



12 March 2012

12 MAR 2012

Canterbury Earthquakes Royal Commission
15 Barry Hogan Place (off 55 Princess St)
Addington
CHRISTCHURCH

Attention: Mark Zarifeh

BY COURIER

Christchurch
Level 9, HSBC Tower
62 Worcester Boulevard
PO Box 2646
Christchurch 8140
Telephone +64 3 379 0920
Facsimile +64 3 366 9277

Auckland
Level 15, Chorus House
66 Wyrndham Street
PO Box 2646
Auckland 1140
Telephone +64 9 920 6400
Facsimile +64 9 920 9599

www.anthonyharpers.co.nz

Dear Sir

ROYAL COMMISSION OF ENQUIRY INTO BUILDING FAILURE CAUSED BY CANTERBURY EARTHQUAKES - 738 COLOMBO ST - KNIGHT FRANK

We refer to the writer's telephone conversations and email correspondence with you on 9 March 2012 and **enclose** copies of documents discovered by Knight Frank, most of which are referred to in the draft briefs of Andrew Bell and Luke Rees-Thomas.

The documents are currently numbered 1 to 30. We understand that the documents will be loaded into the Royal Commission data base and given new numbers. As discussed we would be grateful if you could provide us with copies of the new numbers by return.

We look forward to hearing from you.

Yours faithfully
ANTHONY HARPER



Richard Smedley
Partner

Contact: Richard Smedley 03 364 3825 richard.smedley@ah.co.nz

Our reference: RGS-133225-1-18-V1

30

Luke J. Rees-Thomas

From: Luke J. Rees-Thomas
Sent: Wednesday, 23 November 2011 1:00 p.m.
To: 'Mark Zarifeh'
Cc: Andy Bell; 'Triple Treasures Co Ltd'
Subject: RE: 738 Colombo St

Hi Mark,

In response to your email below:

1. The only reports completed post September 2010, were those of the Tenant's (Powell Fenwick) - which were completed immediately following the event. The tenant contacted us and stated that they were arranging this report, following the Owner's approval.

2. As per above

. We have not been privy to any information during our management regarding prior strengthening work. To our knowledge the current owner has not been required to complete any work.

4. The Tenant was 'OK Giftshop'. With the lease dissolving as a result of the EQ, we understand they have relocated outside of Christchurch. We received written confirmation from the Tenants post EQ, that they wished to terminate the lease.

5. The Manager of OK Giftshop is Akira on 021405633 or akirayoshikane@gmail.com. The Owner is Natural Blessings Ltd, Jonathan Liu on 0211776349 or treasure@ihug.co.nz

Regards,

From: Mark Zarifeh [<mailto:Mark.Zarifeh@royalcommission.govt.nz>]
Sent: Tuesday, 22 November 2011 2:51 p.m.
To: Luke J. Rees-Thomas
Subject: 738 Colombo St

Hi Luke,

AS discussed the Royal Commission is looking at the failure of the above building as a pedestrian was killed when the façade collapsed.

Could you please forward me any information you have on the building relevant to its structural assessment.

This would include:

- any reports from engineers (please note I already have Powell Fenwick reports dated 6/9/10 and 9/9/11)
- advice given from engineers or similar
- any information you have on any strengthening in the past
- details of contact with tenants re the buildings state post the September earthquake
- contact details for the former tenants and the owner

This information is requested pursuant to the Royal Commission's powers of investigation under s4C Commissions of Inquiry Act 1908.

Thank you for your help.

Regards,
 Mark Zarifeh,
 Counsel Assisting,
 Canterbury Earthquakes Royal Commission

29

Luke J. Rees-Thomas

From: Luke J. Rees-Thomas
Sent: Wednesday, 16 March 2011 9:15 a.m.
To: Phil.Buckman@mclarensyoung.com
Subject: 736-738 Colombo St

Hi Phil,

Thanks for the call the other day, glad to hear you are OK.

Having spoken to the Owners of 736-738 (NZ Post & OK Gift), we have arranged for an engineer's report outlining the status of the building.

Are you able to advise if we can assist any further with the insurance claim process? I fear the building may be red stickered etc, access not possible at this stage.

Once I receive the engineer's report I will forward this through...

hanks.

Post Feb 22 Front.

