

ALEXANDER STENHOUSE

FILE NOTE

DATE : 1/2/90

TIME : 4:00pm

CLIENT ALAN RSMY CONSULTANTS LTD

CLIENT CONTACT GROFF BANKS.

DISCUSSION

CLAIM THAT BUILDING STAIRS HAVE NOT BEEN SECURED BY STEELWORK TO BUILDING FRAMES. DESIGNED BY CLIENT FIRM 3 YRS AGO AS DESIGN BUILD PROJECT. THEIR CLIENT WAS WILLIAMS CONSTRUCTION - NOW IN RECEIVERSHIP. BLDG OWNERS PRIMEWEBB, ALSO IN RECEIVERSHIP.

RECEIVER SERVING BUILDING. PROSPECTIVE PURCHASERS ENGINEER REPORT HAS DISCOVERED PROBLEM. MERRILL DETECTING CONFIRMS IT. HOWES CONSULTING GROUP.

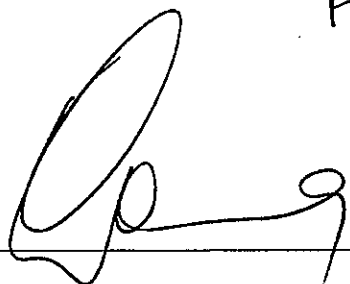
DESIGNER NO LONGER WITH CLIENT BUT IS ACCESSIBLE. CLIENT SUGGESTS 10 TO 15K TO FIX USING ALTERNATIVE METHOD. IS WILLING TO DESIGN SAME. START DATE NEAR. DOESN'T KNOW IF ANYONE ELSE WAS INVOLVED CERTIFYING PLANS ETC, TOLD HIM THAT

- ① DONT CONTACT T/PS NOW, IF THEY CAN JUST SAY INSURELY NOTIFIED WILL COME BACK.
- ② THAT I WOULD GET CLAIMS COMMITTEE ALERTED.
- ③ HE SHOULD FAX ME DETAILS.

PHONE 03 660434

FAX 793981

RELAYED TO :
 ON — DATE :
 — TIME :
 SIGNATURE :



PO. 25028 CHELT
 I HAVE INFORMED P.C. SMITH

4:55pm 1/2/90

ALAN REAY CONSULTANTS LIMITED

ALAN M. REAY
B.E.(Hons.), Ph.D.
M.N.Z.I.E.
Registered Engineer
Structural Consultant

147 KILMORE STREET
BOX 25-028, VICTORIA ST
CHRISTCHURCH 1
Telephone: 660-434
Fax No: (03) 793-981

File 3608

1 February 1990

Mr Keith Long
Claims Manager
Adam and Adam Limited
PO Box 2517
WELLINGTON

Dear Sir

RE: PROFESSIONAL INDEMNITY INSURANCE

We wish to confirm to you our notification of a potential claim on the above policy, as discussed with you by telephone today.

This situation relates to a five storey building at 249 Madras Street, built approximately three years ago. This firm was engaged by the builder on a design-build basis.

Both the builder, Williams Construction and the owner, Prime West Corporation, are now in receivership, and the owner's receiver is attempting to sell the property. A potential purchaser has an option until 28 February 1990 and has engaged Holmes Consulting Group to undertake a structural survey and present a report.

Holmes Consulting Group obtained some structural documents, and advised us that there appeared to be a deficiency in the detailing of the connection of several shear walls to the floor diaphragms. Our own review of the drawings confirms an apparent lack of ties to two walls.

We have contacted the engineer directly involved with the design and observation of the project (he is no longer employed by this practice). He was unable to recall any site instructions given on this item, and we have found no reference to it in the written instructions we have on file. We have forwarded to him a copy of the relevant drawings to help his recall, and are also attempting to contact the foreman involved.

We have used an electronic reinforcing bar locator at one level, which has indicated that some reinforcement is present, but not what quantity. The readings may also have been affected by metal work in the walls or the metal tray flooring system, and could not be totally relied on.

The receiver has today given us a copy of the report and advised that the purchaser's solicitor is requesting a two month delay in settlement to give time to do remedial work (a copy of the report is attached). We have estimated that the direct costs of remedial work, if required, would be in the region of \$5000.00 to \$10,000.00 but are aware that the indirect costs of a delayed or terminated sale agreement may be much higher. We estimate that the remedial work may take one or two weeks.

Our proposed course of action is as follows:-

- a. To agree with Holmes Consulting on the precise scope of the work they consider may be inadequate.
- b. To confirm with Holmes Consulting the level of load for which the floor to wall tie should be designed.
- c. To design the remedial work that would be required if the ties are not present.

All of the above would be undertaken without admitting liability. Having spoken with Mr Peter Smith of CEAS, we understand that we have approval to proceed with items a. to c.

I trust that this is sufficient notice at present. Please contact myself or Dr Reay if you require any further information.

Yours faithfully



G.N. Banks

c.c. Mr Peter Smith
CEAS

CONTENTS

- 1.0 Introduction.
- 2.0 People involved with construction of this building.
- 3.0 Conclusions.
- 4.0 Summary of Investigation.
- 5.0 Structural Design Aspects.
- 6.0 Condition Report.

W8165REP

JANUARY 1990

1.0

INTRODUCTION

Holmes Consulting Group Limited were engaged on 24th January 1990 by Buddle Findlay Limited and Schulz Knight Consultants Limited to prepare a structural report on the office development located at 249 Madras Street. The building was completed during 1987 and is currently untenanted.

2.0 PEOPLE INVOLVED WITH CONSTRUCTION OF THIS BUILDING

Developer	Prime West Corporation
Contractor	Williams Construction Limited
Architect	Alun Wilkie Architects
Structural Engineer	Alan M. Reay Consulting Engineer
Mechanical Consultant	
Electrical Consultant	
Soils Consultant	Soils & Foundations Limited

3.0

CONCLUSIONS

Due to the limited time available for the report, our review has been limited to a brief inspection of the building and documents, and approximate calculations. No materials testing has been undertaken, and inspection has been limited to such areas as were readily accessible. Given these qualifications, our conclusions are as follows:-

1. The building is in a condition appropriate to its age and the contractor-as-developer form of construction.
2. The layout and design of the building is quite simple and straight forward and generally complies with current design loading and materials codes.
3. A vital area of non-compliance with current design codes, seen in the documents, is in the tying of the floors to some of the shear walls. This item is under review with the original consultants, but if confirmed will require potentially expensive remedial work. However, this cost is a matter for discussion between the current owner and their consultants.
4. Apart from ongoing maintenance costs which should be minor, no major costs are anticipated in association with the structure, subject to 3. above.

4.0

SUMMARY OF INVESTIGATION

A full set of Architectural drawings, and some structural drawings were made available from Alun Wilkie Architects.

In addition, we were able to view the full design, documentation, Soils Investigation and complete set of drawings at the office of Alan M. Reay Consulting Engineer, on 26 January 1990. The original design engineer was unavailable for comment, having since left the company, but Mr Geoff Banks was available for comment on aspects of the design.

We have spoken to Mr Bryan Bluck, Buildings Control Manager at the Christchurch City Council, to discuss any concerns relating to the building permit and construction process.

