

Chris Chapman

From: Bowen Chang [bcc20_74@hotmail.com]
Sent: Friday, 10 September 2010 8:47 p.m.
To: joy; Chris Chapman
Subject: Colombo St/St Asaph St

Chris,

This is Bowen Chang (Joy's brother), who met about 2 weeks ago. Hope everything is ok after the quake. In relation to our property on Colombo St/St Asaph St, based on what I have gathered so far, the city is still in the process of being cleaned up, and in order to have the current and future tenants moving back to our commercial properties, we need to have the building assessed and certified by an engineer and if required, damages need to be fixed. Just wondering whether you are able to help us to appoint an engineer and do the damage assessment, and if required, appointing handy man to repair the damages? Not sure whether there will be any charges associated to the engineer assessment, if so, do you know whether it can be claimed from the EQC?

relation to property manager for the properties mentioned above, if possible, could you pls clarify the following points for me, so that I have a clear idea of the role of property manager?

- 1) As far as property manager's management fee is concerned, as long as the "management expense" is included in the signed lease agreement as part of the outgoing expense, the tenant will be responsible for the fee? (ie this will become part of the monthly rental payment I assume)
- 2) If I understood correctly, the management fees are based on the total area of the property (including both ground and first floor), and then you will calculate the fees based on the size of each property and then charge the tenant accordingly?
- 3) As part of the management fee assessment, I believe you will be assessing the warranty of the building? If so, what happens if the building has faults?
- 4) Providing landlord banking details to the tenant for them to make the rental payments, as well as chasing up, follow up any outstanding payments, negotiating changes of rental rates etc, this is part of the property manager's role?
- 5) As you might be aware by now, our properties apparently did not have any insurance, will the property manager help the landlord to obtain the necessary insurance covers?
- 6) As far as the agreement between the landlord and property manager is concerned, can there be one agreement for each property? or it has to be 1 agreement covering multiple properties? If it can be one agreement for one property, will there be any extra fees comparing to 1 agreement covering named properties?

Thanks again for your help on this matter.

regards
 Bowen

Chris Chapman

From: Chris Chapman
Sent: Saturday, 11 September 2010 6:29 p.m.
To: 'Bowen Chang'
Subject: RE: Colombo St/St Asaph St
Attachments: Management Contract 2010.pdf

Hi Bowen

We are currently working with a firm of structural engineers to review all our properties in our portfolio – the cost of which each of the owners will either have to pay or will be part of their Insurance Claims that we'll also work through.

Yes we can assist you with getting your building surveyed and repairs, if any required, sorted.

Costs incurred by contractors etc will be at the cost they charge you – no % fee on top by us. We'll charge you a fee for our time \$125 per hour plus GST

I've made some comments alongside your questions and attached a cop of our standard management contract which may also help answer your queries.

Regards
 Chris

Chris Chapman
 Commercial Property Manager

Grenadier Real Estate Ltd, MREINZ, Licensed Agent REAA 2008
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 P +64 3 371 9126 M +64 274 715 619 F +64 3 371 9189
 E chris.chapman@naiharcourts.co.nz www.naiharcourts.co.nz



From: Bowen Chang [mailto:bcc20_74@hotmail.com]
Sent: Friday, 10 September 2010 8:47 p.m.
To: joy; Chris Chapman
Subject: Colombo St/St Asaph St

Chris,

This is Bowen Chang (Joy's brother), who met about 2 weeks ago. Hope everything is ok after the quake. In relation to our property on Colombo St/St Asaph St, based on what I have gathered so far, the city is still in the process of being cleaned up, and in order to have the current and future tenants moving back to our commercial properties, we need to have the building assessed and certified by an engineer and if required, damages need to be fixed. Just wondering whether you are able to help us to appoint an engineer and do the damage assessment, and if required, appointing handy man to repair the damages? Not sure whether there will be any charges associated to the engineer assessment, if so, do you know whether it can be claimed from the EQC?

In relation to property manager for the properties mentioned above, if possible, could you pls clarify the following points for me, so that I have a clear idea of the role of property manager?

1) As far as property manager's management fee is concerned, as long as the "management expense" is included in the signed lease agreement as part of the outgoing expense, the tenant will be responsible for the

fee? (ie this will become part of the monthly rental payment I assume) – correct – if it isn't part of the lease then the landlord incurs the cost.

