

Arrow International (NZ) Ltd
PO Box 9123
Tower Junction
Christchurch 8061

30 January 2012

Attention: Ian Currie

Dear Ian,

RE: AMI Canterbury Earthquake Reconstruction (ACER) Project – Master Agreement

Thank you for the opportunity to provide geotechnical services for the AMI Canterbury Earthquake Reconstruction (ACER) Project. We understand that Arrow International (NZ) Ltd (Arrow) are managing AMI claims for residential properties which sustained land and/or structural damage as a result of the recent earthquakes and exceed the Earthquake Commission (EQC) \$100,000 + GST cap. We understand the work will be managed using the Aconex document management system, with individual properties being awarded to us as small work packages.

We have been asked to provide costings for geotechnical services based on work scopes provided by Arrow (see attachments). Table 1 outlines our fee for each scope of work and any variation we deem appropriate for the prescribed scopes.

[REDACTED]

| Inspection/Investigation Type (as per Arrow scope) | Geoscience Variations in Scope | [REDACTED] |
|---|--|------------|
| Flat Sites Visual Inspection | Report layout may vary from that prescribed. | [REDACTED] |
| Hillside Visual Inspection | Report layout may vary from that prescribed. | [REDACTED] |
| Re-purchase Inspection | | [REDACTED] |
| Shallow Foundation Investigation (TC1) | | [REDACTED] |
| Shallow Foundation Investigation (TC2) | | [REDACTED] |
| Shallow Foundation Investigation (TC2) Including | | [REDACTED] |

| | | |
|---|--|---|
| CPT Analysis | | |
| Deep Foundation Investigation – CPTs (TC3 and TC2 where necessary) | Recommend analyses are run at likely new ULS PGA to save reprocessing data after the increase has been made. | |
| Deep Foundation Investigation – Borehole with SPTs (TC3 and TC2 where necessary) | CPTs may be used in conjunction with boreholes and SPTs where applicable | Allow [REDACTED] (one borehole) to [REDACTED] (two boreholes) |
| Hillside: Shallow Investigation and Geotechnical Report | | |
| Hillside: Geotechnical Report – Site Specific | | Scope and pricing agreed with Arrow prior to commencement. |

NOTES

1. Arrow is to provide any available structural reports and proposed repair/rebuild plans to Geoscience where available, and comment on any known site access issues (if appropriate).
2. We endeavour to complete the field work and reporting within two weeks of receiving instruction by Arrow through Aconex. Upon completion, we will upload our reports to Aconex.
3. We will manage the subcontractors directly (their costs are included in our fees above).
4. We will initially review our fees after six months from the commencement of our involvement in the project and then review both our fees and the subcontractor fees on an annual basis.
5. Site service plans are to be provided in advance by Arrow.

ADMINISTRATION

If you agree with the terms outlined in this Master Agreement, please arrange to have the attached 'Authorisation to Proceed' form signed by someone with the authority to authorise payment of invoices and fax/email it back to Geoscience Consulting (NZ) Ltd, following which we will commence work.

We will invoice on a monthly basis following completion of reporting for each site, with terms for payment strictly 20 days following the month of issue of the invoice. Where relevant, progress payments are to be made on a regular monthly basis as invoiced.

CLOSURE

We trust that this information meets your current requirements. Please do not hesitate to contact the undersigned at 03 328 9012 if you require clarification on any issue.

For and on behalf of Geoscience Consulting (NZ) Limited,



Greg Martin

Director, Associate Engineering Geologist

Attachment : Geotechnical Work Scope – Arrow document.