An inspection was made on 30th January 1990. Levels 1 and 4 were unavailable for inspection, but the remaining floors were taken as representative. Access was gained to the Lift Machine room, Cooling tower and onto the roof.

5.0

DESCRIPTION

- | | | |
|----|----------------------------|---|
| 1. | No. storeys and occupancy: | 5 storeys office (floor to floor height typically 2600 clear) and ground floor parking. |
| 2. | Gross Floor dimensions: | approx. 31m x 22.5 m. |
| 3. | Foundation type: | Shallow strip footings and foundations pads, with large foundation walls under structural shear walls. |
| 4. | Suspended Floors: | 200mm overall insitu concrete on metal tray, supported by precast concrete beams on insitu columns on a 7.5m x 7.0m grid generally. |
| 5. | Roof construction: | Lightweight metal cladding on steel purlins and beams, supported on insitu concrete columns. |
| 6. | Floor Design liveloads: | 2.5 kPa typically (minimum load level required by NZS 4203 : 1984). |
| 7. | Lateral load resistance: | This is via a reinforced concrete coupled shear wall on the south face of the building, and a system of reinforced concrete walls around the service core on the north face of the building. |
| 8. | Exterior Cladding: | 400 deep x 100 mm precast spandrel panels with glazing between, or on West elevations 140 mm blockwall to level 4 with metal cladding above perforated for windows. |
| 9. | Exterior maintenance: | No allowance for a Building Maintenance Unit has been made. Access for external cleaning is through windows. With opening windows restricted to a single pair approx. 1.0 m wide per 7.5 m bay, this is limited, although the spandrel panels are sufficiently wide for a person to stand safely. |

6.0

STRUCTURAL DESIGN ASPECTS6.1 Foundations

From the soils investigation report prepared by Soils and Foundations Limited, we note that settlement was highlighted as a potential problem, particularly in the north-east corner of the site, causing differential settlement concerns. The pad and strip foundations were sized using the recommendations of the report on maximum allowable stresses. However the recommendations of the report on a maximum pressure to limit settlement appear not to have been followed. It is not known whether any ground improvement work was undertaken to compensate for this.

However, inspection of the site revealed no sign of any significant settlement. Given that most settlement occurs within a relatively short time of construction, this should not become a significant problem in the future.

6.1 Gravity Structure

From our perusal of the drawings, and our investigation of the building, it appears the gravity structure is sound and complies in all respects with the appropriate design loading and materials codes. Furthermore it was noted in the documentation that although only a 2.5 kPa standard office live load was called for, the floor will withstand a live load of up to 3.4 kPa. This would be subject to further confirmation.

6.3 Lateral load resistance

Resistance to lateral loads is via reinforced concrete shear walls.

The shear walls themselves appear to have been generally well designed to the requirements of the correct design loading and materials codes. The building was apparently analysed using a 3 dimensional computer analysis programme checked by a static hand analysis.

An area of concern however has been discovered in the connections of the structural floor diaphragm to the shear walls. While this is not a concern on the coupled shear wall to the south of the building, connections to the walls at the North face of the building are tenuous, due to penetrations for services, lift shafts and the stairs, as detailed on the drawings.

The result of this would be that in the event of an earthquake, the building would effectively separate from the shear walls well before the shear walls themselves reach their full design strength.

Discussion has continued on this matter with Mr Geoff Banks of Alan Reay Consulting Engineer , and it currently appears that there may have been some provision made for this during construction. However, no documentation apparently exists, so it would only be safe to assume that this aspect fails to comply with current design codes.

6.4 Roof

Due to its light weight nature, the roof is prone to deflections, particularly in wind. A brief check shows that the deflections should be within allowable limits, as prescribed in the current codes. However, in our experience, movement may be quite perceptible and disconcerting for the occupants and in extreme wind, may cause damage to ceiling tiles.

Furthermore, it was noted on inspection that the internal butynol lined gutters at roof level have only one downpipe with no provision for an overflow. This is a potential problem in the event of a blockage to a downpipe.

6.5 Fire Escape

On the south face there is a steel cantilevering fire escape. This is currently in good condition but it should be noted that this type of construction is prone to corrosion and should be the subject of an on-going maintenance programme.

1990-02-02 08:51

03 793 981

ALAN REAY CONSULTANTS

003 P

ALAN REAY CONSULTANTS LIMITED

ALAN M REAY
B.Sc.(Hons.), Ph.D.
M.N.Z.E.E.
REGISTERED Engineer
Structural Consultant

147 KILMORE STREET
BOX 55-028, VICTORIA ST
CHRISTCHURCH
Telephone: 650-434
Fax No: (03) 793 981

File 2608

FACSIMILE TRANSMISSION

DATE: 2 Feb. 1990

TO: cadom & cadom limited

ATTENTION: Keith Gony

CITY: Wellington

RECEIVERS FAX NO: (04) 722-102

FROM: Geoff Banks

MESSAGE:

1990-02-02 08:51

03 793 981

ALAN REAY CONSULTANTS

003 P

ALAN REAY CONSULTANTS LIMITED

ALAN M. REAY
B.E (Mech.), P.M.I.
M.N.Z.I.E.
Registered Engineer
Structural Consultant

147 KILMORE STREET
BOX 25 028, VICTORIA ST
CHRISTCHURCH 1
Telephone: 660-434
Fax No: (03) 793-021

File 3608

1 February 1990

Mr Keith Long
Claims Manager
Adam and Adam Limited
PO Box 2517
WELLINGTON

Dear Sir

RE: PROFESSIONAL INDEMNITY INSURANCE

We wish to confirm to you our notification of a potential claim on the above policy, as discussed with you by telephone today.

This situation relates to a five storey building at 249 Madras Street, built approximately three years ago. This firm was engaged by the builder on a design-build basis.

Both the builder, Williams Construction and the owner, Prime West Corporation, are now in receivership, and the owner's receiver is attempting to sell the property. A potential purchaser has an option until 28 February 1990 and has engaged Holmes Consulting Group to undertake a structural survey and present a report.

Holmes Consulting Group obtained some structural documents, and advised us that there appeared to be a deficiency in the detailing of the connection of several shear walls to the floor diaphragms. Our own review of the drawings confirms an apparent lack of ties to two walls.

We have contacted the engineer directly involved with the design and observation of the project (he is no longer employed by this practice). He was unable to recall any site instructions given on this item, and we have found no reference to it in the written instructions we have on file. We have forwarded to him a copy of the relevant drawings to help his recall, and are also attempting to contact the foreman involved.

1990-02-02 08:52

03 793 981

ALAN REAY CONSULTANTS

003 P

We have used an electronic reinforcing bar locator at one level, which has indicated that some reinforcement is present, but not what quantity. The readings may also have been affected by metal work in the walls or the metal tray flooring system, and could not be totally relied on.

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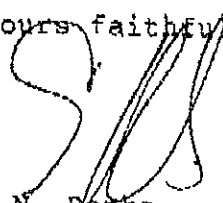
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W8165REP

JANUARY 1990

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Structure

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6.5 Fire Escape

On the south face there is a steel cantilevering fire escape. This is currently in good condition but it should be noted that this type of construction is prone to corrosion and should be the subject of an on-going maintenance programme.

