

Southern Response Earthquake Services Ltd
C/- Arrow International (NZ) Ltd
PO Box 9123
Tower Junction
Christchurch 8061

21 September 2012

Attention: Angela Woodland

Dear Angela,

RE: Southern Response Project – Proposed Scope of Work and Pricing

Thank you for the opportunity to continue providing geotechnical services for the Southern Response Project. Arrow International (NZ) Ltd (Arrow) are managing the project on behalf of Southern Response and we have been working alongside them for approximately one year. To date we have complete geotechnical investigations for approximately 400 sites. We are currently completing more than 60 sites per month.

We have been asked to provide an updated fee schedule to continue providing geotechnical services and to sign a new master agreement. This agreement is to cover work scopes and fees for a period of 12 months from the date of the agreement. The previous agreement was between Geoscience Consulting (NZ) Ltd (Geoscience) and Arrow. Table 1 outlines our brief scope of works for various types of sites with a more detailed scope of works included as an attachment to this letter. All prices are lump sum as this helps to streamline the accounting process for both Arrow and Geoscience (refer to Table 1, page 2).


NOTES

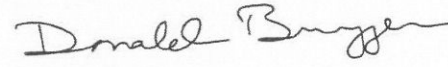
1. Arrow is to provide any available structural reports and proposed repair/rebuild plans to Geoscience where available, and comment on any known site access issues (if appropriate).
2. We endeavour to complete the field work within three weeks of receiving instruction by Arrow through Aconex and we endeavour to submit our report within two to four weeks of completing the field work. We note that on occasion timeframes will vary owing to volume and sub-contractor availability.
3. Upon completion, we will upload our reports to Aconex.
4. We will manage the subcontractors directly (their costs are included in our fees in Table 1).
5. We will review our fees 12 months from the date of the agreement. We note that increases in sub-contractor costs within this period will be passed onto Southern Response.
6. We will arrange for a service location to be completed as required prior to commencing fieldwork. The cost of this is stated in Table 1, page 2.

Inspection/Investigation Type (as per Arrow scope)	[REDACTED]
Visual Inspection/Pre-purchase Inspection	[REDACTED]
Shallow Foundation Investigation (TC1)	[REDACTED]
Shallow Foundation Investigation (TC2)	[REDACTED]
Shallow Foundation Investigation (TC2) Including CPT Analysis of publically available CPT soundings	[REDACTED]
Deep Foundation Investigation – CPTs (TC3 and TC2 where necessary)	[REDACTED]
Deep Foundation Investigation – Borehole with SPTs (TC3 and TC2 where necessary)	[REDACTED] (one borehole) [REDACTED] (two boreholes)
Hillside: Shallow Investigation and Geotechnical Report	[REDACTED]
Hillside: Geotechnical Report – Site Specific	Scope and pricing agreed with Arrow prior to commencement.
Hillside: Retaining wall investigation	Scope and pricing agreed with Arrow prior to commencement.
Service Location Fees	[REDACTED] (within Christchurch City Limits) [REDACTED] outside Christchurch City Limits)
Drainage Plan Search	[REDACTED]

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
 Associate Engineering Geologist


Don Bruggers
 Principal Geotechnical Engineer

Attachment: Geotechnical Work Scope – Arrow document.