RELEASED UNDER OFFICIAL INFORMATION ACT 1982

| Inspection/ Investigation Type | Scope of work | Deliverable | Notes | Purpose |
|---|--|---|---|---|
| Flat sites Visual Inspection | <p>Site visit by an engineering geologist or geotechnical engineer to conduct a visual inspection. Assessment of damage extent and damage mechanism.</p> <p>Preparation of short email report delivered via Aconex summarising findings and recommendations.</p> <p>Technically reviewed by Senior Engineering Geologist or Senior Geotechnical Engineer.</p> | <p>A template style one page factual report summarising land damage.</p> <p>Site sketches- plan view, cross section view (not to scale), relevant site photos</p> <p>Indication of future geotechnical investigations that will be required, including an approximate estimate of future investigation cost.</p> | <p>Applicable to flat sites where the main consideration is liquefaction and related ground damage.</p> <p>To be requested on a site by site basis, as determined by the Arrow Project Manager.</p> <p>This investigation does not include any intrusive ground investigation work.</p> <p>This report does not consider future liquefaction potential.</p> | <p>The purpose of this report is to provide individual Arrow International Project Managers with a general indication of damage, and provide initial thoughts on foundation/repair options, and potential future investigations for their specific property to provide initial geotechnical input into the DRA process.</p> <p>It is not intended as a comprehensive summary of all damage, covering every potential remediation option.</p> |
| Hillside Visual Inspection | <p>Site visit by an engineering geologist or geotechnical engineer to conduct a visual inspection. Assessment of land damage extent (including retaining walls) and damage mechanism/s.</p> <p>Preparation of short email report delivered via Aconex summarising findings and recommendations.</p> <p>Technically reviewed by Senior Engineering Geologist or Senior Geotechnical Engineer.</p> | <p>A template style one page factual report summarising land damage, and identifying whether the site is likely to be subject to rockfall or slope instability hazards.</p> <p>Site sketches- plan view, cross section view (not to scale), relevant site photos</p> <p>Indication of future geotechnical investigations that will be required, including an approximate estimate of future investigation cost.</p> | <p>This investigation does not include any intrusive ground investigation work.</p> <p>Indicate the main geohazards¹ that need to be addressed.</p> <p>It should be noted that not all geohazards¹ identified will necessarily be directly associated with earthquake damage e.g. subsurface erosion.</p> | <p>The purpose of this report is to provide individual Arrow International Project Managers with:</p> <p>Confirmation of rockfall and landslide hazard (note that some sites may still be subject to further investigations to determine rockfall/landslide hazard)</p> <p>An indication of land damage, including damage mechanisms.</p> <p>The likely issues/hazards¹ that need to be addressed by the full geotechnical report.</p> |
| Pre-purchase Inspection | <p>Site visit by an engineering geologist or geotechnical engineer to conduct a visual inspection. Assessment of earthquake ground damage extent and damage mechanism.</p> <p>Review of any other known hazards¹ at the site.</p> <p>Preparation of short email report delivered via Aconex summarising findings and recommendations.</p> <p>Technically reviewed by Senior Engineering Geologist or Senior Geotechnical Engineer.</p> | <p>A short letter report discussing the likelihood of any geohazards¹ at the site.</p> <p>Technically reviewed by Senior Engineering Geologist or Senior Geotechnical Engineer.</p> | <p>To be requested for any sites require pre-purchase geotechnical checks.</p> <p>The difference between this and the 'Visual Inspection Reports' (above) is that this considers all geohazards¹, rather than primarily considering whether earthquake damage has occurred.</p> <p>To be used as supporting documentation for relevant interested parties (e.g. banks and insurance companies) prior to purchase.</p> <p>It should be noted that this report is not confirmation of NZS3604 "good ground" as no subsurface investigations are conducted. Consequently, it is not a geotechnical report for Councils or Building Consent.</p> | <p>The purpose of this report is to provide relevant interested parties (e.g. banks and insurance companies) with assurance that the geohazards at the site are acceptably low (if that is the case), or identify potential geohazards.</p> |
| Shallow Foundation Investigation TC1 | <p>Underground service plans obtained. Service check to check for live cables prior to any subsurface testing.</p> <p>Minimum 4 test locations (hand auger and scale) per 200m², 1 test per each additional 100m² (or as appropriate for pegs).</p> <p>Hand augers may be substituted with test pits where practical.</p> <p>Hand augers extended to 3-4 m where practical to check for peat.</p> <p>Site plan showing test locations, and DCP and hand auger logs produced.</p> <p>Geotechnical analysis of field data.</p> <p>Preparation of short report summarising findings and</p> | <p>Site service plans must be provided in advance by Arrow,</p> <p>This style of investigation is suitable for shallow foundations i.e. raft type.</p> <p>This report does not consider future liquefaction potential.</p> <p>This investigation type does not consider future ground or foundation settlement.</p> | <p>To be used for shallow foundation types</p> <p>To be used by structural engineer/designer for 'specific design' of shallow foundations (where a minimum of 200 kPa is not achieved), and as supporting documentation in building consent applications.</p> | <p>To be used for shallow foundation types</p> <p>To be used by structural engineer/designer for 'specific design' of shallow foundations (where a minimum of 200 kPa is not achieved), and as supporting documentation in building consent applications.</p> |