2) If I understood correctly, the management fees are based on the total area of the property (including both ground and first floor), and then you will calculate the fees based on the size of each property and then charge the tenant accordingly? – management fees are calculated on a number of things – rental, tenant type, building warrant of fitness requirements

3) As part of the management fee assessment, I believe you will be assessing the warranty of the building? If so, what happens if the building has faults? – we can organise repairs and maintenance works using our specialist contractors

4) Providing landlord banking details to the tenant for them to make the rental payments, as well as chasing up, follow up any outstanding payments, negotiating changes of rental rates etc, this is part of the property manager's role? – we provide the tenant with our property management trust account specific to your property and then on the 6th working day of each month we transfer monies to the landlords bank account

5) As you might be aware by now, our properties apparently did not have any insurance, will the property manager help the landlord to obtain the necessary insurance covers? – yes we can arrange the necessary insurance cover, we can also arrange the necessary insurance valuation required to establish the buildings replacement value for which it should be insured for, we would also ensure there was Business Interruption cover which provides the landlord with rental income for a defined period should the property not be able to be tenanted in such circumstances as happened here last Saturday morning

6) As far as the agreement between the landlord and property manager is concerned, can there be one agreement for each property? or it has to be 1 agreement covering multiple properties? If it can be one agreement for one property, will there be any extra fees comparing to 1 agreement covering named properties? – we have one agreement per property, so for example this property may have 5 tenants but has only one management fee

Thanks again for your help on this matter.

regards
Bowen

DATED _____ 2010

PARTIES

1. [INSERT NAME OF OWNER] ("the Owner")
2. GRENADIER REAL ESTATE LIMITED ("the Manager")

PROPERTY MANAGEMENT AGREEMENT

DATED this day of 2010.

PARTIES:

GRENADIER REAL ESTATE LIMITED ("the Manager") of the one part

AND

[INSERT NAME OF OWNER] ("the Owner") of the other part

The description of the parties includes the parties' personal representatives and permitted assigns.

BACKGROUND

The Owner and the Manager have agreed that the Manager will provide or procure certain services in respect of the management of Property belonging to the Owner on the terms and conditions of this Agreement.

INTERPRETATION

In this Agreement, unless the context otherwise requires:-

"Gross Rents" means Net Rents plus any other payments, levies, service charges, rates and insurance premiums, appointments and other monies payable to the Owner by lessees or tenants under leases or tenancies relating to the Property and either accounted for by the Manager to the Owner or collected by the Manager on behalf of the Owner and paid to a third party at the direction of the Owner.

"Net Rents" means the aggregate during each twelve (12) month period of the management term of the total rentals receivable by the Owner pursuant to leases or tenancies relating to the Property.

"the Financial Year" means the twelve month period from 1 April in one year to 31 March in the following year.

"the Property" means the property or properties referred to in the First Schedule.

NOW THEREFORE the parties agree as follows:

1. The Manager

- 1.1. The Manager hereby agrees to provide or procure the services of a manager in respect of the Property on terms and conditions set out in this Agreement.

2. Obligations

- 2.1. The functions and obligations of the Manager are set out in Schedule 2.

3. Term of the Agreement

- 3.1. This agreement shall commence on [insert date] ("the Commencement date").
- 3.2. Subject to any agreed extension or extensions recorded in writing by the parties this agreement shall terminate on the termination date ("the Termination Date") being the earlier of:
- (a) [insert either 3 or 4 years] years from the Commencement date;
 - (b) Such other date when all other obligations between the Owner and the Manager shall cease;
 - (c) By either party giving not less than 60 days written notice of termination;

but without prejudice to either party's rights or obligations incurred prior to the Termination Date.

4. Owner's Rents

- 4.1. The Manager shall deposit Gross Receipts received in respect of the Property in the Manager's principal bank ("the Manager's Trust Account") and, on the 6th working day of each month following their receipt by the Manager, pay all Gross Rents less operating expenses incurred, to the Owner.

5. Manager's Fees

- 5.1. The Manager shall be paid the following fees and commissions by the Owner during the term of this Agreement in the time and manner set out below:
- (a) [\$ insert annual management fee] per annum to be paid in arrears in accordance with clause 5.3;
 - (b) reasonable disbursement expenses paid in accordance with clause 5.3, being advertising, audit fees, valuation fees, consultants fees and other related expenses incurred by the Manager in respect of the Property provided that the Manager shall first obtain the Owner's consent to items of expenditure exceeding \$1,000.00;
 - (c) where a renewal of lease is negotiated, a one-off fee of 20% of the increase in Gross Rent; and

