

Graham Hurford Quality Homes P/L T/A InSpec Building & Pest Inspections License No 36640C 4 Stewart close ORANGE NSW 2800

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Pre-Purchase Inspection - Residential Building Report

Complies with Australian Standard AS 4349.1- 2007 Inspection of Buildings Part 1: Pre-Purchase inspections - Residential buildings



339 South Bowan Park Rd Bowan Park

PURPOSE OF INSPECTION

The purpose of the inspection is to identify the major defects and safety hazards associated with the property at the time of the inspection. The inspection and reporting is limited to AS4349.1-2007 and the Building Inspection Agreement.

The overall condition of this building has been compared to similarly constructed & reasonably maintained buildings of approximately the same age.

If it is more than 60 days from the inspection date, we recommend a new inspection and report. If the property is being auctioned refer to the Disclaimer of Liability to Third Parties in this report.

Property Inspected

Property Inspected Details:

Re: 339 South Bowan Park Rd Bowan Park NSW 2800

Contact Details

Inspection Requested By: Scott Petersen

McGrath Orange 0408583099

scottpetersen@mcgrath.com.au Re: 339 South Bowan Park Rd

Bowan Park NSW 2800

Inspection Requested For: Same as Inspection Requested By

Cost Billed To: Same as Inspection Requested By

Contact For Access: Same as Inspection Requested By

Inspection Details

Work Order/Reference Number: 0710

Inspection Date/Time: 09/10/2023 3:00 PM

Persons in attendance: Tenant

Other relevant comments: Nil

Weather conditions at time of inspection: Sunny

Agreement Details

Agreement Number: 0710

Date of Agreement: 09/10/2023 3:00 PM

Specific requirements and or conditions

required:

Nil building report only

Should you have any difficulty in understanding anything contained within this report then you should immediately contact the inspector and have the matter explained to you prior to acting on this report.

Inspector Details

Name Of Inspection Firm: Graham Hurford Quality Homes P/L T/A InSpec

Building & Pest Inspections License No 36640C

Contact Phone: 0418 635 783

Inspector Name: Graham Hurford

Report Prepared Date: 10/10/2023

Major Structural Defects identified to the Residential Building on day of inspection

Defect #	Details
1	Location: West Side
	Description: The stairs and brickwork have moved.
3	Location: West Side
	Description: The brickwork is damaged and the concrete ramp is cracked.
8	Location: West Side
	Description: There is vertical cracking
Major Structural Defects identified beyond the Residential Building	No
Incidence of Major Defects	Typical
Incidence of Minor Defects	High
Overall Condition (refer to definitions)	Below Average
Details of possible concealment of defects:	The inspection is a reasonable attempt to identify major defects and safety hazards at the time of inspection. Whilst a thorough visual inspection of the property was carried out the element of concealment of defects is always possible. The inspector cannot and will not move any furniture, floor coverings eg: floor rugs, personal items. The inspector cannot see through walls, floors, paint etc The report is not a warranty against problems arising in the future. Defects reported can further deteriorate or become a safety hazard if not attended to by a qualified professional. This is not a Structural Engineers Report. Where defects of a structural nature are identified, a Structural Engineers report maybe required

STRUCTURES INSPECTED

For the purpose of reporting on the property the property will be defined by compass readings e.g. North face.

1.1 339 South Bowan Park Rd Bowan Park

Structure type: Freestanding house

Orientation: West

Areas Inspected: Bathroom 1, Bedroom 2, Bedroom 3,

Bedroom 4, Bedroom 5, Dining Room, Roof Exterior, Kitchen, Laundry, Lounge Room, Roof Void, Study, Verandah, Walls Exterior, Attached

Carport

Is the building furnished?:

Where a property is furnished at the time of inspection the furnishings and stored goods may be concealing issues and defects present in the property. These issues and defects may only be revealed when the property is vacated. A further inspection is strongly recommended

in this case.

Construction type: Timber frame-cladding

Pier type: Masonry

Flooring type: Concrete Slab, Tongue and Groove Strip

Verandah: Location: East, West

Roof Structure/s: Pitched timber, Skillion

Roof covering/s: Metal
Pool present: No

Are Smoke Detectors Installed: Yes

Number of smoke detectors: 2

Location of smoke detectors: Lounge room Recommendation: All smoke detectors should be tested for serviceability and compliance.