| | | | | |
|--|--|---|--|--|
| | <p>recommendations.</p> <p>Technically reviewed by Senior Engineering Geologist or Senior Geotechnical Engineer.</p> <p>Visual assessment of site for earthquake related damage.</p> <p>Underground service plans obtained. Service check to check for live cables prior to any subsurface testing.</p> <p>Minimum 4 test locations (hand auger and scale) per 200m², 1 test per each additional 100m² (or as appropriate for repairs).</p> <p>Hand augers may be substituted with test pits where practical.</p> <p>Hand augers extended to 3-4 m where practical to check for peat.</p> <p>Site plan showing test locations, and DCP and hand auger logs produced.</p> <p>Geotechnical analysis of field data.</p> <p>Review of relevant public information: nearby subsurface data, Project Orbit data etc</p> <p>Preparation of short report summarising findings and recommendations.</p> <p>Technically reviewed by CPEng Geotechnical Engineer or equivalent.</p> | <p>A short report summarising any relevant publically available data, field investigation results, and indicating compliance with NZS3604:2011 for a given footing width.</p> <p>Determination of static bearing capacity.</p> | <p>Site service plans must be provided in advance by Arrow.</p> <p>This style of investigation is suitable for shallow foundations i.e. raft type.</p> <p>This assessment does not consider future liquefaction potential and does not directly consider future ground or foundation settlement, but consideration should be given to any relevant nearby geotechnical data.</p> | <p>To be used for shallow foundation types</p> <p>To be used by structural engineer/designer for 'specific design' of shallow foundations (where a minimum of 200 kPa is not achieved), and as supporting documentation in building consent applications.</p> |
| <p>Shallow Foundation Investigation TC2</p> | <p>As above, but including:</p> <ul style="list-style-type: none"> Cross correlation of hand auger and DCP data with nearby CPT data to improve accuracy of soil bearing capacity estimates. Analysis of depth to solid bearing from CPT data. Liquefaction analysis from CPT data. | <p>As above, but including:</p> <ul style="list-style-type: none"> Cross correlation of hand auger and DCP data with nearby CPT data to improve accuracy of soil bearing capacity estimates. Analysis of depth to solid bearing from CPT data. Liquefaction analysis from CPT data. | <p>Site service plans must be provided in advance by Arrow.</p> <p>This investigation to be used where nearby (within 50-100m) CPT data is available and geological conditions appear of a consistent type.</p> <p>It should be noted that the analysis will have increasing uncertainty with increasing distance of CPTs from the site.</p> | <p>To be used for shallow foundation types</p> <p>To be used by structural engineer/designer for 'specific design' of foundations, and as supporting documentation in building consent applications.</p> |
| <p>Deep Foundation Investigation- CPTs TC3 (and TC2 where necessary)</p> | <p>Underground service plans obtained. Service check to check for live cables prior to any subsurface testing.</p> <p>Undertake 2 - 4 CPTu tests (depending on size of property) down to a target depth of 15 m at each position, and supplementary shallow investigation points where necessary.</p> <p>Analysis of CPT data: Liquefaction analysis, depth to solid bearing, settlement estimation (at SLS, ULS, and actual PGA experienced). Consideration of lateral spreading potential where necessary.</p> <p>Review of relevant public information: nearby subsurface data, Project Orbit data etc</p> | <p>Factual and interpretative report detailing the CPT investigation and depths down to suitable bearing strata around the house. Liquefaction assessment detailing the likely zones of liquefiable materials underlying the site.</p> <p>Analysis and discussion on the potential future settlement / lateral spreading during future design seismic events.</p> <p>Recommendations on the most suitable remedial and / or foundation options.</p> <p>Provide parameters for foundation or</p> | <p>Site service plans must be provided in advance by Arrow.</p> <p>The actual termination depth of each CPT test is dependent on the underlying ground conditions.</p> | <p>This investigation will identify the depths and thickness of any liquefiable layers beneath the house.</p> <p>To be used primarily for deep foundation types e.g. piles, and ground treatment, but is also applicable to shallow foundations.</p> <p>To be used for 'specific design' of foundations or ground treatment, and as supporting documentation in building consent applications.</p> |