Adam & Adam Ltd

Incorporated & Registered Insurance Brokers and Consultants

13th Floor, Willbank House,
57 Willis Street, Wellington.
P.O. Box 2517, Wellington
Telephone (04) 721-699
Telex NZ 30093
Telegrams ADSURE
Fax No. (04) 723-108

KAL/WW

2 February 1990

COPY

Alan Reay Consultants Ltd,
P.O. Box 25-028,
CHRISTCHURCH.

Attention: Mr G. Banks

Dear Sir,

Re: POSSIBLE PROFESSIONAL INDEMNITY CLAIM - REF I.G.990
PRIMEWEST CORP (IN RECEIVERSHIP)

Further to the writer's telephone conversation with your Mr G. Banks of 1 February 1990, we acknowledge preliminary notification of the above matter.

As advised, we have made contact with a member of the Claims Committee who, we hope, will have made contact with you and will have specific instructions for you in order to protect the interests of all concerned.

We have created a file for this notification bearing the reference number I.G.990 and we would be grateful if you would quote that reference on all communications relating to the matter.

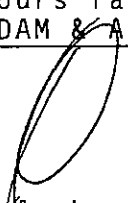
Attached you will find the customary Notification of Possible Claims Advice Form together with a Supplementary Questionnaire Form which should be completed, signed and returned to this office as soon as possible.

-2-

Please be sure to include as many file notes/explanatory notes as possible so as to present as complete a picture of events as possible.

We look forward to hearing from you.

Yours faithfully,
ADAM & ADAM LIMITED



K.A. Long,
For D.J. Houchen,
Director, PI Division

P.S. Thank you for your facsimile received this morning after this letter dictated.

Adam & Adam Ltd

Incorporated & Registered Insurance Brokers and Consultants

13th Floor, Willbank House,
57 Willis Street, Wellington.
P.O. Box 2517, Wellington
Telephone (04) 721-699
Telex NZ 30093
Telegrams ADSURE
Fax No. (04) 723-108

KAL/WW

COPI

2 February 1990

The Convener,
Claims Committee,
Indemnity & General Insurance Co. Ltd,
P.O. Box 30-429,
LOWER HUTT.

Attention: Mr W.J. Martin

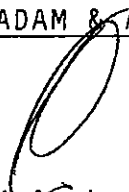
Dear Sir,

Re: ALAN REAY CONSULTANTS LIMITED - REF I.G.990 (PRIMEWEST
CORP LIMITED IN RECEIVERSHIP)

The writer wishes to confirm his discussion of 1 February 1990 with Mr P.C. Smith wherein the above member firm's verbal advice of a possible claim was relayed. We understand that Mr Smith will be contacting the member firm.

The usual Notification of Possible Claims Advice Form and Supplementary Questionnaire have been despatched to the member and copies will be forwarded to you upon receipt.

Yours faithfully,
ADAM & ADAM LIMITED


K.A. Long,
For D.J. Houchen,
Director, PI Division

c.c. Mr P.C. Smith

P.S. We attach a copy of a facsimile (received after this letter dictated) from Alan Reay Consultants Limited dated 2 February 1990.

Adam & Adam Ltd

Incorporated & Registered Insurance Brokers and Consultants

13th Floor, Willbank House,
57 Willis Street, Wellington.
P.O. Box 2517, Wellington
Telephone (04) 721-699
Telex NZ 30093
Telegrams ADSURE
Fax No. (04) 723-108

KAL/WW

2 February 1990

The PI Claims Department,
FAI Insurance Group,
185 Macquarie Street,
Sydney, N.S.W. 2000,
AUSTRALIA.

COPY

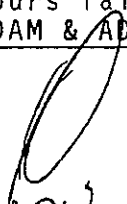
Dear Sir,

Re: POSSIBLE PROFESSIONAL INDEMNITY CLAIM ALAN REAY
CONSULTANTS LTD, MEMBERS OF CEAS NZ - OUR REF I.G.990
(PRIMEWEST CORP LIMITED IN RECEIVERSHIP)

We have received verbal advice of a possible claim from the above member involving inadequate construction of a building stairwell that was designed or specified by the member firm.

We have sent the usual Notification of Possible Claims Advice Form to Alan Reay Consultants Limited and will forward a copy to you upon receipt.

Yours faithfully,
ADAM & ADAM LIMITED


K.A. Long,
For D.J. Houchen,
Director, PI Division

P.S. We attach a copy of a facsimile (received after this letter dictated) from Alan Reay Consultants Limited dated 2 February 1990.

KPMG Peat Marwick

Chartered Accountants

Office address
Clarendon Tower
78 Worcester Street
Christchurch
New Zealand

Mail address
P.O. Box 274
Christchurch
New Zealand

Telephone (03) 796-480
Fax No 0064 (03) 663101

2 February 1990

Mr Alan M Reay
Consulting Engineer
P O Box 25-028
CHRISTCHURCH

Dear Sir

RE: 249 MADRAS STREET AND PRIME WEST CORPORATION

Further to our meeting on 1 February 1990 with yourself and Mr Geoff Banks, we record our understanding of the steps to be taken with regard to the alleged non-compliance with current design codes as recorded in the structural report prepared by Holmes Consulting Group Limited, dated January 1990.

You have advised that investigations are continuing as to whether or not steel ties were placed between the structural floor and some shear walls as a metal detector has indicated the presence of some steel.

You have also advised that the cost of the remedial work would be approximately \$5,000 and should take only one week's work to complete.

In view of the relatively modest cost for the remedial work, you have advised it is more cost effective to assume that the steel is not in place, as the cost of further investigating the matter would in all probability exceed this amount. You have also advised that there is reasonable agreement with Holmes Consulting Group as to the level of remedial work required, and that once carried out, there is no suggestion that the building is not at proper standard.

On an entirely without prejudice basis, you have offered to complete engineering drawings for the remedial works and presumably oversee their completion at your own cost. Both parties have reserved their positions with regard to who should bear the contractors' cost of carrying out the repairs.

To ensure that Holmes Consulting Group can promptly report to the Canterbury Regional Council that current design codes have been fully complied with, no doubt you will ensure that full agreement is obtained with them as to the level of the work required.

Offices at:

Auckland
Otago
Rarotonga
Christchurch
Dunedin
Milton
Hamilton
Maslins
New Plymouth

Invercargill
Gore
Otautau
Queenstown
Winton
Palmerston North
Tauranga
Wellington

Christchurch Partners:

B. G. Hadlee
G. C. Brown
S. W. Bullen
H. R. Gibbons
M. J. Hadlee
F. J. Hill

J. D. Hooper
J. H. Midgley
P. G. Sargison
G. R. Wood
P. W. Young

Member Firm of
Klynveld Peat Marwick Goerdeler

KPMG Peat Marwick

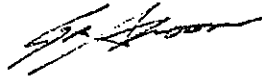
- 2 -

We have advised Mr Stock, Solicitor for the Canterbury Regional Council, that the remedial work is to be carried out forthwith and did not appear to be potentially expensive as intimated by Holmes Consulting Group. Further, we have advised that the work should take approximately a week to complete, and accordingly will not disrupt the Council's fit-out and move into the building.