General Comments:

Nil

AREAS WITHOUT ISSUE ON THE DAY OF INSPECTION

In relation to the Inspection Agreement, the overall condition of the following areas are consistent with buildings of approximately the same age and construction.

Roof Void

Access Issue Type:

No Access

Reason(s) Why:

Enclosed Foundation Area



There was no access to the subfloor area of the property.

Access Issue 2. - Roof Void

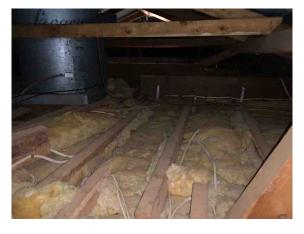
Access Issue Type:

Restricted Access

The inspector has made a reasonable visual assessment of that area within the limitations identified.

Reason(s) Why:

Insulation



The ceiling joists could not be inspected as they were covered with insulation.

Access Issue 3. - Laundry

Access Issue Type:

Restricted Access

The inspector has made a reasonable visual assessment of that area within the limitations identified.

Reason(s) Why:

Dryer, Personal Items, Washing Machine



Areas of the laundry could not be inspected.

Defect 1. - Exterior

West Side Defect Location:

Defect Summary: Walls - Brick

Type of Defect: Damage, Structural

Description: The stairs and brickwork have moved.

Damage to surrounding elements Ongoing Consequence:

Opinion of Cracking: Not Applicable

Building Professional: Note: This defect should be referred to a qualified building professional for the

repairs/scope of work required.

Building Professional Required: Builder,

Bricklayer



The verandah steps have moved and are damaged.

Defect 2. - Roof Exterior

Defect Location: Various Areas

Defect Summary: Guttering

Type of Defect: Material deterioration

Description: Guttering is rusted

Ongoing Consequence: Further deterioration.

Not Applicable Opinion of Cracking:

Building Professional: Note: This defect should be referred to a qualified building professional for the

repairs/scope of work required.

Building Professional Required: Plumber



The damaged gutter.

Defect 3. - Exterior

Defect Location: West Side

Defect Summary: Walls - Brick

Type of Defect: Structural

Description: The brickwork is damaged and the concrete

ramp is cracked.

Ongoing Consequence: Further deterioration of the brickwork and

further cracking in the concrete.

Opinion of Cracking: Structural cracking

Building Professional: Note: This defect should be referred to a

qualified building professional for the

repairs/scope of work required.

Building Professional Required: Builder,

Bricklayer, Engineer



The damaged brickwork.



The cracked and failed concrete.

Defect 4. - Roof Exterior

Defect Location: Various Areas

Defect Summary: Eaves Fascia and Barges

Type of Defect: Damage

Description: The paintwork and timber fascia is deteriorating.

Ongoing Consequence: Further deterioration of the timber and paintwork.

Opinion of Cracking: Not Applicable

Building Professional:

Note: This defect should be referred to a qualified building professional for the repairs/scope of work required.

Building Professional Required: Carpenter, Painter

The cracked and failed concrete.



The deteriorating paintwork and timber.



The deteriorating paintwork and timber.

Defect 5. - Exterior

Defect Location:

Defect Summary:

Type of Defect:

Description:

Ongoing Consequence:

Opinion of Cracking:

Building Professional:

West Side

Walls - Timber Frame

Damage

Cladding has been damaged significantly

Damage to surrounding elements

Not Applicable

Note: This defect should be referred to a qualified building professional for the repairs/scope of work required.

Building Professional Required: Carpenter



The damaged wall cladding.

Defect 6. - Roof Exterior

Defect Location: East Side

Defect Summary: Roof Coverings

Type of Defect: Water penetration, dampness

Description: The roof is leaking next to the gutter.

Ongoing Consequence: Water ingress to Roof Void

Opinion of Cracking: Not Applicable

Building Professional:

Note: This defect should be referred to a qualified building professional for the

repairs/scope of work required.

Building Professional Required: Roof Plumber



The roof is leaking at the gutter line. Metal flashing is required.

Defect 7. - Roof Exterior

Defect Location: Various Areas

Defect Summary: Downpipes

Type of Defect: Installation

Description: Connection to stormwater drainage is

damaged/inadequate

Ongoing Consequence: Water ingress into building

Opinion of Cracking: Not Applicable

Building Professional: Note: This defect should be referred to a

qualified building professional for the

repairs/scope of work required.

Building Professional Required: Plumber



The down-pipe is not connected to the stormwater drainage system.