| | | | | |
|--|--|--|---|--|
| <p>Deep Foundation Investigation-Borehole with SPTs TC3 (and TC2 where necessary)</p> | <p>Preparation of report summarising findings and foundation/ground treatment recommendations. Technically reviewed by CPEng Geotechnical Engineer or equivalent.</p> <p>Underground service plans obtained. Service check to check for live cables prior to any subsurface testing.</p> <p>Undertake 1-2 boreholes with SPTs (depending on size of property) down to a target depth of 15 m at each position, and supplementary shallow investigation points where necessary.</p> <p>Analysis of SPT and borehole data: Liquefaction analysis, depth to solid bearing, settlement estimation (at SLS, ULS, and actual PGA experienced). Consideration of lateral spreading potential where necessary.</p> <p>Review of relevant public information: nearby subsurface data, Project Orbit data etc</p> <p>Preparation of report summarising findings and foundation/ground treatment recommendations.</p> <p>Technically reviewed by CPEng Geotechnical Engineer or equivalent.</p> | <p>ground treatment design.</p> <p>Factual and interpretative report detailing the investigation and depths down to suitable bearing strata around the house. Liquefaction assessment detailing the likely zones of liquefiable materials underlying the site.</p> <p>Analysis and discussion on the potential future settlement / lateral spreading during future design seismic events. Recommendations on the most suitable remedial and / or foundation options. Provide parameters for foundation or ground treatment design.</p> | <p>Site service plans must be provided in advance by Arrow.</p> <p>Boreholes to be used in locations where CPTs will not provide sufficient data.</p> | <p>This investigation will identify the depths and thickness of any liquefiable layers beneath the house.</p> <p>To be used primarily for deep foundation types e.g. piles, and ground treatment, but is also applicable to shallow foundations.</p> <p>To be used for 'specific design' of foundations or ground treatment, and as supporting documentation in building consent applications.</p> |
| <p>Hillside: Shallow investigation Geotechnical Report</p> | <p>Data review of readily available site information (including Council records, and Port Hills Geotechnical Group and EQC data)</p> <p>Underground service plans obtained. Service check to check for live cables prior to any subsurface testing.</p> <p>Assessment of the site and in some cases the immediately surrounding sites to determine whether the site is subject to any geohazards.</p> <p>Minimum 4 test locations (hand auger and scale) per 200m², 1 test per each additional 100m² (or as appropriate for repairs) to assess compliance with NZS3604:2011. Hand augers may be substituted with test pits where practical.</p> <p>Preparation of short report summarising findings and recommendations.</p> <p>Technically reviewed by Senior Engineering Geologist or Senior Geotechnical Engineer.</p> | <p>A short factual and interpretative report detailing any geohazards at the site, including any recommended remedial or mitigation measures.</p> <p>Summary of any relevant publicly available data, field investigation results, and indicating compliance with NZS3604:2011 for a given footing width. Determination of static bearing capacity.</p> | <p>Used on general hillside sites. Does not include slope stability or rockfall analysis, or retaining wall analysis or design.</p> | <p>To be used for shallow foundation types</p> <p>To be used by structural engineer/designer for 'specific design' of shallow foundations (where a minimum of 200 kPa is not achieved), and as supporting documentation in building consent applications.</p> |
| <p>Hillside: Geotechnical report- site specific</p> | <p>Scope and cost to be agreed in writing with Arrow prior to commencement.</p> | | | |

Notes:

1. 'Geohazards' or 'natural hazards' are listed in Section 71 of the Building Act and include: Erosion, falling debris, subsidence (including settlement related to underlying liquefaction), inundation (including flooding, storm surge, tidal effects, overland flow and ponding), and slippage.
2. Where possible, subsurface investigations should be conducted within the proposed building footprint. This will not be possible for repairs, so the testing will be conducted as close to the building as possible, depending on the location of underground services, and site access.