Inspection/ Investigation Type	Scope of Services	Deliverable	Notes	Purpose
Shallow Foundation Investigation TC1 & TC2	<p>Visual assessment of site for earthquake related damage.</p> <p>Underground service plans obtained.</p> <p>Three(3) to four(4) test locations (hand auger and scale) per 200m². 1 test per each additional 100m² (if not appropriate for repairs). Hand augers may be substituted with results 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, Professional Engineering Geologist, PE or GE (Ca, USA) or equivalent.</p>	<p>A short report summarising relevant publicly available data, field investigation results and indicating compliance with the DBH guidelines.</p> <p>Determination of static bearing capacity.</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>
Shallow Foundation Investigation- TC2 Including CPT Analysis	<p>As above and including:</p> <p>Analysis of nearby geotechnical data (primarily CPT), and perform liquefaction assessment</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 soil bearing capacity estimates. • Analysis of depth to solid bearing from CPT data. • Liquefaction analysis from CPT data. 	<p>This investigation to be used where nearby (within 50m) 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>
Deep Foundation Investigation- CPTs TC3 (and TC2 where necessary)	<p>Underground service plans obtained. Undertake 2 - 4 CPT tests (depending on size of property) down to a target depth of 15 m at each position, and supplementary shallow investigation points (Hand Auger) where necessary.</p> <p>Analysis of CPT data: Liquefaction analysis, depth to solid bearing, settlement estimation (at SLS, ULS, and in some cases 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, Professional Engineering Geologist, PE or GE(Ca, USA) or equivalent.</p>	<p>Factual and interpretative report detailing the CPT investigation and depths down to suitable bearing strata around the house.</p> <p>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 ground treatment design.</p>	<p>The actual termination depth of each CPT test is dependent on the underlying ground conditions.</p> <p>In some cases, shallow refusal of the CPTs may mean that additional testing such as advancing a machine borehole will be required to test the deeper soil profile.</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 documentations in building consent applications.</p>

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<p>Deep Foundation Investigation-Borehole with SPTs TC3 (and TC2 where necessary)</p>	<p>Underground service plans obtained. Undertake 1-2 boreholes with SPTs (depending on size of property) down to a target depth of 1.5 m at each position, and supplementary shallow investigation points where necessary. Analysis of SPT and borehole data, liquefaction analysis, depth to solid bearing, settlement estimation (ULS, ULS, and actual PGA experienced). Consideration of lateral spreading potential where necessary. Review of relevant public information: nearby subsurface data, Project Orbit data etc Preparation of report summarising findings and foundation/ground treatment recommendations. Technically reviewed by CPEng Geotechnical Engineer, Professional Engineering Geologist, PE or GE (Ca, USA) or equivalent.</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. 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>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. To be used primarily for deep foundation types e.g. piles, and ground treatment, but is also applicable to shallow foundations. To be used for 'specific design' of foundations or ground treatment, and as supporting documentations 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) Underground service plans obtained. Assessment of the site and in some cases the immediately surrounding sites to determine whether the site is subject to any geohazards. Three(3) to four (4) test locations (hand auger and scale) per 200m², 1 test each additional 100m² (or as appropriate for repairs) to assess compliance with NZS3604:2011. Hand augers may be substituted with test pits where practical. Preparation of short report summarising findings and recommendations. Technically reviewed by Professional Engineering Geologist, CPEng Geotechnical Engineer or, PE, GE or CEG (Ca, USA)</p>	<p>A short factual and interpretative report detailing any geohazards at the site, including any recommended remedial or mitigation measures. Summary of any relevant publicly available data, field investigation results, and indicating compliance with current DBH guidelines. 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 To be used by structural engineer/designer for 'specific design' of shallow foundations (where a minimum of 300 kPa is not achieved), and as supporting documentation in building consent applications.</p>
<p>Hillside: Geotechnical report- site specific and retaining wall investigation</p>	<p>Scope and cost to be agreed in writing prior to commencement. May include the assessment and design of retaining walls.</p>			
<p>Green Zone, N/A - Rural & Unmapped</p>	<p>Scope and cost to be agreed in writing prior to commencement. Flat sites will typically be treated either as TC1, TC2 or TC3.</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 footprints. 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, existing site features and site access.