Defect 8. - Exterior

Defect Location: West Side

Defect Summary: Walls - Brick

Type of Defect: Structural

Description: There is vertical cracking

Ongoing Consequence: Further cracking.

Opinion of Cracking: Not Applicable

Building Professional: Note: This defect should be referred to a

qualified building professional for the

repairs/scope of work required.

Building Professional Required: Builder, Bricklayer, Engineer



The vertical cracking in various areas.

Defect 9. - Interior

Defect Location:

Defect Summary:

Type of Defect:

Description:

Ongoing Consequence:

Opinion of Cracking:

Building Professional:

Bedroom 1

Plaster wall cracking.

Damage

Wall cracking.

Further cracking.

Not Applicable

Note: This defect should be referred to a qualified building professional for the repairs/scope of work required.

Building Professional Required: Plasterer, Painter



Wall cracking.



Wall cracking.

Defect 10. - Interior

Defect Location:

Boloot Location.

Defect Summary:

Type of Defect:

Description:

Ongoing Consequence:

Opinion of Cracking:

Building Professional:

Bedroom 1

Timber skirting.

Installation

Not installed.

Incomplete installation.

Not Applicable

Note: This defect should be referred to a qualified building professional for the repairs/scope of work required.

Building Professional Required: Carpenter



The missing skirting in the bedroom.

Defect 11. - Interior

Defect Location:

Defect Summary:

Type of Defect:

Description:

Ongoing Consequence:

Opinion of Cracking:

Building Professional:

Bedroom 2

Wall cracking.

Damage

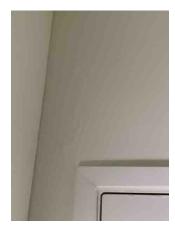
Cracking.

Further cracking.

Not Applicable

Note: This defect should be referred to a qualified building professional for the repairs/scope of work required.

Building Professional Required: Plasterer, Painter



Wall cracking.



Wall cracking.

Defect Location:

Defect Summary:

Type of Defect:

Description:

Ongoing Consequence:

Opinion of Cracking:

Building Professional:



Vanity/Basin

Water penetration, dampness

There is evidence of water staining, The vanity is swollen due to water damage

Water ingress will affect the serviceability of the vanity

Not Applicable

Note: This defect should be referred to a qualified building professional for the repairs/scope of work required.

Building Professional Required: Carpenter



The water damaged vanity.



The water damaged vanity kick board.

Defect 13. - Interior

Defect Location:

Defect Summary:

Type of Defect:

Description:

Ongoing Consequence:

Opinion of Cracking:

Building Professional:

Bathroom 1

Ceiling Dampness and/or Damp Damage

Damage

The sheeting on the ceiling is damaged and cracked.

Further deterioration.

Not Applicable

Note: This defect should be referred to a qualified building professional for the repairs/scope of work required.

Building Professional Required: Plasterer, Painter



The cracked ceiling.



The damaged ceiling.

Defect 14. - Interior

Defect Location: Bathroom 1

Defect Summary: The exhaust fan and light.

Type of Defect: Operational

Description: The light is not operating correctly.

Ongoing Consequence: Safety issue.

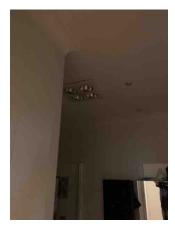
Opinion of Cracking: Not Applicable

Building Professional:

Note: This defect should be referred to a qualified building professional for the

repairs/scope of work required.

Building Professional Required: Electrician



The light needs to be checked by a licensed electrician.

Defect 15. - Interior

Defect Location: Laundry

Defect Summary: Plaster walls.

Type of Defect: Installation

Description: The lining is incomplete.

Ongoing Consequence: Incomplete installation of the sheeting.

Opinion of Cracking: Not Applicable

Building Professional:

Note: This defect should be referred to a qualified building professional for the

repairs/scope of work required.

Building Professional Required: Plasterer,

Painter



The wall sheeting is incomplete.

Defect 16. - Interior

Defect Location: Laundry

Defect Summary: The sliding door.

Type of Defect: Installation

Description: The installation of the door is incomplete

Ongoing Consequence: Incomplete installation of the door.

Opinion of Cracking: Not Applicable

Building Professional:

Note: This defect should be referred to a qualified building professional for the

repairs/scope of work required.

Building Professional Required: Carpenter



The missing door pelment.

Defect 17. - Interior

Defect Location: Lounge Room

Defect Summary: Timber floor damage.