We impressed upon you the extreme difficulty we have had locating a purchaser for this property and I am sure you appreciate that we must ensure that the sale is not put in jeopardy by restricting the Council's ability to take possession without delay, since it has been expressed to us that time is of the essence. Accordingly, we appreciate the prompt attention you have given to this matter and we would hope that a costing for these works could be arranged to enable commencement early next week.

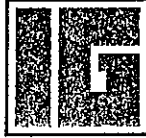
Please advise if your understanding of the situation is not as set out above.

Yours faithfully
KPMG PEAT MARWICK



for P W Young

G\PWY\S\2.3



I & G
nnity & General
 INSURANCE COMPANY LIMITED

12 / 1990

Alan Reay Consultants Ltd
 P O Box 25 028
CHRISTCHURCH

Attention Mr G Banks

Dear Geoff

I & G 990 ALAN REAY CONSULTANTS LTD -
CRIME WEST CORPORATION LTD

Further to our telephone discussion of the 1st February and receipt of your letter of same, we confirm our approval for you to agree with Holmes Consulting Ltd the precise scope of the work they consider to be inadequate, the level of load for which the floor to wall connection should be designed and the design of the remedial work.

The above should be undertaken on a without prejudice basis, with no admission of liability.

We understand that you will also pursue the possibility that adequate reinforcing was placed and that no remedial work may in fact be required.

The need for prompt action to prevent sequential loss is appreciated.

No commitment or financial undertaking should be entered into without the approval of claims committee and would you please keep claims committee fully informed of developments and include the I & G claim number I & G 990 on all correspondence relating to the claim.

Yours faithfully,

P C Smith

Claims Committee Member

From the Office of
 P.C. Smith
 Claims Director

COPY

Adam & Adam Ltd

Incorporated & Registered Insurance Brokers and Consultants

13th Floor, Willbank House.
57 Willis Street, Wellington.
P.O. Box 2517, Wellington
Telephone (04) 721-699
Telex NZ 30093
Telegrams ADSURE
Fax No. (04) 723-108

12 February 1990

The Convener
Claims Committee
Indemnity & General Insurance Co Limited
P O Box 30249
LOWER HUTT

ATTENTION: W J Martin

Dear Sir

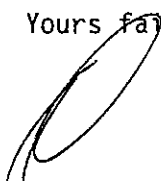
**ALAN REAY CONSULTANTS LIMITED - REF IG990
(PRIMEWEST CORP LIMITED IN RECEIVERSHIP)**

We enclose a copy of a letter dated 8 February 1990 from the member firm together with a copy of the completed claim form, supplementary questionnaire and self explanatory letter dated 2 February 1990 from Peat Marwick to the member firm.

We draw your attention to the content of Peat Marwick's letter and trust that the indications are that Alan Reay Consultants Limited are acting in accordance with the instructions of the claims committee.

We shall continue to keep you informed.

Yours faithfully


Keith A Long
for D J Houchen
DIRECTOR - PI DIVISION

CC P C Smith

ALAN REAY CONSULTANTS LIMITED

147 KILMORE STREET
BOX 25-028, VICTORIA ST
CHRISTCHURCH 1
Telephone: 680-434
Fax No: (03) 793-981

ALAN M. REAY
B.E.(Hons.), Ph.D.
M.N.Z.I.E.
Registered Engineer
Structural Consultant

File 3608

8 February 1990

Mr K.A. Lang
Adam and Adam Limited
PO Box 2517
WELLINGTON

Dear Sir

RE: P.I. CLAIM - REF. 1.G. 990

Enclosed are the completed notification and questionnaire as requested, together with correspondence received from Peat Marwick, for your information.

Yours faithfully



G.N. Banks

encl.



INDEMNITY & GENERAL

INSURANCE COMPANY LTD

PROFESSIONAL INDEMNITY COVER

NOTIFICATION OF A CLAIM OR OF CIRCUMSTANCES
OUT OF WHICH A CLAIM MAY ARISE

Claim Reference Number	16990
------------------------	-------

NOTE: Please quote this number on all correspondence concerning this claim or possible claim.

SOCIETY OF WHICH FIRM IS A MEMBER:

CEAS

Please answer all questions as fully as possible, sign and return this and any accompanying forms to the Company's Managing Attorneys:

ADAM & ADAM LTD.
P.O. BOX 2517
WELLINGTON

1. Name and address of Firm

ALAN REAY CONSULTANTS LTD
PO BOX 25-028
CHRISTCHURCH

2. In respect of the Claim or possible Claim:

(a) On what date was the work done?

(b) On what date did your firm

(i) Become aware of the circumstances which might lead to a Claim?

(ii) Receive notice of a claim or possible Claim?

3. (a) What is the amount claimed? (If not known, please give an estimate)

(b) What is your estimate of your potential liability to the Claimant?

4. Name of Claimant or possible Claimant: RECEIVER OF PRIME WEST CORPORATION OR RECEIVER OF WILLIAMS CONSTRUCTION.

5. Details of Loss: (Continue on separate sheet if necessary)

REFER OUR LETTER OF 1/02/90.

(Please attach to this form copies of any letters alleging negligence and / or copies of any file notes relating to such allegations.)

I hereby warrant the truth of the foregoing statements and particulars and I make this solemn declaration conscientiously believing the same to be true.

Date: 8/02/90

Signed:

For Office use only: Policy No.: CEAS SCHEM Period of Policy:

Excess: 12000.

CONSULTING ENGINEERS ADVANCEMENT SOCIETY INCORPORATED

Incorporated under the Incorporated Societies Act 1908

Claim
Reference
Number

16990

CONFIDENTIAL

SUPPLEMENTARY QUESTIONNAIRE FOR SOCIETY PURPOSES

1. a. Name of Firm AUN REAY CONSULTANTS LTD.
 b. Name of Principal responsible for liaison with Society G.N. BANKS
 c. Telephone Number (03) 660-434
-
2. a. Has any claim been made NO, NOT YET.
 b. Who informed you of it N.A.
 c. How were you informed N.A.
-
3. a. Name of claimant or potential claimant RECEIVER OF PRIME WEST OR WILLIAMS CONSTRUCTION
 b. Address PRIME WEST RECEIVER: PEAT HARLUICK, PO BOX 279, CHRISTCHURCH.
 c. Claimant's legal adviser N.A.
 d. Address _____
 e. Relationship of claimant to you (e.g. existing client, previous client, other, please describe) WILLIAMS CONSTRUCTION - PREVIOUS CLIENT (DESIGN-BUILD)
 f. Have you had any negotiations with the claimant on this matter YES, REFER P.M. LETTER ATTACHED.
 g. Has he secured another professional adviser's opinion POTENTIAL BUILDING PURCHASER HAS
 h. If so from whom HOLMES CONSULTING GROUP LTD.
 i. Has this professional adviser informed you of this YES
 j. Has this professional adviser discussed his report with you YES
 k. Do you agree with this professional adviser's report 1. DISAGREE WITH EXTENT OF DIRECT COSTS.
 2. HAVE AGREED DESIGN LOADS FOR REMEDIAL WORK, IF REQUIRED.
-
4. a. Name of job, site or property 249 MADRAS STREET
 b. Locality CHRISTCHURCH
 c. Nature of work OFFICE BUILDING, 5 SUSPENDED FLOORS.
 d. Has your work been completed BUILT APPROX 3 YEARS AGO.