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Agreement for Services

(To be used for engineers and other consultants where there is no work to be paid for separately by the homeowner)

Date: 23rd October 2012

Parties

1. **SOUTHERN RESPONSE EARTHQUAKE SERVICES LIMITED**
("Southern Response")
2. **GEOSCIENCE CONSULTING (NZ) LIMITED**
("Consultant")

Note: AMI Insurance Limited changed its name to Southern Response Earthquake Services Limited on 5 April 2012

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

Background

- A. The Canterbury region has been struck by several major earthquakes the first of which occurred on 4th September 2010.
- B. Southern Response has insured a large number of residential properties in the Canterbury Region.
- C. As a result of these earthquakes, a large number of residential properties insured by Southern Response require investigation to ascertain damage sustained and remediation either by way of repair or rebuild as the case may be.
- D. In order to meet its obligations to its insured homeowners ("Homeowners") Southern Response wishes to contract out investigation services, design and consultancy services, and the repair and rebuild construction works for affected residential properties.
- E. This document records the terms on which the Consultant will be engaged from time to time to provide services.

It is agreed

1. Basis of appointment

- 1.1 Southern Response may from time to time engage the Consultant to provide consultancy services.
- 1.2 Southern Response may appoint an agent for the purposes of the management and administration of its remediation programme. Until Southern Response notifies the Consultant otherwise, Arrow International (NZ) Limited ("Arrow") is Southern Response's agent.
- 1.3 This agreement sets out the way in which the Consultant will be engaged to provide consultancy services and the terms which will apply to each engagement.
- 1.4 Southern Response has no obligation to provide the Consultant with any volume of work or to engage the Consultant in any particular circumstances.

- 1.5 The general types of consultancy services to be provided by the Consultant and the prices that the Consultant will charge for those types of consultancy services will be as set out in Schedule A.
- 1.6 The Consultant shall make the prices set out in Schedule A available to Southern Response for a minimum of twelve months from the date of this agreement.
- 1.7 For each particular agreement, for the provision of services, for a particular project the following will apply.
- a. The details of:
 - i. The project,
 - ii. The location of the project,
 - iii. The scope and nature of the services to be provided by the Consultant ("Services"),
 - iv. The programme for the Services,
 - v. The fees and timing of payments for Services; and
 - vi. Any information or services to be provided by Southern Response will be recorded in written communications between the Consultant and Southern Response's agent.
 - b. It will be unusual for an insured property not to be a household unit used for residential purposes. If the insured property is to be used for any other purpose and Southern Response is aware of that purpose it will inform the Consultant of that situation.
 - c. Southern Response's agent and the Consultant will confirm to each other in writing that an agreement for the provision of Services for a particular project has been formed.
 - d. The terms that will apply to each individual agreement for the provision of Services for a particular project will comprise:
 - i. The details of the Services, the fees payable and the information to be provide by Southern Response as referred to in clauses 1.7 a. and 1.7 b. above; and
 - ii. The documents set out in Appendix 1 which include:
 - The IPENZ / ACENZ Short Form Agreement for Consultant Engagement March 2012;
 - The IPENZ / ACENZ Short Form Model Conditions of Engagement March 2012 ("General Terms").
 - Variations and Special Conditions to the Short Form Model Conditions of Engagement

2. Duration of this Term Agreement

- 2.1 This agreement will have a minimum term of twelve months from its date. Either party may terminate this agreement by giving written notice to the other after the expiry of twelve month from its date. If the parties do not terminate this agreement and continue to deal with each other in relation to the matters set out in this agreement,

after the end of the term without agreeing in writing to vary this agreement, its terms will continue to apply.

2.2 Termination of this agreement will not affect any agreement entered into between the parties relating to provision of Services for particular jobs entered into prior to the termination of this agreement. Those particular agreements will continue to be dealt with according to their individual terms.

2.3 The Consultant will:

- a. Maintain records relating to the services it provides to Southern Response for a minimum of 10 years after the provision of the services;
- b. Meet all reasonable requirements of Southern Response to report on the services it has provided and which are scheduled to be provided; and
- c. Allow Southern Response to review the services it has provided to Southern Response and assist Southern Response to do so by providing such information and explanation as Southern Response may reasonable require.