Type of Defect: Damage

Description: The flooring is incomplete.

Ongoing Consequence: Trip hazard.

Opinion of Cracking: Not Applicable

Building Professional:

Note: This defect should be referred to a qualified building professional for the

repairs/scope of work required.

Building Professional Required: Carpenter



The incomplete flooring.

Defect 18. - Interior

Defect Location:

Defect Summary:

Type of Defect:

Description:

Ongoing Consequence:

Opinion of Cracking:

Building Professional:

Lounge Room

Timber architrave.

Installation

The architraves are missing.

Incomplete installation of the architrave.

Not Applicable

Note: This defect should be referred to a qualified building professional for the repairs/scope of work required.

Building Professional Required: Carpenter



The missing architrave.



The missing architrave.

Defect 19. - Interior

Defect Location:

Defect Summary:

Type of Defect:

Description:

Ongoing Consequence:

Opinion of Cracking:

Building Professional:

Lounge Room

Wall cracking.

Damage

Wall cracking.

Further cracking in the areas.

Not Applicable

Note: This defect should be referred to a qualified building professional for the repairs/scope of work required.

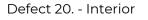
Building Professional Required: Plasterer, Painter



Vertical wall cracking.



Horizontal wall cracking.





Vertical wall cracking.

Defect Location:	Bedroom 5
Defect Summary:	Wall cracking and
Type of Defect:	Damage, Water pe
Description:	Cracking and leaki

Ongoing Consequence: Opinion of Cracking:

Building Professional:

ceiling water damage.

enetration, dampness

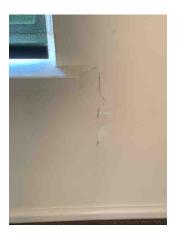
ing roof.

Further deterioration of the areas.

Not Applicable

Note: This defect should be referred to a qualified building professional for the repairs/scope of work required.

Building Professional Required: Roof Plumber, Plasterer, Painter



Wall cracking.



Wall cracking.



Water damaged ceiling sheeting.



Wall cracking.



Wall cracking.

Defect 21. - Interior

Defect Location: Kitchen

Defect Summary: Cupboards

Material deterioration Type of Defect:

Description: The hinges are damaged.

Ongoing Consequence: Further deterioration.

Opinion of Cracking: Not Applicable

Building Professional: Note: This defect should be referred to a qualified building professional for the

repairs/scope of work required.

Building Professional Required: Carpenter



The damaged hinge.

Defect 22. - Interior

Defect Location: Kitchen

Defect Summary: Wall cracking.

Type of Defect: Damage

Description: Cracking.

Ongoing Consequence: Further cracking.

Opinion of Cracking: Not Applicable

Building Professional: Note: This defect should be referred to a

qualified building professional for the repairs/scope of work required.

Building Professional Required: Plasterer,

Painter



The wall cracking.

Defect 23. - Interior

Defect Location: Kitchen

Defect Summary: Cupboards

Type of Defect: Installation

Description: The over-head cupboard cupboards are not

fixed to the wall correctly.

Ongoing Consequence: The cupboards could fall off the wall.

Opinion of Cracking: Not Applicable

Building Professional: Note: This defect should be referred to a

qualified building professional for the repairs/scope of work required.

Building Professional Required: Carpenter



The loose wall cupboard.

Observation 1

Area Location: Roof void area.

Description: There was no visual signs of any loose fill

insulation in the roof void area.



Insulation in the roof void area.

CONCLUSIONS

CRACKING OF BUILDING ITEMS

Important information regarding cracking in masonry and concrete

Regardless of the type of crack(s) a Pre Purchase Building Inspector carrying out a Pre Purchase Inspection within the scope of a visual inspection is unable to determine the expected consequences of the cracks.

Obtaining Information regarding:

- 1. (a) The nature of the foundation material on which the building is resting
- 2. The design of the footings
- 3. (c) The site landscape
- 4. (d) The history of the cracks and
- 5. (e) Carrying out an invasive inspection

All fall outside the scope of this Pre Purchase Inspection. However the information obtained from the five items above are valuable, in determining the expected consequences of the cracking and any remedial work needed.

Cracks that are small in width and length on the day of the inspection may have the potential to develop over time into Structural Problems for the Home Owner resulting in major expensive rectification work been carried out.

If cracks have been identified in the table below, a Structural Engineering inspection is recommended.