- (d) where a rent review is concluded a one-off fee equal to 15% of the increase in Net Rent payable within 60 days of the date of review, and
 - (e) Where the manager negotiates a new lease with an existing tenant on terms and conditions superior to the existing terms and conditions a one-off fee of 1.5 months gross rental.
- 5.2. The Owner shall pay the Manager applicable GST on the amounts referred to in clause 5.1 on the date on which those amounts became payable.
- 5.3. The Manager shall on the 20th of each month for the term of this contract deduct amounts payable from the Owner to the Manager under clauses 5(a) and 5(b) from Gross Rents provided that these deductions shall apply from the Commencement date of each relevant lease or licence in respect of the Property irrespective of whether or not rent free periods or other concessions have been granted to any tenants of the Property.
- 5.4. The amounts for the time being payable under clause 5.1 and any extension of the term of this agreement shall be reviewed by the parties on each anniversary of the Commencement date unless the parties agree that no such review is necessary. In the event that the parties cannot agree upon these matters then this agreement shall terminate with immediate effect provided however that such termination shall not prejudice the rights and remedies of either party against the other in respect of any antecedent breach of any of the covenants and conditions hereof.
- 6. **Reporting**
 - 6.1. The Manager shall on or before the 20th of each month accompanying the payments under clause 5 supply to the Owner an accurate statement ("the statement") showing, in respect of the period since the issue of the last statement and for the period since the beginning of the financial year:
 - (a) Gross Rents including a breakdown of the components of Gross Rents; and
 - (b) The fees referred to in clause 5.1 including a breakdown of the components of the disbursement expenses.
 - 6.2. Unless the Owner gives notice within sixty (60) days of receipt of the Report referred to in clause 6.1 the Owner shall be deemed to have accepted the Report as conclusive and binding upon the Owner.
- 7. **Other Services**
 - 7.1. Where the Owner seeks advice from the Manager in respect of the Property generally or advice on the acquisition, sale or development of other properties the Manager shall undertake such advisory service at a rate of remuneration or commission to be mutually agreed by prior agreement between the parties.
 - 7.2. The Manager reserves the right to charge a suitable fee for the performance of any services not covered by this Agreement or of a special or unforeseen nature as agreed between the parties but shall first obtain the Owner's consent to the performance of any such services.

8. Exclusion of Liability

- 8.1. In the performance of its obligations under this Agreement the Manager shall use all reasonable endeavours to promote and protect the interests of the Owner but it is expressly acknowledged and agreed that the Manager shall not be liable to the Owner in any respect where the Manager and the Manager's employees and agents:
- (a) act reasonably and in good faith in the performance of the obligations under this Agreement; and
 - (b) exercise a degree of skill than might reasonably be expected from a skilled and diligent property manager; and
 - (c) are not negligent or wilfully in default in the performance or non-performance of the obligations required of the Manager under this Agreement.

9. Dispute Resolution

- 9.1. Either party to this Agreement may require any dispute between the parties arising out of or in connection with this Agreement ("Dispute") which has not been resolved within fourteen days, to be referred to mediation. The mediator will be appointed by the parties or, where the parties cannot agree on a mediator within fourteen days of a party referring a Dispute to mediation, appointed by the chairperson of LEADR New Zealand Incorporated or the chairperson's nominee. The mediator will conduct the mediation in accordance with those guidelines agreed between the parties or, if the parties cannot agree on those guidelines within fourteen days following appointment of the mediator, in accordance with the guidelines set by the mediator. The costs and expenses of the mediator will be shared by the parties equally.
- 9.2. The provisions of clause 9.1 will not limit or affect the right of the Manager or the Owner to apply to a Court at any time for any interim or preliminary relief in respect of a Dispute.
- 9.3. If the parties are unable to resolve the dispute under clause 9.1 the dispute shall be referred to arbitration in accordance with the Arbitration Act 1996.

10. Miscellaneous

- 10.1. The benefit of this Agreement may be assigned by the Owner to any other company which is a related company of the Owner as defined in Section 2(3) of the Companies Act 1993. The Manager shall not be entitled to assign or subcontract any part of this Agreement.
- 10.2. This Agreement shall be subject to and governed by the laws of New Zealand whose courts shall have exclusive jurisdiction in respect of any dispute arising hereunder subject to clause 9 above.
- 10.3. This Agreement contains the entire agreement between the parties and replaces any previous written or oral agreements made between the parties hereto all of which are hereby cancelled and shall be of no further effect.
- 10.4. No waiver by a party hereto of any breach or of any of the provisions hereof shall be construed as a waiver of any preceding or succeeding breach of the same of any other provisions.

- 10.5. The Manager shall have the right to indicate by means of a plaque or notice to be erected on a suitable part of any building owned by the Owner that the same is being managed by the Manager, such plaque or notice to be of standard design and size and first approved by the Owner.
- 10.6. Each party to this Agreement shall at all times indemnify and hold indemnified the other party from and against all actions, proceedings, claims, demands or prosecutions whatsoever which may be brought or commenced or prosecuted (and also against all costs and expenses which may reasonably incurred in defending the same, and also against any monies paid in settlement of any such claim) arising out of the performance of their rights and obligations under this Agreement provided that these indemnities shall not apply, and the relevant party shall not be liable in any respect whatsoever, where a party is materially and/or contributorily negligent or in default in any material respect.
- 10.7. The Manager shall not in its capacity as Manager of the Property and in the performance of its obligations under this Agreement, be liable for any failure to perform any of the terms or conditions under this Agreement or for any delay in performance or loss or damage of any nature and however caused or arising where such failure, delay, loss or damage arises from any cause beyond the reasonable control of the Manager but this exemption shall not apply to the extent that the cause could reasonably have been foreseen by the Manager and steps taken to mitigate the effects thereof.