5. a. If the claimant is not your client then who retained you for the work WILLIAMS CONSTRUCTION.
- b. Were you the Principal or a Secondary adviser SEPARATE ENGAGEMENT AS STRUCTURAL CONSULTANT
- c. What were your terms of engagement (e.g. verbal, exchange of letters, written contract, partial service, other arrangement, please state) VERBAL

Please attach a copy of your contract or confirming letter to the Client. In the absence of these then attach your first letter to the Client.

- d. Did you formally limit your liability NO.
- e. If so to how much \$
- f. Did you make any of your advice conditional NO.
- g. If so supply details

6. a. Have you a local Solicitor in whom you have confidence YES.
- b. If yes please give: Name RHODES & CO (ROSS TURNER)
Address 77 HEREFORD ST, CHRISTCHURCH
- c. Have you consulted him NO
- d. Are you prepared to have a local professional adviser of similar discipline to your own investigate and report to the Society N.A.
- e. Whom would you prefer

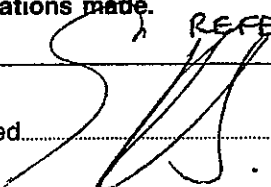
7. Your best guess of likely damages (excluding your own costs):

a. Cost of restoration or direct damages	<u>IF REQUIRED</u>	\$ <u>5000</u>
b. Consequential damages		\$ <u>UNKNOWN.</u>
c. General damages		\$
d. Legal costs		\$
e. Any other costs not included above		\$
TOTAL		\$

8. a. Have you sent out fee invoices for all work done to date YES
- b. Are any fees due and outstanding YES, FOR OBSERVATION DURING CONSTRUCTION.
- c. If so, how much \$

9. Please attach a brief narrative of the circumstances leading to this notification including your views of the allegations made.

REFER OUR LETTER OF 1/02/90

Signed  Date 8/02/90.

Adam & Adam Ltd

Incorporated & Registered Insurance Brokers and Consultants

13th Floor, Willbank House.
57 Willis Street, Wellington.
P.O. Box 2517, Wellington
Telephone (04) 721-699
Telex NZ 30093
Telegrams ADSURE
Fax No. (04) 723-108

13 February 1990

The PI Claims Department
FAI Insurance Group
185 MacQuarie Street
Sydney NSW 2000
AUSTRALIA

Dear Sir


ALAN REAY CONSULTANTS LIMITED - MEMBERS OF CEAS NZ - OUR REF IG990 (PRIMEWEST CORP LIMITED IN RECEIVERSHIP)

Further to ours of 2 February 1990, we enclose a copy of the completed claim form and a letter dated 2 February 1990 from Peat Marwick attached thereto.

The matter is being dealt with by the claims committee.

We will continue to keep you informed.

Yours faithfully
ADAM & ADAM LIMITED



Keith A Long
for D J Houchen
DIRECTOR - PI DIVISION



**FAI GENERAL INSURANCE
COMPANY LIMITED**

(Incorporated in New South Wales)

Head Office
FAI Insurance Building
185 Macquarie Street
Sydney NSW 2000 Australia

Telephone: (02) 221 1155
Telex: FAINSUR 22656
Fax: (02) 223 7808

16th February 1990

The Manager Adam & Adam Ltd
PO Box 2517
WELLINGTON NEW ZEALAND

Attention: Mr KA Long

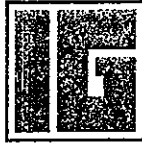
Re: Professional Indemnity Claim No: To be advised
Insured: Alan Reay Consultants (CEAS IG990)
Claimant: Primewest Corp.

We acknowledge receipt of your correspondence of the 2nd of
February 1990 notifying us of this possible claim.

We shall await your further advices.

Yours faithfully,

David Kendrick
L L.B B.Ec
Professional Indemnity Claims Officer



Indemnity & General
INSURANCE COMPANY LIMITED

7th February 1991

Alan Reay Consultant
P O Box 25028
CHRISTCHURCH

COPY

Attention: Mr G Banks

Dear Geoff

I & G 990 - ALAN REAY CONSULTANTS LIMITED, PRIME WEST CORPORATION

Further to our telephone conversation of 4th February 1991, we confirm our approval for you to obtain legal advice from either Mr Austin Forbes of Duncan Cotterill or Sam Mailing of Lane Neave Ronaldson on whether you are required to take any further action regarding this claim. We advise that the society is prepared to meet the cost of this legal advise with the interest to receive a copy of the advise when received.

Yours faithfully

P C Smith
CLAIMS COMMITTEE

From the Office of
P.C. Smith
Claims Director



Consulting Engineers
Advancement Society Inc

SECRETARIES: Calvert Haywood & Company, P.O. Box 30-459, Lower Hutt, Telephone (04) 664-762, Fax (04) 699-983

9 April 1991

COPY

Alan Reay Consultants Limited
PO Box 25-028
CHRISTCHURCH

Attention: Mr Banks

Dear Sir

I & G 990 ALAN REAY CONSULTANTS LIMITED - PRIMEWEST CORPORATION

Further to your letter of 25 March 1991 and the enclosed opinion by Lane Neave Ronaldson, we confirm our acceptance for you to inform the current owner of the defect as recommended by Lane Neave Ronaldson.

We also advise that it is unlikely that the society would wish to recover from a staff member of your practice unless gross negligence was evident.

Would you please keep the writer informed of any developments.

Yours faithfully

CONSULTING ENGINEERS ADVANCEMENT SOCIETY

A handwritten signature in black ink, appearing to read 'P C Smith', is written over a horizontal line.

P C Smith
Director

**A Adam &
& Adam Ltd**

Adam & Adam Limited
100-102, Victoria Street
Wellington 6140
New Zealand
Telephone: (04) 773 1000
Facsimile: (04) 773 1008

15th April, 1991

The Director,
Consulting Engineers Advancement Society Inc.,
c/- PO Box 588
WELLINGTON

Attention: P.C. Smith

Dear Sir,

Re: IG990 Alan Reay Consultants Limited

Thank you for forwarding a copy of your letter of 9/4/91 addressed to the member firm.

In order that we may advise the insurer/reinsurer of the current situation of this notification would you please forward a copy of the legal opinion obtained by Alan Reay Consultants Limited together with any further file note/s that may assist.

Many thanks for your co-operation.

Yours faithfully,
ADAM & ADAM LIMITED

K.A. Long,
CLAIMS MANAGER - PI DIVISION

cc: W.J. Martin

0017w



Consulting Engineers
Advancement Society Inc

SECRETARIES: Calvert Haywood & Company, P.O. Box 30-459, Lower Hutt, Telephone (04) 664-762, Fax (04) 699-983

22 April 1991

Alan Reay Consultants Ltd
PO Box 25-028
CHRISTCHURCH

Attention: Mr G. N. Banks

Dear Sir

I&G 990 ; ALAN REAY CONSULTANTS LTD - PRIME WEST CORPORATION

Further to your letter of 9 April 1991 enclosing an invoice for legal fees from Lane Neave Ronaldson we advise that for claims reported prior to the commencement of this insurance year are payable by the member firm and additive to the claim.