SIGNED by
SOUTHERN RESPONSE EARTHQUAKE
SERVICES LIMITED

after the schedule(s) (if any)

in the presence of:

) X _____
) Director *Anthony Person*
) _____
) X _____
) Director/Authorised Person

Witnesses Signature: _____

Witnesses Occupation: _____

Witnesses Address: _____

[A witness is not required if this document is signed by two directors]

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SIGNED by

GEOSCIENCE CONSULTING (NZ) LIMITED

after the schedule(s) (if any)

in the presence of: *Rowan Cook*

)

) X

)

)

) X

)

[Handwritten Signature]

Director

Director/Authorised Person

Witnesses Signature:

[Handwritten Signature]

Witnesses Occupation:

Engineering Geologists

Witnesses Address:

51B Wainui Street, Riccarton, Christchurch.

[A witness is not required if this document is signed by two directors]

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Appendix 1

These terms will apply to each agreement between Southern Response Earthquake Services Limited and the Consultant for the provision of services for a particular job.

Short Form Agreement for Consultant Engagement

Between: Southern Response Earthquake Services Limited

.....
(Client or Southern Response)

and: Geoscience Consulting (NZ) Limited.

.....
(Consultant)

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

Project:

To be defined as per clauses 1.7(a), (b) and (c) of the Term Agreement between the parties to which this document forms Appendix 1

Location:

To be defined as per clauses 1.7(a), (b) and (c) of the Term Agreement between the parties to which this document forms Appendix 1

Scope & nature of the Services:

To be defined as per clauses 1.7(a), (b) and (c) of the Term Agreement between the parties to which this document forms Appendix 1

Programme for the Services:

To be defined as per clauses 1.7(a), (b) and (c) of the Term Agreement between the parties to which this document forms Appendix 1

Fees & timing of payments:

To be defined as per clauses 1.7(a), (b) and (c) of the Term Agreement between the parties to which this document forms Appendix 1

Information or services to be provided by the Client:

To be defined as per clauses 1.7(a), (b) and (c) of the Term Agreement between the parties to which this document forms Appendix 1

<p>The Client engages the Consultant to provide the Services described above and the Consultant agrees to perform the Services for the remuneration provided above. Both Parties agree to be bound by the provision of the Short Form Model Conditions of Engagement (overleaf), including clauses 2, 3, 9 and 10 and any variations noted below. Once signed, this agreement, together with the conditions overleaf and any attachments, will replace all or any oral agreement previously reached between the Parties.</p>	
<p>Variations to the Short Form Model Conditions of Engagement (overleaf): The Variations and Special Conditions to the Short Form Model Conditions of Engagement are as set out below apply</p>	
<p>Client authorised signatory (ies): For each individual agreement Southern Response's agent and the Consultant will confirm to each other in writing that an agreement for the provision of services for a particular job has been formed</p>	<p>Consultant authorised signatory (ies): For each individual agreement Southern Response's agent and the Consultant will confirm to each other in writing that an agreement for the provision of services for a particular job has been formed</p>

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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 \$NZ500,000.
12. Without limiting any defences a Party may have under the Limitation Act 2010, neither Party shall be considered liable for any loss or damage resulting from any occurrence unless a claim is formally made on a Party within 6 years from completion of the Services.
13. The Consultant shall take out and maintain for the duration of the Services 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. Intellectual property prepared or created by the Consultant in carrying out the Services ("New Intellectual Property") shall be jointly owned by the Client and the Consultant. The Client and Consultant hereby grant to the other an unrestricted royalty-free license in perpetuity to copy or use New intellectual Property. Intellectual property owned by a Party prior to the commencement of this Agreement and intellectual property created by a Party independently of this Agreement remains the property of that Party. 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 Consultant does not warrant the suitability of New Intellectual Property for any purpose other than the Services or any other use stated in the Agreement.
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.