THE FIRST SCHEDULE

PROPERTY: [Insert the legal description and physical address and "known as" property details]

THE SECOND SCHEDULE**DUTIES OF THE MANAGER:**

1. To collect rents, outgoings and other payments received in respect of the Property payable under any lease or other agreements by any lessee or other occupant and to hold the same in the Managers Trust account on the owners' behalf.
2. From funds received, to effect any maintenance or repairs which may be required to the Property under any lease or other agreement or upon default of any lessee or other occupant and in this regard the Manager is authorised to arrange repairs and maintenance in accordance with the owner's obligations to repair (if any) or as otherwise instructed, or to engage skilled tradesman to effect repairs and maintenance provided that expenditure in excess of \$1,000.00 for anyone item shall not be incurred without the prior approval of the owner except where it is in the Manager's opinion required because emergency repairs are necessary for protection of the Property or the supply of essential services to the tenants.
3. To conduct inspections of the Property and to provide periodic reports of the state and condition of the Property to the owner.
4. To notify the Owner of any notice, requisition, demand or other correspondence received by the Manager in respect of the Property or under any lease of other agreement of the Property which the Manager has itself received notice of and to advise the Owner of any material default by an lessee or other occupant of the Property.
5. From funds received, to pay the outgoings in respect of the Property which are required to be paid by the Owner under the terms of any lease or other agreement and to endeavour to recover such outgoings from the tenants as appropriate.
6. To remit the balance of funds held by the Manager to the Owner as directed from time to time by the Owner.

7. To negotiate rent reviews and lease renewals in association with and subject to instruction from the Owner in writing in due time and manner. Prior to receipt of written instruction from the Owner, the Manager shall take no action other than to advise the Owner of forthcoming review dates.
8. At the Owner's request and expense, to arrange replacement insurance cover and renewal, including any valuation required for these purposes, as approved by the owner in due time and manner.
9. To arrange and supervise where applicable and at the owner's expense issue of a Building Warrant of Fitness for the Property on yearly basis and ensure compliance as far as possible with Building Act 2004.
10. To arrange and supervise at the owner's expense, monthly inspection and maintenance of the systems in the property to ensure compliance with Building Act 2004 and to rectify where possible any defects immediately at the owner's expense.

IN WITNESS WHEREOF these presents have been executed the day and year first hereinbefore written.

SIGNED for and on behalf of
GRENADIER REAL ESTATE LIMITED
the Manager

]
]
]

SIGNED for and on behalf of
[INSERT NAME OF OWNER]
the Owner

]
]
]



Project Name: 593 Colombo St
 Project No: _____
 S.R. No: _____
 Date: 24/9/10
 Reviewed By: ALB

SITE REPORT

Work Reviewed:

POST EQ INSPECTION

Observations & Comments:

- * 2 Storey URM - Flats above
- retail below
- * WEST WALL - DAMAGE @ DOWNPIPE LOCATIONS @ TOP (FRONT CORNER PARAPET LOOSE?)
↑ APPEARS STABLE
- * REAR WALL - NO SIGNIFICANT DAMAGE. - PARAPET OK
- * St Asaph facade Appears undamaged, Also Colombo facade.
- * minor cosmetic cracking to internal partitions (Adam + Eve).
2 to interior masonry wall ~ 0.2m
- * UPSTAIRS Rooms: EVIDENCE THAT THE ST ASAPH FACADE MAY HAVE MOVED OUT BY 10mm
HARD TO DETERMINE IF PRE-EXISTING
⇒ CHERRY PICKER & INSPECT FROM ROOF
OR REMOVE LATH & PLASTER TO INSPECT TIES BETWEEN ROOF & WALL.
(& POTENTIALLY L2 FLOOR TIES)

Chris Chapman

From: Chris Chapman
Sent: Monday, 27 September 2010 5:22 p.m.
To: 'Joy Y-H Chang'
Cc: 'Bowen Chang'
Subject: RE: Colombo St/St Asaph St
Attachments: img-927135540.pdf

Hi Joy

Our structural engineers have only just completed all the initial Post Earthquake Structural Inspections for all the buildings in our managed portfolio and the reports are now slowly coming through to us.

I have attached a copy of his hand written notes from his site visit for your information.

The next phase for me is to meet with the structural engineers again to determine the extent of the works required and the cost of the repairs worked out.

