telephone, fax or internet connection to the Property - compensation sought.
- Concrete slab - compensation sought.
- Inability to build underneath because of slab and bathrooms - compensation sought.
- Have to sleep in living room indefinitely - compensation sought.
- No permanent office - compensation sought.
- Repair of water pump - compensation sought.
- Repair of TV antenna - compensation sought.
- Telstra trench for line-in - compensation sought.
- Telstra connection fee - compensation sought.
- Consequential business losses - compensation sought.
- Consequential inconvenience and stress - compensation sought.

Your conduct has also caused me loss and damage as a consultant agent to the Lessor which is a debt now owing and due and partly paid to the Lessor in compensation for her loss and damage as a result of the matters contained herein that have been caused by you.

Remedies are also available for that part of my loss and damage under Part VI of the TPA pursuant to sections that include 82 and 87. Particulars of that loss and damage include :

- Compensation equivalent to a minimum 28sqm building size misrepresentation sought.
- Bathrooms - compensation sought.
- Wall insulation - compensation sought.
- Roof insulation - compensation sought.
- Mental stress of daughter (the Lessor) - compensation sought.
- Mental stress of my family - compensation sought.
- Loss of value of house being not fully restored and meticulously refurbished by Noosa Council as led to believe by you - compensation sought.

AND pursuant to your failure to disclose the existence of special condition 2 of the Purchase Contract, the inability of the Lessor to pursue a common law loss of bargain compensation pursuant to the Purchase Contract;

OR the difference between \$350,000-00 paid and what would have been offered in full knowledge of all the falsities, deceit, misrepresentations and failure to disclose.

NOW TAKE NOTICE If you fail to respond in writing to this letter sent by fax, email and mail within 21 days setting out your response in this matter or how you are going to rectify my loss and damages, without any further notice to you, proceedings may be filed in the Federal Magistrates Court of Australia that will name you as respondent or join you as co-respondent along with the Noosa Council or join you as co-respondent along with Ms. Jill Burke and the Noosa Council..

Yours faithfully,

Gordon Craven

C.c. As a complaint to the REIQ - BY Fax : 07 3249 6211