Cracking of Masonry and/or Concrete

Туре	Area	Description	Opinion of Cracking
Exterior	West Side		Structural cracking

Definitions

Appearance Defect - Where in the inspector's opinion the appearance of the building item has deteriorated at the time of the inspection and the significance of this cracking is unknown until further information is obtained.

Serviceability Defect - Where in the inspector's opinion the performance of the building item is flawed at the time of the inspection and the expected significance of this cracking is unknown until further information is obtained.

Structural Defect - Where in the inspector's opinion the structural soundness of the building item has diminished at the time of the inspection and the expected significance of this cracking is unknown until further information is obtained.

Other Inspections and Reports Required

It is recommended that the following Inspections and/or repairs/work required is obtained from the following trades and/or professions.

Recommendations	
Recommendations from the Report	 Builder Bricklayer Plumber Engineer Carpenter Painter Roof Plumber Plasterer Electrician
Other Inspections Recommended	Electrical, Plumbing
SIGNED BY INSPECTOR	
Date:	10/10/2023
Signed:	

CONTACT THE INSPECTOR

If you have any questions regarding the report, please feel free to contact the inspector. It can be challenging to communicate defects, their severity, and any inspection limitations in a manner the

reader can comprehend. If you have any concerns or require any additional clarification you should contact the inspector immediately before acting on this report.

Type of Defects

The definitions below relate to the Type of Defect associated with the building element/item fixture or fitting.

Damage: The building element/item fixture or fitting is damaged, cracked or broken and is not fit for it's intended purpose.

Distortion, warping, twisting: The building element/item fixture or fitting has shifted from its intended position.

Water Penetration, Dampness: Water ingress and/or dampness is found in unexpected or undesirable area(s).

Material Deterioration: The building element/item fixture or fitting is deteriorating due to rusting, corrosion, rot or decay.

Operational: The building element/item fixture or fitting does not perform as expected.

Installation: The building element/item fixture or fitting has not been installed as expected, is ineffective, unsuitable and/or has absent components.

Structural Defect: Weakness or departure from the expected structural performance of a structural building element.

Acceptance Criteria

The building will be compared to a comparable building of roughly the same age that has been constructed with the commonly accepted method at the time the building was built, and which has been maintained as expected so there has been no significant loss of strength and/or serviceability.

High: The occurrence and/or extent of defects exceeds the inspector's expectations when compared to a comparable building of roughly the same age that has been maintained as expected.

Typical: The occurrence and/or extent of defects is as the inspector anticipated when compared to a comparable building of roughly the same age that has been maintained as expected.

Low: The occurrence and/or extent of defects is lower than the inspector's expectations when compared to a comparable building of roughly the same age that has been maintained as expected.

Average: The overall condition of the building is consistent with buildings of roughly the same age. There will be some building elements that require some repair and/or maintenance.

Above Average: The overall condition of the building is above average when compared to a building roughly the same age. The building has been well maintained.

Below Average: The overall condition of the building is poor when compared with buildings of roughly the same age. There are significant defects to building elements requiring renewal, repair and/or maintenance.

Definitions

Accessible Area: is any area of the site and structures permitting safe and Reasonable Access to perform the inspection.

Building Inspection Agreement: Shall be the agreement between the client and the inspector entered into prior to the inspection taking place. This agreement includes, but is not limited to, defined purpose, specific scope/areas of inspection, acceptance criteria and limitations. Should this report be transferred, the subsequent buyer of the property shall be bound by all terms and conditions of the Building Inspection Agreement, as detailed under Clause 11 of this Report. Providing the Buyer agrees to the terms of the Building Inspection Agreement, then they may rely on the report subject to the terms and conditions of the Agreement and the Report itself.

Structural Element: Physically noticeable part of a structure. E.g., Walls, including interior, exterior, and screen, Floors, Roof and Ceiling frames, Beams and Connections.

Building Element: Section or part of a building which, by itself and/or in conjunction with other sections or parts, achieves a characteristic function. E.g., supporting, enclosing, completing or servicing a building space.

Major Defect: A defect of significant extent where remedial works must be carried out in order to prevent un unsafe environment, loss of utility or further deterioration of the property and/or building.

Minor Defect: Any other defect that is not a Major Defect. **Note:** the inspector is not required to comment on individual minor defects and imperfections.

Safety Hazard: Current or pending serious safety hazard.