My next meeting with the structural engineers is tomorrow (Tuesday) to work through several properties where structural engineering works or more thorough investigation is required.

Depending on the extent of the damage, the works required etc will depend on when any of the new tenants will actually get to occupy the space they leased and their leases may end up be cancelled – another aspect I need to work through for you.

Regards
Chris

Chris Chapman
 Commercial Property Manager

Grenadier Real Estate Ltd, MREINZ, Licensed Agent REAA 2008
 271 Madras Street, PO Box 1625, Christchurch 8140, New Zealand
 P +64 3 371 9126 M +64 274 715 619 F +64 3 371 9189
 E chris.chapman@naiharcourts.co.nz www.naiharcourts.co.nz



From: Joy Y-H Chang [mailto:yi_hua68@hotmail.com]
Sent: Sunday, 26 September 2010 9:28 p.m.
To: Chris Chapman
Subject: RE: Colombo St/St Asaph St
Importance: High

Hi Chris,
 Just wondering if you have any updates on the property? As you probably know already, we have new tenants wanting to know when they'd be able to move in.
 Thanks!
 Joy

From: chris.chapman@naiharcourts.co.nz
To: yi_hua68@hotmail.com
Subject: RE: Colombo St/St Asaph St
Date: Mon, 20 Sep 2010 03:57:16 +0000

Hi Joy

There wasn't any attachment to your email, however I've made contact with Matt of the Southern Ink tenancy and let him know the process we need to go through.

Regards
Chris

Chris Chapman
Commercial Property Manager

Grenadier Real Estate Ltd, MREINZ, Licensed Agent REAA 2008
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P +64 3 371 9126 M +64 274 715 619 F +64 3 371 9189
E chris.chapman@naiharcourts.co.nz www.naiharcourts.co.nz



From: Joy Y-H Chang [mailto:yi_hua68@hotmail.com]
Sent: Saturday, 18 September 2010 10:38 a.m.
To: Chris Chapman
Subject: RE: Colombo St/St Asaph St
Importance: High

Hi Chris,
As requested I have attached a letter engaging you to act on our behalf in dealing with the earthquake issues. I believe Scott does have the keys to all our properties, but please do confirm with him if you can. Please keep me updated with the progress.
Thanks!
Joy

From: chris.chapman@naiharcourts.co.nz
To: yi_hua68@hotmail.com
Subject: RE: Colombo St/St Asaph St
Date: Fri, 17 Sep 2010 00:49:02 +0000

Hi Joy

☐ Please provide me a letter of instruction engaging us to act on your behalf for the earthquake issues.

Re the Management contract we will need all 4 signatures along with some other information as well - I'll work on completing a Management Contract and Fee for that purpose when time allows – concentrating on Earthquake matters as a priority.

Does Scott have keys to the whole property ?

Chris

Chris Chapman
Commercial Property Manager

Grenadier Real Estate Ltd, MREINZ, Licensed Agent REAA 2008
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E chris.chapman@naiharcourts.co.nz www.naiharcourts.co.nz





Project Name 593 Colombo Street

Project No: 105380.71

S.R. No: 1

SITE REPORT

Date: 4 October 2010

Reviewed By: Paul Roberts

Work Reviewed:

On Monday 4 of October 2010, Richard Seville and Paul Roberts of Holmes Consulting Group (HCG) made a site visit to 593 Colombo Street. The purpose of the visit was to observe the condition of the structure after the September 4 and subsequent earthquakes. The following observations and temporary strengthening schemes are suggested.

Observations & Comments:

1. On the east wall, HCG observed a 10-20mm gap between the timber framed floor and brick façade. This displacement was also observed from outside. See Figure 1 for a suggested temporary strengthening scheme.
2. At the south wall, a 10-20mm gap was observed between the timber framed floor and brick façade. See Figure 2 for a suggested temporary strengthening scheme.
3. At the West wall, above the 1st floor ceiling, the brick wall appears to be leaning outwards. See Figure 3 for a suggested temporary strengthening scheme. The top of this wall may require removal depending on further investigation.
4. At the North side, no gaps between the floors and brick walls was observed. The façade appears to be in good condition.

HCG suggests further observation of the roof using a man lift from outside the building. Removal of existing plaster will be required to determine existing framing conditions and temporary strengthening connections details.