TERM AGREEMENT FOR GEOTECHNICAL ENGINEERING SERVICES
(to be used for engineers and other consultants where there is no Uninsured Work to be paid for separately)

BETWEEN:.....**AMI Insurance Limited (AMI)**.....
(AMI)

AND:.....**Geoscience Consulting (NZ) Ltd**.....
(CONSULTANT)

Collectively referred to herein as the "Parties" and individually as a "Party"

| | |
|--------------------|-----------|
| PROJECT: | PROPERTY: |
| HOMEOWNERS DETAILS | |

BASIS OF APPOINTMENT:

1. AMI engages the Consultant to provide the Agreed Services described in this Term Agreement for Services document and the Consultant agrees to perform the Agreed Services for the remuneration described in this document.
2. The Parties also agree to be bound by the provisions of the Specific Conditions to Term Agreement for Services ("Specific Conditions") (attached) and the Short Form Model Conditions of Engagement 2010 ("General Terms") (attached.) subject to the Variations to the General Terms noted below.
3. Once signed, this Term Agreement for Services document, together with the provisions of the Specific Conditions, the General Terms and the Variations to the General Terms will collectively be referred to as this "Agreement" and will replace all or any oral agreement previously reached between the Parties
4. In the event of inconsistency, this Term Agreement for Services document will have priority over the rest of the Agreement, the Specific Conditions will have priority over the General Terms and the Variations to the General Terms, and the Variations to the General Terms will have priority over the General Terms.
5. All references to the Client in this Agreement will be read as references to AMI.
6. AMI has appointed Arrow as its agent for the purposes of this Agreement on the terms set out in the Specific Conditions.

SCOPE & NATURE OF THE SERVICES:

The Agreed Services include the inspection and investigation work required to determine the nature of the prevailing sub soil conditions and the preparation and submission of a geotechnical report in an agreed standard form for every residential site as instructed by Arrow.

The nature of the services fall into 10 main categories which the consultant will confirm to the Arrow PM before starting the investigation.

| Inspection/Investigation Type | Scope of Work | Deliverable |
|-------------------------------|---------------|-------------|
| | | |
| | | |
| | | |
| | | |
| | | |

PROGRAMME FOR THE SERVICES:

FEES & TIMING OF PAYMENTS:

| | |
|--|--|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

INFORMATION OR SERVICES TO BE PROVIDED BY AMI:

1. **Client Brief (DRA) with sketches and plans** attached to the Request for a Proposal provided to the Consultant in respect of this agreement
2. **Title documents and Council record plans for the property**
3. **A copy of the relevant insurance policy**

ARROW INTERNATIONAL LIMITED AS AGENT FOR AMI

CONSULTANT'S AUTHORISED SIGNATORY(IES)

PRINT NAME:
DATE:

PRINT NAME:
DATE:

Greg Martin
11/4/12

RELEASED UNDER OFFICIAL INFORMATION ACT 1982

M

VARIATIONS TO THE GENERAL TERMS (ATTACHED):

The General Terms are those set out in ACENZ Short Form Model Conditions of Engagement 2010 amended as follows

1. Delete clauses 2 and 3.

2. Delete clause 7 and the first sentence of clause 8 and insert

The Consultant may submit monthly GST invoices, by the 5th day of each month.

AMI will pay invoices relating to Insured Works within 20 working days of the receipt of the invoice.

3. Delete clause 11 and insert:

The maximum aggregate amount payable, whether in contract, tort or otherwise, in relation to claims, damages, liabilities, losses or expenses, shall be \$NZ500,000.