Residential Building: is a building or structure within the boundaries, under the main roof (including post initial construction). Includes Verandas constructed at the same time as the main dwelling. Alfresco under main roof. Attached and/or standalone structures containing habitable rooms. Retaining walls directly associated with the foundations of the Residential Building.

Terms, Conditions and Limitations

- 1. The report is not an "all-inclusive" report that considers the property from every aspect and is subject to the agreed scope of the inspection.
- 2. Unless noted otherwise, inspector conducted a visual, non-invasive inspection of the building elements only to the safe and accessible areas as outlined in the scope of the agreement.
- 3. The inspection is a reasonable attempt to identify major defects and safety hazards at the time of inspection.
- 4. The report is not a Certificate of Compliance with any Building Permit, Building License, Act, Regulation, Ordinance, By-law Standard or Code.
- 5. The report is not a warranty against problems arising in the future. Defects reported can further deteriorate or become a safety hazard if not attended to by a qualified professional.
- 6. Inspection on Strata, Company and Community title type buildings are limited to the interior and immediate exterior of the unit. It is recommended that the client review all available records of the Body Corporate including Maintenance Plans.

- 7. This is not a Structural Engineers Report. Where defects of a structural nature are identified, a Structural Engineers report maybe required.
- 8. Any Estimates Provided in the report are merely an educated guess by the inspector using their knowledge and experience to estimate the possible likely costs to be incurred. The estimate is not a guarantee or quotation for work to be carried out. It is recommended that independent quotes are obtained from trade professionals. The inspector accepts no responsibility or liability for any estimates provided.
- 9. The minimum space required for inspection is as follows:
 - a. beneath a floor vertical clearance not less 600mm x 600mm with access size must not be less than 400mm x 500mm.
 - b. exterior walls or roof and ceilings will only be inspected if it can be reached safely having regards to work and safety by use of a safe ladder which can be extended to a maximum of 3.6 metres from ground level;
 - c. roof void minimum access size must not be less than 400mm x 500mm with vertical space 600mm X 600mm for reasonable movement;
- 10. Not Included in the Scope of the Inspection:
 - a. Common areas of Strata, Company and Community title type properties.
 - b. Timber Pest Activity.
 - c. Presence or absence of mould.
 - d. Identification of ACM (Asbestos Containing Material).
 - e. Identification of flooring containing Magnesite.
 - f. Inaccessible or partly inaccessible areas.
 - g. Areas where access was denied.
 - h. Defects that may have been concealed.
 - i. Rising damp and water ingress (leaks) that maybe subject to prevailing weather conditions.
 - j. Water ingress (leaks) that are subject to services not being used for a period of time. i.e. shower recesses.
 - k. Technical assessment of electrical, gas, plumbing and mechanical installations.
 - I. Site drainage.
 - m. Swimming and Spa Pools.
 - n. Identification illegal building works.
 - o. Breaking apart and/or dismantling.
 - p. Removing or moving objects and materials included but not limited to vegetation, roof insulation, floor or wall coverings. Ceilings. Floors. Furniture. Appliances.
 - q. Removing or moving stored goods and/or personal possessions.
 - r. Impact to the buildings footings when trees are in close proximity.
 - s. Septic tanks.

- 11. Disclaimer of Liability: Compensation will only be payable for losses arising in contract or tort sustained by the 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 a Real Estate Agent or a Seller for the purpose of auctioning, set date sale or private treaty of a property, then the Inspection Report may be ordered up to thirty (30) days prior to the auction, set date sale or listing, copies may be given out prior to the auction/sale and the Report will have a life of sixty (60) days from the date of Inspection during which time it may be transferred to the Buyer. Providing the Buyer agrees to the terms of the Building Inspection Agreement, then they may rely on the report, subject to the terms and conditions of the Building Inspection Agreement and the Report itself.
- 12. Complaints Procedure: If there are any claim and/or dispute arises with regards to the inspection and/or report you should inform us immediately by email. You must permit us full access to all areas of the property that relate to the claim and/or dispute. Within 28 days of receipt of your claim we respond to you in writing. In the event you are not satisfied with our response you must refer the matter to a Mediator nominated by us from the Australian Mediations Association Limited must within (21 days) from the date of our response. The parties shall bear equally the costs of the mediation. If you initiate court proceedings without observing the above Complaints Procedure and the proceedings are set aside, stayed or adjourned then you agree to be responsible for any costs and expenses incurred by us and you agree to keep us indemnified of such costs and expenses incurred by us.