Christchurch

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64 3 366 3366

Facsimile

64 3 379 2169

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123 Victoria Street

PO Box 25355

Christchurch 8144

New Zealand

Offices in

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Hamilton

Wellington

Queenstown

San Francisco

Copies to:

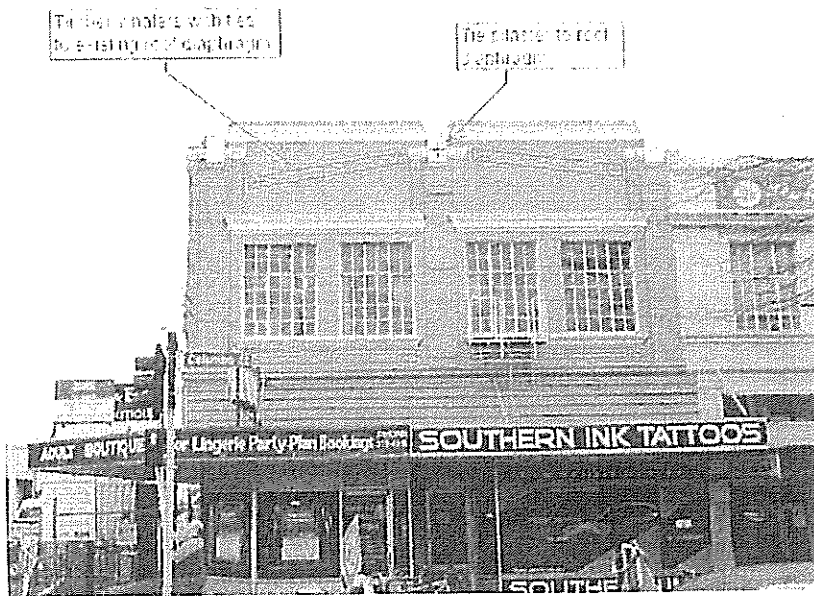
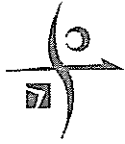


Figure 1

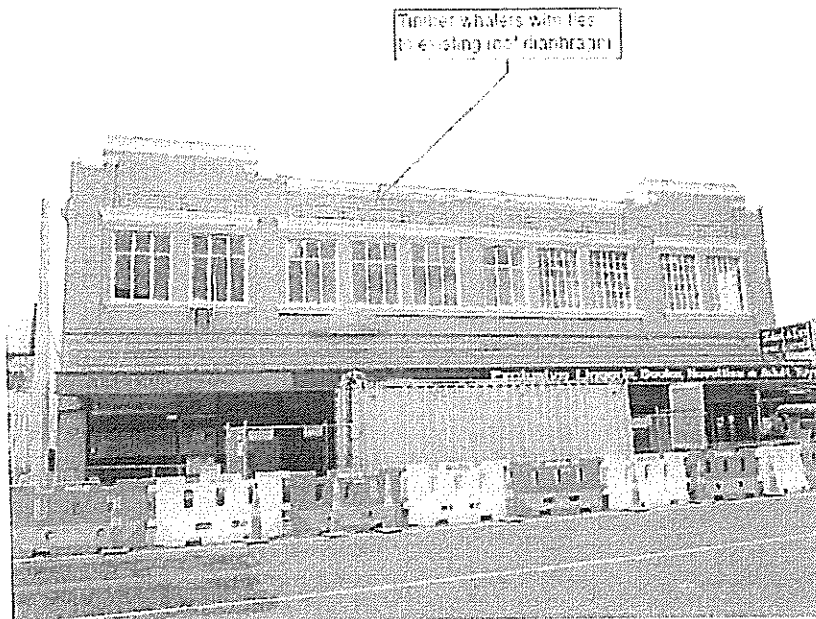


Figure 2

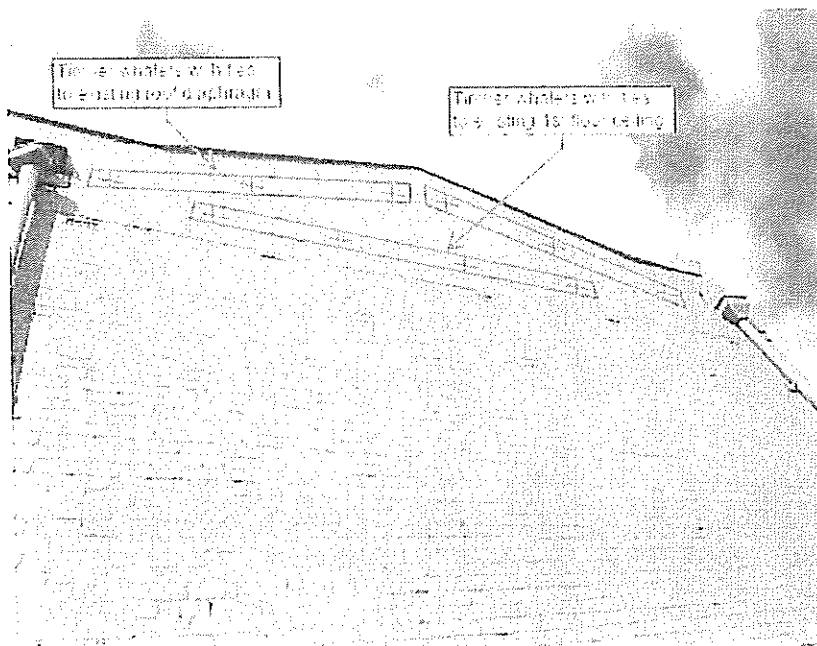
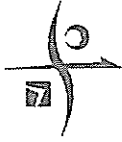
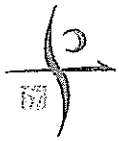