4. Delete clause 12.

5. Delete clause 18 and insert:

If any dispute arising out of or in connection with this Agreement cannot be resolved by consultation within 7 days from notification in writing of the dispute by one party to the other, then the parties or either of them may refer the dispute to mediation. If the dispute cannot be resolved by mediation, within twenty eight (28) Working Days of the dispute being referred to mediation, or such longer period as the parties agree, then either party may refer the dispute to arbitration in accordance with the Arbitration Act 1996.

Arbitration shall be before a single arbitrator in accordance with the provisions of the Arbitration Act 1996, or any Act in amendment thereto or substitution therefore. The provisions of articles 3(1)(a) and 3(1)(b) of the second schedule to the Arbitration Act 1996 shall not apply to that arbitration. The award in the arbitration shall be final and binding on both parties.

RELEASED UNDER OFFICIAL INFORMATION ACT 1982

GENERAL TERMS

SHORT FORM MODEL CONDITIONS OF ENGAGEMENT

1. The Consultant shall perform the Services as described in the attached documents.
2. Nothing in this Agreement shall restrict, negate, modify or limit any of the Client's rights under the Consumer Guarantees Act 1993 where the Services acquired are of a kind ordinarily acquired for personal, domestic or household use or consumption and the Client is not acquiring the Services for the purpose of a business.
3. The Client and the Consultant agree that where all, or any of, the Services are acquired for the purposes of a business the provisions of the Consumer Guarantees Act 1993 are excluded in relation to those Services.
4. In providing the Services the Consultant shall exercise the degree of skill, care and diligence normally expected of a competent professional.
5. The Client shall provide to the Consultant, free of cost, as soon as practicable following any request for information, all information in his or her power to obtain which may relate to the Services. The Consultant shall not, without the Client's prior consent, use information provided by the Client for purposes unrelated to the Services. In providing the information to the Consultant, the Client shall ensure compliance with the Copyright Act 1994 and shall identify any proprietary rights that any other person may have in any information provided.
6. The Client may order variations to the Services in writing or may request the Consultant to submit proposals for variation to the Services. Where the Consultant considers a direction from the Client or any other circumstance is a Variation the Consultant shall notify the Client as soon as practicable.
7. The Client shall pay the Consultant for the Services the fees and expenses at the times and in the manner set out in the attached documents. Where this Agreement has been entered by an agent (or a person purporting to act as agent) on behalf of the Client, the agent and Client shall be jointly and severally liable for payment of all fees and expenses due to the Consultant under this Agreement.
8. All amounts payable by the Client shall be paid within twenty (20) working days of the relevant invoice being mailed to the Client. Late payment shall constitute a default, and the Client shall pay default interest on overdue amounts from the date payment falls due to the date of payment at the rate of the Consultant's overdraft rate plus 2% and in addition the costs of any actions taken by the Consultant to recover the debt.
9. Where Services are carried out on a time charge basis, the Consultant may purchase such incidental goods and/or Services as are reasonably required for the Consultant to perform the Services. The cost of obtaining such incidental goods and/or Services shall be payable by the Client. The Consultant shall maintain records which clearly identify time and expenses incurred.
10. Where the Consultant breaches this Agreement, the Consultant is liable to the Client for reasonably foreseeable claims, damages, liabilities, losses or expenses caused directly by the breach. The Consultant shall not be liable to the Client under this Agreement for the Client's indirect, consequential or special loss, or loss of profit, however arising, whether under contract, in tort or otherwise.
11. The maximum aggregate amount payable, whether in contract, tort or otherwise, in relation to claims, damages, liabilities, losses or expenses shall be five times the fee (exclusive of GST and disbursements) with a maximum limit of \$NZ250,000.
12. Neither Party shall be liable for any loss or damage occurring after a period of six years from the date on which the Services were completed.
13. The Consultant acknowledges that the Consultant currently holds a policy of Professional Indemnity insurance for the amount of liability under clause 11. The Consultant undertakes to use all reasonable endeavours to maintain a similar policy of insurance for six years after the completion of the Services.
14. If either Party is found liable to the other (whether in contract, tort or otherwise), and the claiming Party and/or a Third Party has contributed to the loss or damage, the liable Party shall only be liable to the proportional extent of its own contribution.
15. The Consultant shall retain intellectual property/copyright in all drawings, specifications and other documents prepared by the Consultant. The Client shall be entitled to use them or copy them only for the works to which the Services relate and the purpose for which they are intended. The ownership of data and factual information collected by the Consultant and paid for by the Client shall, after payment by the Client, lie with the Client. The Client may reproduce drawings, specifications and other documents in which the Consultant has copyright, as reasonably required in connection with the project but not otherwise. The Client shall have no right to use any of these documents where any or all of the fees and expenses remain payable to the Consultant.
16. The Consultant has not and will not assume any obligation as the Client's Agent or otherwise which may be imposed upon the Client from time to time pursuant to the Health and Safety in Employment Act 1992 ("the Act") arising out of this engagement. The Consultant and Client agree that in terms of the Act, the Consultant will not be the person who controls the place of work.
17. The Client may suspend all or part of the Services by notice to the Consultant who shall immediately make arrangements to stop the Services and minimise further expenditure. The Client and the Consultant may (in the event the other Party is in material default) terminate the Agreement by notice to the other Party. Suspension or termination shall not prejudice or affect the accrued rights or claims and liabilities of the Parties.
18. The Parties shall attempt in good faith to settle any dispute by mediation.
19. This Agreement is governed by the New Zealand law, the New Zealand courts have jurisdiction in respect of this Agreement, and all amounts are payable in New Zealand dollars.