In the event that the claim is disposed of without payment to a third party you may then apply for reimbursement of any legal expenses from the society.

Yours faithfully
SPENCER HOLMES MILLER PARTNERS LTD

A handwritten signature in black ink, appearing to be 'P C Smith', written in a cursive style.

P C Smith
Claims Director

cc: W J Martin
Adam & Adam Ltd

ceas Consulting Engineers
Advancement Society Inc

SECRETARIES: Calvert Haywood & Company, P.O. Box 30-459, Lower Hutt, Telephone (04) 664-762, Fax (04) 699-983

22 April 1991

Adam & Adam Ltd
PO Box 2517
WELLINGTON

Attention: Mr K. A. Long

Dear Sir

I&G 990 : ALAN REAY CONSULTANTS LIMITED - PRIME WEST CORPORATION

Further to your letter of 15 April 1991 we enclose a copy of Lane Neave Ronaldson's legal opinion for your records.

Yours faithfully
SPENCER HOLMES MILLER PARTNERS LTD



P C Smith
Claims Director

cc: W. J. Martin

Adam & & Adam Ltd

Adam & Adam Limited
 11th Floor, Wilfrid Street, 1100
 57 Wilfrid Street
 P.O. Box 2517, Wellington, New Zealand
 Telephone (04) 723-1533
 Facsimile (04) 723-1128

5 June 1991

The Convener,
 Claims Committee,
 Indemnity & General Insurance Co. Ltd,
 P.O. Box 30-429,
LOWER HUTT.

Attention: Mr. W.J. Martin

Dear Sir,

Re: PROFESSIONAL INDEMNITY CLAIM ALAN REAY CONSULTANTS LIMITED, -
CEAS, REF I.G.990

We enclose a copy of a statement of account received from the above insured firm showing an outstanding amount of \$618.75 debited on 9 April 1991 to the account of the Indemnity & General Insurance Co. Limited.

Perusal of our file indicates that on 9 April 1991 the insured firm enclosed an invoice for legal fees from Lane Neave Ronaldson for the provision of a legal opinion as to the potential future liability and recommended course of action to be taken by the insured firm. This was done following receipt of a letter from the Indemnity & General Insurance Co. Limited of 7 February 1991, in which it was agreed that the Society would meet the cost of the legal opinion.

It seems to us then that the statement does relate to the legal opinion and therefore having agreed to undertake to reimburse the costs on 7 February 1991, then these fees should be met by the Indemnity & General Insurance Co. Limited.

Would you please confirm your approval or otherwise for us to requisition the necessary funds from the I&G.

Yours faithfully,
ADAM & ADAM LIMITED

K.A. Long,
Claims Manager, PI Division

c.c. Mr P.C. Smith

0017w

COPIES
 P SMITH OIC'S
 11/2/91

STATEMENT

IG 990

ALAN REAY CONSULTANTS LIMITED

147 KILMORE STREET
 BOX 25-028, VICTORIA ST
 CHRISTCHURCH 1
 Telephone: 660-434
 Fax No: (03) 793-981

Indemnity & General Ltd
 P.O. Box 588
WELLINGTON

RECEIVED
 4 JUN 1991

MONTH ENDING

31.05.91

Particulars of Account Rendered Nett		3 months & over		2 months	1 month	Balance NTI.
Date	File No.	Inv. No.	Debit	Credit		
09.04.91	3608	2650	\$ 618.75			\$ 618.75



Indemnity & General

INSURANCE COMPANY LIMITED

6 June 1991

Adam & Adam Ltd
P. O. Box 2517,
WELLINGTON.

Attention Claims Manager P. I. Division

Dear Sir,

re: Alan Reay Consultants Ltd - IG 990

I acknowledge your letter of 5 June 1991.

The account rendered does not explicitly refer to the legal account.

Will you please advise our member that a claim for legal fees should be accompanied by a copy of the legal account.

Yours faithfully.

A handwritten signature in black ink, appearing to read 'W. J. Martin', written in a cursive style.

W. J. Martin

c-c P. C. Smith

PETER S ADVISES LEAVE IT
TO HM
11:45
27/6/91

From the Office of
W.J. Martin
Claims Committee Chairman

**A Adam &
& Adam Ltd**

Adam & Adam Limited
12th Floor, Wilton House,
57 Willis Street,
P.O. Box 2617, Wellington, New Zealand
Telephone (04) 721-699
Facsimile (04) 723-198

11 June 1991

The Secretary,
Indemnity & General Insurance Co. Ltd,
c/- Calvert Haywood & Co,
P.O. Box 30-459,
LOWER HUTT.

Attention: Mr. K.J. Haywood

Dear Sir,

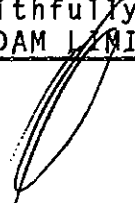
Re: PROFESSIONAL INDEMNITY CLAIM, ALAN REAY, CONSULTANTS, LIMITED, -
CEAS. REF. J.G. 990

We enclose a statement of account received from Alan Reay Consultants Limited in the sum of \$618.75. This debit relates to legal expenses incurred in obtaining a legal opinion from the Christchurch firm of Lane Neave Ronaldson as to future potential liability in relation to the above claim.

These fees are, subject to the approval of the Claims Committee, payable by the Indemnity & General Insurance Co. Limited. Accordingly we request that you issue a cheque drawn in favour of Alan Reay Consultants Limited in the sum of \$618.75 and forward same care of this office for recording purposes.

Many thanks for your co-operation.

Yours faithfully,
ADAM & ADAM LIMITED


K.A. Long,
Claims Manager, PI Division

c.c. Claims Committee

0017w

COPY



Indemnity & General

INSURANCE COMPANY LIMITED

14 October 1991

Alan Reay Consultants
PO Box 25-028
CHRISTCHURCH

Attention: Mr G.N. Banks

Dear Geoff

I&G 990 : ALAN REAY CONSULTANTS LIMITED : PRIME WEST CORPORATION

Further to our recent telephone conversation we confirm that the building has been on sold and that you have held discussions with the new owner with respect to the uncertainty of the reinforcement at the diaphragm connection to the shear walls. The new owner has allowed you to undertake investigative work to determine what steel is present and your conclusions are the some doubt exists as to the adequacy of the steel that has been provided.

We understand that the cost of the remedial work is less than your deductible and that this work can be carried out during retro-fitting of the tenancy without causing delay to the new owner.

We authorise you to proceed with this work and request that you keep the writer informed of progress.

Yours faithfully

P C Smith

cc: W.J. Martin
Adam & Adam Ltd

From the Office of
P.C. Smith
Claims Director

CONSULTING ENGINEERS ADVANCEMENT SOCIETY INC

PO Box 30-459, Lower Hutt, New Zealand
Telephone (04) 664-762
Facsimile (04) 699-983

COPY

FACSIMILE MESSAGE

Date: 15 October 1991
To: Mr Peter Smith, Spencer Holmes Miller Partners Ltd
Fax No: 712372
No of Pages Including This Page: Five
Subject: Re IG990

Dear Peter

Enclosed is a copy of a fax received at this office.

