

CHATHAM HOMES

**RIVER DALE BUILDING GROUP PTY LTD ATF FIRST TRUST
(IN LIQUIDATION)
ACN 632 263 962 (“the Company”)**

Frequently Asked Questions

What is the role of the Liquidators?

The role of the Liquidators, broadly speaking, includes:

- Realise the Company’s assets for the benefit of the company’s creditors;
- Provide information to creditors on the status of the liquidation;
- Investigate the affairs of the Company and report to creditors and ASIC on same;
- Comply with various statutory requirements;
- Distribute money to creditors, in order of priority, from the sale of assets after payment of the costs of liquidation.

What happens to the Company now?

The Liquidators have taken control of the Company. The director of the Company is no longer managing the Company’s affairs. It is the Liquidators’ role to undertake detailed investigation into the Company’s affair and report back to creditors on a number of matters including Company’s business; property, affairs and financial circumstances, and the likelihood and timing of a distribution to creditors (if any).

At the time of the appointment of the liquidators, the Company was without funds and accordingly the liquidators ceased all operations and terminated all employees. As a result of the Company’s financial position, the Company is unable to undertake any further building works.

Following the completion of the liquidation, the Company will be deregistered.

What does this mean for my building contract?

As noted above, the Company, as a result of its financial position and the liquidation is unable to complete or undertake any further works in relation to your contract.

We are currently in discussions with a number of builders to see if arrangements can be put in place to provide Homeowners with an alternative option to have their home build completed.

Head Office - Melbourne
Level 22, 114 William Street,
Melbourne Vic 3000
Phone 03 8609 0311

Interstate Offices
Sydney
Brisbane
Phone 1300 591 543

Postal: PO BOX 4038
McKinnon VIC 3204
Email: email@asadvisory.com.au
www.asadvisory.com.au

Once arrangements in this regard have been confirmed, we will advise homeowners.

As a result, of the Company's failure, homeowners should lodge a claim under the Victorian Homeowners Warranty Insurance Scheme. In this regard you should contact the following:

Name	Victorian Managed Insurance Authority (VMIA)
Email	dbioperations@vmia.vic.gov.au
Phone Number	1300 363 424
Website	www.dbi.vmia.gov.au

Homeowners should have received an Initial Circular to Creditors dated 6 October 2023 which contained a Proof of Debt Form. Homeowners should also lodge a claim in the liquidation by completing the proof of debt form and returning to the liquidators' office.

What does this mean for the timetable to complete my home?

As a result of the failure of the Company, there will be a delay in the completion of your home. The extent of the delay will ultimately depend on the stage of completion of your home and whether your home is able to be completed under the existing contract through home warranty insurance or the engagement of another builder.

Should I cancel my contract / build with Chatham Homes?

The liquidators are urgently attempting to find alternative builders for homeowners. Should this be possible, these builders may seek an assignment of the Chatham Homes build contract or they may seek to enter a new contract. Ultimately, homeowners should take their own legal advice in respect of the effect of any proposed cancellation of the existing building contract and the implications of same on their property and any related insurance. If you do wish to terminate your building contract with Chatham Homes, you should issue a Notice of Termination and send to the liquidators' office.

My build is in its final stages and nearing practical completion. What options are available?

The liquidators are currently investigating if there are any projects that are close to completion where the liquidators may be able to engage contractors to enable these works to be completed and Occupancy Certificates Issued. If this is the case, we will be in contact with you.

Insurance claims. What are the options?

There are two categories of insurance.

1. The pre-appointment Contract Works policy will respond to Material Loss or Damage to the works undertaken to date, including Legal Liability.

2. The Domestic Builder Insurance policy will respond to defects, incomplete works and lost deposits (where insurance is in place) due to the Builder going into Liquidation.

In respect to the pre-appointment Contract Works policy, the pre-appointment insurer has advised that construction insurance remains in place, unless one of the following events occurs:

1. The customer terminates the building contract,
2. The customer enacts insurance cover with another insurance provider,
3. The expiry of 60 days from the cessation of works,
4. The customer takes possession of the property.

Please note, we have been advised that there is an excess payable in the amount of \$50,000 for each and every insurance claim from the date of the liquidation being 2 October 2023. Notably, the policy does not provide cover for any loose items or materials at the Contract Site where loose items or materials have not been secured and placed out of sight, when no construction works are taking place.

You should direct any enquiries you may have in relation to the pre-appointment Contract Works and Liability Insurance to our insurance broker, Steve Sharma - ssharma@prmanagers.com.au

Any queries you may have in relation to your Domestic Building insurance, please contact the VMIA.

Site Security

As the Company is not in a position to secure your building site due to its financial circumstances. Homeowners should attend to their own site security needs including continuing with site fencing and changing door locks.

We understand the majority of homes' doors are keyed with builder's locks which may be common across multiple sites. The liquidators have not recovered all the builder's keys and are unaware of who may hold keys as the Company did not maintain a central register. Accordingly, it is recommended homeowners arrange for a locksmith to attend their home and instal new locks.

We understand the security fencing that may be at your building site was leased from one of the following companies. Homeowners should contact the providers listed below to make arrangements directly with the provider regarding the continuation of site fencing.

On-X Hire Pty Ltd Contact: Ryan – Ph. 0466 377 659	GTM Hire Contact: Karalea – Ph. (03) 9132 8044
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What if my building Permit is about to expire?

The Company used Vic Permits as the Building Surveyor. If homeowners have building permits that are near expiry they should contact Michael at Vic Permit on (03) 9363 1799 to discuss the status of the permit and its possible extension.

What is the status of documentation relating to my building contract?

The liquidators are currently reviewing the Company's books and records to ascertain what information is held relating to customers' building projects. This information is likely to include such things as the building contract, plans, drawings and specifications, building permits, certificates and compliance documents to name a few.

Once this information has been compiled, we will be in contact with homeowners directly regarding the process to access same.