Specific Conditions to Short Form Agreement For Services

1. General

- 1.1 The Homeowner is the owner of a home located in Canterbury, insured by AMI on the terms and conditions contained in the relevant insurance policy ("the insurance policy"). The Homeowner's home has been damaged by earthquake and requires to be repaired or rebuilt as described in the Client Brief.
- 1.2 For the purposes of this agreement the term "Building Work" has the meaning given to it by the Building act 1994.

2. Project Manager

- 2.1 AMI may appoint an agent ("the Project Manager") for the purposes of the management and administration of the Insured Works and to ensure a clear channel of communication between the Consultant, AMI, the Homeowner and where applicable the contractor carrying out the construction of the Building Work.. The homeowner has authorised AMI to give directions on his or her behalf. AMI may do so through the Project Manager.
- 2.2 Arrow International (NZ) Limited is the Project Manager until notice of termination of the appointment is delivered to the Consultant by AMI.
- 2.3 Except where this contract otherwise provides, instructions, directions or approvals necessary for the administration of the Agreed Services and Building Works carried out by a contractor shall be given only through the Project Manager. Any notice to be given by the Consultant to AMI shall be given to the Project Manager, receipt by whom shall be deemed to be receipt by AMI (as the case requires).
- 2.4 Instructions, directions or approvals issued by the Project Manager shall be binding on AMI as if they had been issued by AMI and the Homeowner.

3. Documentation

- 3.1 All documentation, communications relating to the Agreed Services and instructions issued under this agreement shall be made and recorded in electronic format via the web/internet. To facilitate this process Aconex is to be used and will be made available to the Consultant.
- 3.2 The Consultant must implement (at its own cost) all other computer systems sufficient for it to properly use and operate Aconex.
- 3.3 The Homeowner will, through AMI, have access to all information relating to the Agreed Services.

4. Obligations

- 4.1 The Agreed Services and all designs and documentation provided under this agreement will:
 - a. Provide solutions which are consistent with AMI's obligations to the Homeowner under the relevant Insurance Policy (as advised to the Consultant by AMI).
 - b. Provide solutions which do not require any Resource Consent to implement unless expressly agreed by AMI.
- 4.2 The Consultant will take all reasonable steps to identify separately:
 - a. Building Work required that arises from any work previously done on the Insured Property to the structures or land which did not comply with any building or resource management legislation or rules at the time it was carried out.

- b. Building Work required that is not covered by the Earthquake Commission under the Earthquake Commission Act 1993 but which is required to be carried out to repair or rebuild the Property.
- c. Consents or steps required by any relevant legal requirement relating to the Building Work including:
 - i. Restrictions on rebuilding on the Property because of earthquakes, land stability or land remediation issues;
 - ii. Whether a resource consent may be required for any Building Work;
 - iii. Whether pre existing floor levels may need to be raised or other issues relating to plan change 48 to the Christchurch City Council City Plan need to be addressed.