Regards



ALAN REAY CONSULTANTS LIMITED

147 KILMORE ST
 BOX 26 028, VICTORIA ST
 CHRISTCHURCH 1
 Telephone (03) 660-434
 Fax No. (03) 793-981

FACSIMILE TRANSMISSION

File 3608.

DATE: 15.10.91TO: CEASATTENTION: PETER SMITHCITY: LOWER HUTTRECEIVERS FAX NO: (04) 599 983FROM: GEOFF BANKSMESSAGE: RE: I+G 990

Please find attached a letter from the current building owner, together with our proposed response.

Please confirm that the wording of the letter is acceptable to you. We await your response before sending it.

Yours faithfully,
 G.N. Banks

ALAN REAY CONSULTANTS LIMITED

147 KILMORE ST
 BOX 35 028, VICTORIA ST
 CHRISTCHURCH 1
 Telephone (03) 660-434
 Fax No. (03) 703-981

15 October 1991

3608

Mr R.W. Ibbotson
 Madras Equities
 C/- Pedofsky, Ibbotson & Cooney
 P.O. Box 267
ALEXANDRA

Dear Sir

RE: 249 MADRAS STREET

Further to your letter of 30 September 1991, we advise that we have been given access to the building, and have investigated the area of floor which we were concerned may be structurally deficient, as agreed.

We have removed a small area of concrete at the end of the walls adjoining the lift shaft and located several reinforcing bars. While these bars provide a structural tie, a limited amount of additional remedial work is required in order to provide the seismic strength to meet the current New Zealand Standards. The remedial work is required to the floors at levels 4, 5 and 6 only. A copy of details 3608/CD1, 2, 3 is enclosed for your information.

As requested, we have obtained a price for the work of \$4,633.50 plus GST, and have attached a copy of the contractors submission. They have advised that the work will take approximately 4 days. We understand that you have agreed that should this submission be acceptable, the contractor would be engaged by your company, Madras Equities.

While we have endeavoured to assist you to resolve this matter, we wish to advise that our involvement is on an entirely without prejudice basis.

Should you wish to proceed with the work, we would ask you to confirm to us your acceptance of the quotation. We look forward to your advice.

Yours faithfully



G.N. Banks

Encl:

PEDOFSKY, IBBOTSON & COONEY

CHARTERED ACCOUNTANTS

P.O. BOX 277, ALEXANDRIA
TARBERT BUILDINGS, 69 TARBERT STREET
ALEXANDRIA, CENTRAL DISTRICT
TELEPHONE (03) 442-7333
FAX NO. (03) 442-6329

PARTNERS:

MICHAEL WALTER IBBOTSON, A.C.A., A.I.A.N.Z.
WILLIAM THOMAS COONEY, B.COM., A.C.A.
PHILIP BLAIR PEDOFSKY, B.COM., A.C.A.

ASSOCIATES:

KENNETH CHARLES COOK, A.C.A.
ROBERT ALEXANDER HUY, B.COM., A.C.A.
TREVOR BRERETON BROOKS, B.COM., A.C.A.

30 September, 1991.

FILE	3608.
DATE	4-10-91
AMR	

Alan Reay Consultants Ltd.,
Consulting Engineers,
P.O. Box 25028,
Victoria Street,
CHRISTCHURCH.

Attention: Mr. G. Banks.

Dear Sirs,

RE. 249 MADRAS STREET, CHRISTCHURCH AND MADRAS EQUITIES.

We would refer to your letter of the 11 September 1991 regarding the above property and our subsequent discussions.

As indicated to you we are naturally concerned, on behalf of the owners Madras Equities Ltd., that there may be an engineering design fault omission in the structure which could impact on insufficient loadings to meet the normal earthquake requirements.

Your comments regarding the fact that this matter had been brought to the attention of the Receivers, Post Marwick, have been duly noted. At no stage were Madras Equities Ltd., or any parties associated thereto, advised of this possible problem by Post Marwick, in their capacity as Receivers.

Notwithstanding this situation and the background circumstances that have given rise to this possible problem, it is agreed that steps should be taken to rectify the matter and bring the building up to the required design specification standard to meet earthquake and other loading requirements.

Your comments have been noted that the remedial work, if required, will be relatively simple to carry out whilst the building is predominantly unoccupied and should not involve a major expense outlay. It is also noted that it is a possibility that the apparent problem may not, in fact, be a problem and that this can only be determined by further work involving some drilling to determine the extent of the reinforcing steel work in position.

As you are aware certain alterations and fitting out of the building is now taking place and a full tenancy of the building by the A.N.Z. Banking Corporation will apply from the 1 November 1991. Because of this it is important that the matter be addressed at this stage.

- 2 -

Alan Reay Consultants Ltd.,
Consulting Engineers,
P.O. Box 25026,
Victoria Street,
CHRISTCHURCH.

30 September, 1991.

We understand that the suggested procedure to adopt is that your firm will arrange for certain small holes to be drilled around the lift area and a suitable locating bar will be used to endeavour to ascertain as to whether the problem does exist. Given that the required reinforcing structure is not in place it would then be necessary to further proceed with the appropriate measures to have the work completed in order that the building is structurally sound to the required standards in all respects.

The question of cost liability for carrying out the work still will need to be finally determined. At this stage we appreciate your concerns in the matter and the responsible attitude that has been adopted in endeavouring to determine the extent of the problem and the necessary remedial work that would be required. Our clients will certainly adopt a reasonable approach to the matter but would understandably be unhappy in accepting full responsibility for the rectification work given the full nature of the background circumstances and the manner in which the position has evolved.

We understand that the immediate requirement is to obtain access to the building and in this connection we would suggest that this could be done in conjunction with Hughes, Rees, Sara, the main contractors, who will be on site within the next few days. If there is a difficulty in working around the situation we could arrange for a separate key to be made available through Mr. Matthew Brownie of Brownie Wills, Barristers & Solicitors.

We would appreciate if you could keep us fully informed as to the position and further developments in relation to this unfortunate matter.

Yours faithfully,
PEDOFKY, IBBOTSON & MONEY

Per: R. W. Money



COPY

Indemnity & General
INSURANCE COMPANY LIMITED

16 October 1991

Alan Reay Consultants Ltd
PO Box 25-028
CHRISTCHURCH

Attention: Mr Geoff G. Banks

Dear Geoff

I&G 990 : ALAN REAY CONSULTANTS - PRIME WEST CORPORATION

Further to your fax of 15 October 1991 and our telephone conversation of 16 October we confirm our approval for you to reply to Pedofsky Ibbotson and Cooney's letter of 30 September 1991 as per your draft of 15 October 1991 subject to the approval of your legal advisor. It is pleasing that this matter can finally be put to bed.

Yours faithfully

P C Smith
Claims Convener

cc: W.J. Martin
Adam & Adam Ltd

From the Office of
P.C. Smith
Claims Director

PEDOFSKY, IBBOTSON & COONEY

CHARTERED ACCOUNTANTS

P.O. BOX 267, ALEXANDRA
 TARBERT BUILDINGS, 88 TARBERT STREET
 ALEXANDRA, CENTRAL OTAGO
 TELEPHONE (03) 448-7232
 FAX NO. (03) 448-6329

Partners.