Variations and Special Conditions to the Short Form Model Conditions of Engagement

Variations

The Short Form Model Conditions of Engagement set out above varied as follows

1. 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

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

2. 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, arising from the provision of the Services described in this agreement shall be \$NZ500,000.

3. Delete clause 12.

4. 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 award in the arbitration shall be final and binding on both parties.

Special conditions

1. General

- 1.1 Unless specifically recorded otherwise, the Homeowner is the owner of a home used for residential purposes located in Canterbury that was insured by Southern Response on the terms and conditions contained in the relevant insurance policy ("the insurance policy"). The Homeowner's home has been damaged by earthquake. Southern Response owes the Homeowner obligations under its insurance policy with the Homeowner. Southern Response is obtaining the Services for the benefit of the Homeowner.

2. Project Manager

- 2.1 Southern Response may appoint an agent ("the Project Manager") for the purposes of the administration of this agreement and to ensure a clear channel of communication between the Consultant, Southern Response, the Homeowner and where applicable the contractor carrying out the construction of any building work.
- 2.2 Arrow International (NZ) Limited is the Project Manager until notice of termination of the appointment is delivered to the Consultant by Southern Response.

- 2.3 Except where this agreement otherwise provides, instructions, directions or approvals necessary for the administration of this agreement may be given through the Project Manager. Any notice to be given by the Consultant to Southern Response shall be given to the Project Manager, receipt by whom shall be deemed to be receipt by Southern Response (as the case requires).

3. Documentation

- 3.1 All documentation, communications relating to the 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.

4. Obligations

- 4.1 The Services and all designs and documentation provided under this agreement will:
- a. Provide solutions which are consistent with Southern Response's obligations to the Homeowner under the relevant Insurance Policy (as advised to the Consultant by Southern Response)
 - b. Provide solutions which do not require any Resource Consent to implement unless expressly agreed by Southern Response.
- 4.2 Except where prior written agreement is recorded, the Consultant must not start any stage of the Services without obtaining Southern Response'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.
- 4.3 The Consultant must not make any material change to an approved design without Southern Response'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 Southern Response promptly.
- 4.4 Any approval by the Homeowner, Southern Response or the Project Manager of the documents or proposals submitted to it by the Consultant shall not be taken to signify the Homeowner, Southern Response 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 this agreement.
- 4.5 The Consultant represents that it possesses the necessary skills, personnel, organisation and equipment to execute the Services in accordance with accepted standards and practice.
- 4.6 The Consultant shall maintain quality assurance procedures and practices, project and construction monitoring procedures to the extent such procedures are part of the Services.
- 4.7 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. Variation

- 5.1 The scope and nature of the Services will not be varied without the written agreement of Southern Response.

6. Fees and Payment

- 6.1 The Consultant's fees for providing the Services will not exceed the amounts recorded in writing at the commencement of this agreement unless prior agreement in writing is obtained from Southern Response.

7. Termination

- 7.1 Southern Response 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.
- 7.2 In the event of termination of this agreement the Consultant will be entitled to be paid its reasonable fees for Services completed to the date of termination but all monies that would be payable to the Consultant by Southern Response may be retained by Southern Response by way of setoff. Such termination shall not prejudice any right of Southern Response to recover from the Consultant damages for any breach of contract.

8. Interpretation

- 8.1 In the event of inconsistency the Variations to the Short Form Model Conditions of Engagement will have priority over the Short Form Model Conditions of Engagement and the Special Conditions will have priority over the Variations to the Short Form Model Conditions of Engagement.

9. Health and Safety

- 9.1 The Consultant must have in place a health and safety management plan that is appropriate for the Services and comply with any health and safety plan operated by any person in control of the place of work where any building work relating to this agreement is carried out ("site").
- 9.2 The Consultant is responsible for health and safety issues relating to the provision of the Services including, but not limited to complying with the Consultant's obligations under the Health and Safety in Employment Act 1992.

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Schedule 1

The general types of consultancy services to be provided by the Consultant and the prices that the Consultant will charge for those types of consultancy services

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