Figure 3

Report Prepared By:

Paul Roberts
PROJECT ENGINEER

105380.71SR0510.001.doc



SHORT FORM AGREEMENT FOR
CONSULTANT ENGAGEMENT
(CONFIDENTIAL)

BETWEEN:

(Client)

AND:

HOLMES CONSULTING GROUP LTD

(Consultant)

PROJECT:

2 STOREY BRICKWORK RETAIL & APARTMENT BUILDING

(Description of Building Work)

LOCATION:

593 COLOMBO STREET

(Address)

SCOPE AND NATURE OF SERVICES:

- Temporary shoring design
- Liaise with contractor carrying out work
- Concept design for strengthening (Engineering sketches for pricing only)

PROGRAMME FOR THE SERVICES:

FEES & TIMING OF PAYMENTS

All work will be conducted on a time basis at the following rates:

Project Director \$195 per hour

Senior Design Engineer \$175 per hour

Project Engineer \$150 per hour

All fees and rates are exclusive of GST.

Estimate fee range \$7,000-\$11,000. We will contact you if upon further investigation of the building it looks like this will be exceeded.

INFORMATION OR SERVICES TO BE PROVIDED BY THE CLIENT

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 1, 8 and 9, 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.

VARIATIONS TO THE SHORT FORM MODEL CONDITIONS OF ENGAGEMENT (OVERLEAF)

CLIENT AUTHORISED SIGNATORY (IES):

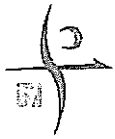
(Print Name)

(Date)

CONSULTANTS AUTHORISED SIGNATORY (IES):

Richard Seville

5 October 2010



SHORT FORM CONDITIONS OF ENGAGEMENT (COMMERCIAL)

1. The Consultant shall perform the Services as described in the attached documents. The Client and the Consultant agree and the Services are acquired for the purposes of a business and that the provisions of the Consumer Guarantees Act 1993 are excluded in relation to the Services.
2. In providing the Services the Consultant shall exercise the degree of skill, care and diligence normally expected of a competent professional.
3. 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 its amendments and shall identify any proprietary rights that any other person may have in any information provided.
4. The Client may order variations to the Services in writing or may request the Consultant to submit proposals for variations to the Services.
5. The Client shall pay the Consultant for the Services the amount of 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 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.
6. 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.
7. 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.
8. The liability of the Consultant to the Client in respect of his or her Services for the project, whether in contract, tort or otherwise, shall be limited to the lesser of five times the value of the fees (exclusive GST and disbursements), or the sum of NZ\$250,000. The consultant shall only be liable to the Client for direct loss or damage suffered by the Client as the result of a breach by the Consultants of his or her obligations under this Agreement and shall not be liable for any loss of profits.
9. The Consultant acknowledges that the Consultant currently holds a policy of Professional Indemnity insurance for the lesser of NZ\$250,000 or five times the value of the fees (exclusive GST and disbursements). The Consultant undertakes to use all reasonable endeavours to maintain a similar policy of insurance for six years after the completion of the Services.
10. Neither the Client nor the Consultant shall be considered liable for any loss or damage resulting from any occurrence unless a claim is formally made on him or her within six years from completion of the Services.
11. 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.
12. The Consultant shall retain intellectual property/copyright in all drawings, specifications and other documents prepared by the Consultant. The Client shall be entitled to use them or copy them only for the works and the purpose for which they are intended. The ownership of data and factual information collected by the Consultant and paid for by the Client shall, after payment by the Client, lie with the Client. The Client may reproduce drawings, specifications and other documents in which the consultant has copyright, as reasonably required in connection with the project but not otherwise. The client shall have no right to use any of these documents where any or all of the fees and expenses remain payable to the Consultant.
13. 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 the Client agree that, in terms of the Act, the Consultant will not be the person who controls the place of work.
14. 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.
15. The Parties shall attempt in good faith to settle any dispute by mediation.
16. This Agreement is governed by the New Zealand law, the New Zealand courts have jurisdiction in respect of the Agreement, and all amounts are payable in New Zealand dollars.