RUSSELL WARREN IBBOTSON, A.C.A., A.I.A.N.Z.
 WILLIAM THOMAS COONEY, B.COM., A.C.A.
 PHILIP BLAIR PEDOFSKY, B.COM., A.C.A.

Associates.

KENNETH CHARLES COOK, A.C.A.
 ROBERT ALEXANDER ROY, B.COM., A.C.A.
 TREVOR BRERETON BROOKS, B.COM., A.C.A.

16 October, 1991.

Mr. Alan Reay Consultants Ltd.,
 Structural & Consulting Engineers,
 Fax No. (03) 793-981,
CHRISTCHURCH.

Attention: Mr. G. Banks.

Dear Sirs,

RE. 249 MADRAS STREET.

Thank you for your fax of the 15 October 1991 regarding the above matter.

We have noted your comments that the remedial work required in order to provide the seismic strength to meet the current New Zealand standards is subject to a contract price from C.B.D. Construction Ltd., of \$4,633.50.

We would confirm on behalf of Madras Equities our acceptance of this quotation and trust that this remedial work can be proceeded with forthwith to ensure that all matters are completed prior to the end of this month. It is assumed that the quotation obtained as related to the work to be carried out will ensure that the structural content of the building is now completely in accordance with all structural and earthquake loadings etc., in every respect.

We have noted your comments that your involvement is on an entirely "Without Prejudice" basis and accept this situation. The writer will be in Christchurch within the next 3/4 weeks and we would suggest that we arrange to meet with you at that stage in an endeavour to reach a satisfactory agreement as far as the overall position is concerned.

We would thank you for your efforts to date in bringing the matter to our attention and assisting in having the necessary remedial work followed through. We would assume that the contractors C.B.D. Construction Ltd., would naturally carry out all work in accordance with the specification now applying to ensure that the end result is 100% satisfactory.

Yours faithfully,
PEDOFSKY, IBBOTSON & COONEY

Per: *R.W.*

ALAN REAY CONSULTANTS LIMITED

147 KILMORE ST
BOX 25-028, VICTORIA ST
CHRISTCHURCH 1
Telephone (03) 660-434
Fax No. (03) 793-981

FILE 3608

17 October 1991

Mr R.W. Ibbotson
Madras Equities
C/- Pedofsky, Ibbotson & Cooney
P.O. Box 267
ALEXANDRA

Dear Sir

RE: 249 MADRAS STREET

Thank you for your letter of 16 October 1991. We have instructed CBD Construction to proceed accordingly and the work on site is planned to take place during next week.

With reference to your comments on the structural loadings, we advise that the proposed remedial work will give the floor to wall connection the seismic strength required by the current New Zealand loadings code, NZS 4203:1984, which is the code that was also current when the building was designed. We would note, however, that a number of other codes to which the building was designed including materials codes, have since been amended and the original design may therefore not necessarily comply with all aspects of those codes.

We note that you will be in Christchurch soon, and look forward to seeing you then.

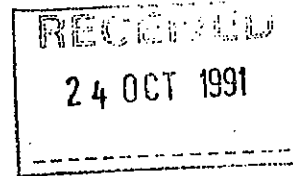
Yours faithfully

G.N. Banks

ALAN REAY CONSULTANTS LIMITED

147 KILMORE ST
BOX 25-028, VICTORIA ST
CHRISTCHURCH 1

Telephone (03) 660-434
Fax No. (03) 793-981



FILE 3608

24 October 1991

Mr P.C. Smith
Claims Director
Indemnity & General Limited
P.O. Box 588
WELLINGTON

Dear Sir

RE: I & G 990 : 249 MADRAS STREET

We enclose further correspondence from the building owner dated 16 October 1991, and our response of 17 October 1991, for your information.

The remedial work is currently under way, and we would anticipate completion this week.

Yours faithfully

A handwritten signature in dark ink, appearing to be "G.N. Banks".

G.N. Banks

**A Adam &
& Adam Ltd**

Adam & Adam Limited
13th Floor, Willbank House,
57 Willis Street,
P.O. Box 2517, Wellington, New Zealand
Telephone (04) 721-6990
Facsimile (04) 723-108

30 October 1991

The Claims Assessor,
Indemnity & General Insurance Co. Ltd,
161 Riverside Drive,
LOWER HUTT.

Attention: Mr W.J. Martin

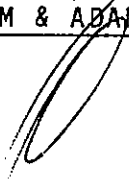
Dear Sir,

Re: PROFESSIONAL INDEMNITY CLAIM ALAN REAY CONSULTANTS - CEAS REF
I.G.990

For the purpose of good order we enclose a copy of a letter dated 24 October 1991 from Alan Reay Consultants Limited to Mr P.C. Smith together with its attachment, the content of all being self explanatory.

We shall continue to keep you informed.

Yours faithfully,
ADAM & ADAM LIMITED


K.A. Long,
Claims Manager, PI Division

c.c. Mr P.C. Smith

0017w

A member of the
Alexander Stenhouse Group

File: 3608

4 March 1992

The Manager
Adam & Adam Limited
P.O. Box 2517
WELLINGTON

Dear Sir

RE: I & G 990 : 249 MADRAS STREET

Enclosed is a copy of the annual status report requested. The remedial work has been completed, the building owner invoiced by the contractor, and the contractor paid for the work.

The building owner had advised us, in October 1991, that he would engage the contractor to do the work, but would arrange to see us next time he was in Christchurch. We have had no contact from him since then.

While the remedial work is completed and the building now occupied, we cannot say whether or not any claim for the construction costs or any other amounts will be made against us.

Yours faithfully

G.N. Banks

Alan Reay Consultants Ltd.
147 Kilmore Street, P.O. Box 25028, Christchurch, New Zealand.
Phone (03) 660-434, Fax (03) 793-981

ALAN M. REAY B.E. (Hons), Ph.D., Registered Engineer, M.I.P.E.N.Z. M.S.P.E. PNG
GEOFFREY N. BANKS B.E. (Hons), Registered Engineer, M.I.P.E.N.Z.

Member of the Association of Consulting Engineers, New Zealand

**A Adam &
& Adam Ltd**

Adam & Adam Limited
13th Floor, Willbank House,
57 Willis Street,
P.O. Box 2517, Wellington, New Zealand.
Telephone (04) 4721-699
Facsimile (04) 4723-108

9 March 1992

COPY

The Claims Assessor,
Indemnity & General Insurance Co. Ltd,
161 Riverside Drive,
LOWER HUTT.

Attention: Mr W.J. Martin

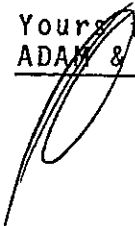
Dear Sir,

Re: PROFESSIONAL INDEMNITY CLAIM ALAN REAY CONSULTANTS LIMITED -
CEAS REF I.G.990

We enclose a copy of a letter dated 4 March 1992 received from the
above insured firm, the content of which is self explanatory.

We shall continue to keep you informed.

Yours faithfully,
ADAM & ADAM LIMITED


K.A. Long,
Claims Manager, PI Division

c.c. Mr P.C. Smith

0017w

A member of the
Alexander Stenhouse Group