For the avoidance of doubt the Consultant has no obligation to identify to or advise the parties about their nature or extent of their rights and obligations under the insurance policy or the Earthquake Commission Act 1993.

- 4.3 If the Consultant reasonably believes one or more of the issues referred to in clause 4.2 cannot be identified by the Consultant, the Consultant will inform the Homeowner and AMI via the Project Manager and if necessary provide an explanation of whether any further investigation may be required.
- 4.4 The Consultant will then take further instructions from AMI before concluding any design documentation if further investigation is required and incorporate those instructions into any final design documentation.
- 4.5 Except where prior written agreement is recorded, the Consultant must not start any stage of the Agreed Services without obtaining AMI's approval of the previous stage, including the design, developed and documented to the extent required by that stage, the current expenditure estimates, and the current project time-line.
- 4.6 The Consultant must not make any material change to an approved design without AMI's further instruction, approval or consent, except where Site conditions require the Consultant to exercise discretionary responsibilities on an urgent basis. In such cases the Consultant must notify AMI promptly.
- 4.7 Any approval by the Homeowner, AMI or the Project Manager of the documents or proposals submitted to it by the Consultant shall not be taken to signify the Homeowner, AMI or the Project Manager has checked the accuracy or completeness of such designs, technical specifications, drawings, reports or documents and shall not relieve the Consultant of its obligations under the Agreement.
- 4.8 The Consultant represents that it possesses the necessary skills, personnel, organisation and equipment to execute the Services in accordance with accepted standards and practice.
- 4.9 The Consultant shall maintain quality assurance procedures and practices, project and construction monitoring procedures to the extent such procedures are part of the Services.

5. Quality

- 5.1 This agreement provides for Building Work to be carried out in relation to a household unit (as those terms are defined in the Building Act 2004). The statutory warranties and guarantees provided for in the Building Act 2004 apply to the Consultant and the Agreed Services for the benefit of AMI in respect of its obligations to the Homeowner under the Insurance Policy and for the benefit of the Homeowner directly (as the case requires).

- 5.2 This agreement provides for Building Work to be carried out in relation to a household unit (as those terms are defined in the Building Act 2004). The Agreed Services and all designs and documentation provided under this agreement must be suitable to allow the premises within which the Building Works form part to be occupied and used as a household unit (as that term is used in the Building Act). The Homeowner and AMI rely on the skill and judgement of the Consultant that the Agreed Services and all designs and documentation provided under this agreement will be reasonably fit for that purpose.
- 5.3 All statutory warranties provided for in the Consumer Guarantees Act 1993 apply to the Consultant and the Agreed Services for the benefit of AMI in respect of its obligations to the Homeowner under the Insurance Policy and for the benefit of the Homeowner directly (as the case requires).
- 5.4 Any limitations of liability provided for in this Agreement including those provided for in the General Terms and the variations to the general terms only apply to the extent permitted by law.
- 5.5 The Homeowner as the owner of the Property in respect of which the Agreed Services are to be provided is a beneficiary of all of the Consultant's obligations under this Agreement for the purposes of the Contracts Privity Act 1982.

6. Variation

- 6.1 The scope and nature of the Agreed Services relating to Insured Work and the Uninsured Work will not be varied without the written agreement of AMI.

7. Fees and Payment

- 7.1 The Consultant's fees for providing the Agreed Services will not exceed the amounts stated in the schedule to the Agreement unless prior agreement in writing is obtained from AMI in respect of Insured Works or from the Homeowner in respect of Uninsured Works.

8. Termination

- 8.1 AMI may terminate this agreement by giving written notice to the Consultant at any time without prejudice to any rights that it, may have hereunder or at law.
- 8.2 In the event of termination of this agreement the Consultant will be entitled to be paid its reasonable fees for Agreed Services completed to the date of termination but all monies that would be payable to the Consultant by AMI may be retained by AMI by way of setoff. Such termination shall not prejudice any right of AMI to recover from the Consultant damages for any breach of contract.

RELEASED UNDER OFFICIAL INFORMATION ACT 1982