Chris Chapman

From: Joy Y-H Chang [yi_hua68@hotmail.com]
Sent: Tuesday, 19 October 2010 10:48 a.m.
To: Chris Chapman
Subject: RE: 593 Colombo Street
Attachments: Colombo_Agreement.jpg

Importance: High

Hi Chris,
 Please find enclosed signed agreement. And please keep me updated as always. Thanks again,
 Joy

From: chris.chapman@naiharcourts.co.nz
To: yi_hua68@hotmail.com
Subject: RE: 593 Colombo Street
Date: Mon, 18 Oct 2010 20:59:27 +0000

Hi Joy

Yes the agreement with the structural engineers needs to be signed and returned to me. This will allow the further investigation and design of repair works to be undertaken and then the specification can be priced etc

Regards
 Chris

From: Joy Y-H Chang [mailto:yi_hua68@hotmail.com]
Sent: Monday, 18 October 2010 12:26 p.m.
To: Chris Chapman
Subject: RE: 593 Colombo Street

Hi Chris,
 Thanks for the update. We would like the repair work to be done ASAP, do I need to sign the agreement and mail it back to you?
 Please let me know, thanks!
 Joy

From: chris.chapman@naiharcourts.co.nz
To: yi_hua68@hotmail.com
CC: bcc20_74@hotmail.com
Subject: 593 Colombo Street
Date: Mon, 11 Oct 2010 04:55:54 +0000

Hi Joy and Bowen

The following is an update on where things are with 593 Colombo Street

I'm going to be out of the office until Monday 18th, so if you have any queries please email me and I'll attempt to answer them when I get back

Regards
 Chris



BETWEEN:

(Client)

AND:

HOLMES CONSULTING GROUP LTD

(Consultant)

PROJECT:

2 STOREY BRICKWORK RETAIL & APARTMENT BUILDING

(Description of Building Work)

LOCATION:

393 COLOMBO STREET

(Address)

SCOPE AND NATURE OF SERVICES:

- Temporary shoring design
- Liaise with contractor carrying out work
- Concept design for strengthening (Engineering sketches for pricing only)

PROGRAMME FOR THE SERVICES:

FEES & TIMING OF PAYMENTS

All work will be conducted on a time basis at the following rates.

Project Director \$195 per hour

Senior Design Engineer \$175 per hour

Project Engineer \$150 per hour

All fees and rates are exclusive of GST

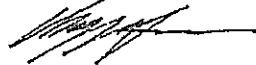
Estimate fee range \$7,000-\$11,000 We will contact you if upon further investigation of the building it looks like this will be exceeded.

INFORMATION OR SERVICES TO BE PROVIDED BY THE CLIENT

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 1, 8 and 9, 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.

VARIATIONS TO THE SHORT FORM MODEL CONDITIONS OF ENGAGEMENT (OVERLEAF)

CLIENT AUTHORISED SIGNATORY (IES):



(Print Name) Yi-Hua CHANG

(Date) 19/10/10

CONSULTANTS AUTHORISED SIGNATORY (IES):



Richard Seville

5 October 2010

Chris Chapman

From: Chris Chapman
Sent: Wednesday, 10 November 2010 8:19 a.m.
To: 'Richard Seville'
Subject: FW: 593 Colombo Street
Attachments: Colombo_Agreement.jpg

Importance: High

Hi Richard

I've managed to get a signature on the terms of engagement document.

Three of the owners are going to be in town shortly and would you or one of your team be available to meet on site with myself, them and one of our building contractors on Monday 22nd Nov at 10am.

Regards
 Chris

Chris Chapman
 Commercial Property Manager

Grenadier Real Estate Ltd, MREINZ, Licensed Agent REAA 2008
 271 Madras Street, PO Box 1625, Christchurch 8140, New Zealand
 P +64 3 371 9126 M +64 274 715 619 F +64 3 371 9189
 E chris.chapman@naiharcourts.co.nz www.naiharcourts.co.nz



From: Joy Y-H Chang [mailto:yi_hua68@hotmail.com]
Sent: Tuesday, 19 October 2010 10:48 a.m.
To: Chris Chapman
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From: chris.chapman@naiharcourts.co.nz
To: yi_hua68@hotmail.com
Subject: RE: 593 Colombo Street
Date: Mon, 18 Oct 2010 20:59:27 +0000

Hi Joy

Yes the agreement with the structural engineers needs to be signed and returned to me. This will allow the further investigation and design of repair works to be undertaken and then the specification can be priced etc

Regards
 Chris

Error! Filename not specified.



BETWEEN:

(Client)

AND:

HOLMES CONSULTING GROUP LTD

(Consultant)

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2 STOREY BRICKWORK RETAIL & APARTMENT BUILDING

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(Print Name) Yi-Hua CHANG

(Date) 19/10/10

CONSULTANTS AUTHORISED SIGNATORY (IES):

Richard Seville

5 October 2010