COPY

28

**SAFETY
FIRST**

TAX INVOICE

South Island Ltd

Safety First SI Ltd
P.O.Box 20299,
Christchurch
Ph: 03 3592111
Fax: 03
3593473
www.safetyfirstsi.co.nz

TO:
Knight Frank
P O Box 13-341
Christchurch 8141

RE:
736-738 Colombo Street
Christchurch

GST NUMBER 69-635-849

DATE	13/02/2011	O.N.		INVOICE #	7579
------	------------	------	--	-----------	------

DESCRIPTION	QTY	PRICE	AMOUNT
To obtain a registered Fire Evacuation Scheme. (Warden training, trial fire evacuations Scheme preparation & Fire Service on site meetings)	12	95.00	1,140.00
Compact Manual	6	5.50	33.00
Procedure Notices Laminated (Blue Type)	7	7.50	52.50
Warden Armband	4	11.00	44.00
Wardens High Viz Vest	1	36.00	36.00
Emergency Evacuation Board Holder	1	70.00	70.00
Evacuation Clearance Clipboard	1	50.00	50.00

OK 1/6
\$1639.33
33
Safety First - Fire Scheme

ENTERED

SUBTOTAL			\$1,425.50
----------	--	--	------------

THANK YOU FOR USING SAFETY FIRST SOUTH ISLAND LTD. PLEASE PAY ON INVOICE AS NO STATEMENT WILL BE SENT			GST TOTAL	\$213.83
--	--	--	-----------	----------

TERMS	PAYMENT DUE 20th NEXT MONTH	Total	\$1,639.33
-------	-----------------------------	--------------	-------------------

Please send payments to the below address or by Direct Credit to:

ANZ BANK 011160 0011256 00

Safety First (South Island) Limited
PO Box 20299
Christchurch, 8005

INVOICE #
7579

Total \$1,639.33

**SAFETY
FIRST****South Island***"First in Safety"*

PH: +64 3 359 2111 FAX: +64 3 359 3473 EMAIL: office@safetyfirstsi.co.nz

736-738 Colombo St**Building Code: Ch-125-49****736-738 Colombo St
Christchurch****Trial Evacuation Report****Building** 736-738 Colombo St**TE Date** 11/02/2011**Conducted By** Bill McClure**Time of Day** 10.05 am**Evacuation Time** 02:55**Comments** Planned EvacuationWas a "111" call made to the NZ Fire Service **Yes**Was the NZ Fire Service in attendance **No**Was the correct assembly area used **Yes**Were the fire alarms working correctly **Yes**Was any person injured during the evacuation **No**Any persons with disabilities in the building during the evacuation? **No**Did any persons use the lifts during the evacuation **No**Was the correct warden ID used? **Yes**Was anyone carrying any food or drink? **No**Were all exit ways and exit doors operational **Yes**Did all Wardens report area/floor clearance to the Chief Warden **Yes**Were wardens debriefed after the Trial Evacuation **Yes**

© 2011 Fire Safety Net (Safety First South Island Ltd)

**SAFETY
FIRST**

South Island

"First in Safety"



PH: +64 3 359 2111 FAX: +64 3 359 3473 EMAIL: office@safetyfirstsi.co.nz

736-738 Colombo St

Building Code: Ch-125-49

**736-738 Colombo St
Christchurch**

Wardens List

	Name	Location	Email	Phone
Chief	Duty Manager	NZ Post Shop	kyliebarnes@nzpost.co.nz	03 3775414
Deputy Chief	Duty Manager	O.K. Gifts	julie@okgiftschch.co.nz	03 3530014

Location	Type	Name	Other Details
Ground Floor - NZ Post Shop	Warden	Carol Anderson	none
Ground Floor - NZ Post Shop	Deputy Warden	Staff on Duty	none
Ground Floor - O.K. Gifts	Warden	Head Supervisor on Duty	none
Ground Floor - O.K. Gifts	Deputy Warden	Staff on Duty	none
Level 1 - NZ Post Shop	Warden	Andrew Turner	none
Level 1 - O.K. Gifts / JTB Travel	Warden	Julie	none

© 2011 Fire Safety Net (Safety First South Island Ltd)

EMERGENCY PROCEDURES

FOR

736 – 738 COLOMBO STREET CHRISTCHURCH

PREPARED BY:



South Island Ltd

TELEPHONE: (03) 359 2111

www.safetyfirstsi.co.nz

Updated: February 2011

FIRST IN FIRE EVACUATION SAFETY



WARDENS DUTIES

CHIEF WARDEN	<p>The Chief Warden is charged with co-ordinating the activities of the Area Wardens and ensuring that clearance reports are received in respect of all areas following evacuation. The Chief Warden will liaise in turn with the Senior Fire Officer or Civil Defence Officer co-ordinating emergency services. Wardens are to follow Chief Warden and Senior Fire Officers' instructions.</p> <p>The Chief Warden will upon the sounding of the fire alarms:</p> <ul style="list-style-type: none"> ▪ Ensure the NZ Fire Service has been called dial "111" (From a Safe Area) and advise them alarms are sounding and confirm name and address of the building. (736-738 COLOMBO STREET, CHRISTCHURCH) "You may also assign a suitable staff member" ▪ Collect the Evacuation Clearance Board and HI Viz Chief Wardens Jacket and then proceed outside to the Main Front Entrance near the Fire Alarm panel. ▪ Wait by Panel / Entrance and receive evacuation clearance reports from all Wardens
AREA WARDEN DUTIES	<p>Each Warden is required to direct, enforce and have full charge of evacuation of all personnel located within their assigned area during the period of a fire emergency or Trial Evacuation.</p> <p>Wardens are to advise the Chief Warden of any disabled persons, whether a temporary or a permanent disability working within the building. Wardens are to nominate assistants to attend to disabled persons, and All Wardens will discuss evacuation procedures with disabled persons.</p> <p style="text-align: center;">On the sounding of the Fire Alarm</p> <ul style="list-style-type: none"> ➤ Ensure Warden Identification (armband) is worn ➤ Check all areas in your assigned search areas. ➤ Keep people moving steadily so as to avoid panic. ➤ Ensure that after evacuation all internal doors are closed and leave lights on. ➤ Report to Chief Warden at the Main Front Entrance near the Fire Alarm Panel
FLOOR CLEARANCE & REPORTING PROCEDURES	<p>Wardens will ensure that there floor / area is completely evacuated by checking all rooms and enclosed areas. The Warden should start checking the floor from the furthest point on the floor working systematically toward the exit, or the point closest to the fire working toward the exit.</p> <p>Evacuation of disabled persons should only be made after the floors above have been vacated. If it is not possible to evacuate the disabled person/s, they should be escorted to a safe place handy to stairs e.g. a smoke stop lobby or stair landing. The disabled persons assistants or nominees must remain with that person until assisted by Fire Service personnel.</p> <p>Evacuation of disabled persons should only be made when safe to do so. Evacuate any persons to the safe assembly area. (50 Meters either side of Building on COLOMBO ST). The disabled persons assistants or nominees must remain with that person until the emergency is over.</p> <p>When the Wardens have determined that their area is completely evacuated and any disabled persons are accounted for, they will leave via the nearest fire exit.</p> <p style="text-align: center;">"THEN REPORT TO THE CHIEF WARDEN"</p> <p>All Wardens report area clearance to the Chief Warden. The Evacuation Clearance Report must then be adjusted to show clearance or otherwise.</p> <p>Wardens are to ensure that: *All doors are closed following evacuation and to leave the lights on</p>

BOMB THREAT AND EXPLOSIVES - EMERGENCY PROCEDURES

When a Bomb Threat call is received there is no alternative but to treat it as a potential danger.

ACTION TO BE TAKEN WHEN A TELEPHONE CALL IS RECEIVED IN RESPECT TO BOMB THREAT

1. Make use of the prepared Bomb Threat Checklist located at the back of this manual. Although the majority of Bomb threat calls are hoaxes, each call must be treated as genuine until confirmed otherwise. Following the receipt of a Bomb Threat, the Police and Chief Warden must be advised immediately. DO NOT SET OFF THE FIRE ALARMS AS THIS MAY DETONATE THE BOMB
2. It is the decision of the Police to determine what action is to be taken. If a search of the premises or part thereof is required, it is better carried out by the occupants and wardens. The Police or Chief Warden will instruct Wardens on what action is to be taken.
3. Assessment of a call and the information divulged by the caller may influence what action management takes, police advice and assistance will still be required. Specific details from the caller, about the make-up of the organisation and personalities therein, will add credence to the threat. If, however, the caller is vague and does not give specific details about the premises, layout, people, etc, then the possibility of a device being present is reduced but cannot be discounted.
4. Remain calm during the conversation.
5. Keep the caller talking as long as possible but do not interrupt. If possible pay attention to any background sound which may give an indication as to where the call is coming from.

Any answers to these questions could give an indication as to whether or not this is a hoax, and as much of this information as possible should be passed on to the Police or Chief Warden.

DISCOVERY OF UNUSUAL OBJECTS

ACTION TO TAKE ON DISCOVERY OF ANY UNUSUAL OBJECT:

- 1 When a suspicious object is found the Chief Warden should be notified as for Bomb Threat.
- 2 Suspicious items received through the mail should preferably be left where they may have been delivered, but if circumstances dictate, they may be gently moved and isolated in a secure area. However, objects which have been discovered or left by an unknown person should definitely not be touched.
- 3 THE OBJECT MUST NOT BE TOUCHED OR TAMPERED WITH
- 4 Following a room or area being evacuated, secure and prevent access. This does not mean locking doors, etc., unless absolutely necessary, but ensuring that personnel who may be oblivious to the emergency cannot enter the danger area.
- 5 Experience has shown that explosive devices can be made to resemble almost anything. It is wise, therefore, to treat any suspicious object found in an unusual place with utmost of care.
- 6 The Police will determine what action is to be taken.
- 7 Remain calm and inform only those "who need to know".

DON'T TOUCH IT-----DON'T MOVE IT
RING THE CHIEF WARDEN AND/OR THE POLICE

SPECIAL NOTE - STAFF PROCEDURES

WARDENS ARE TO ACT ON INSTRUCTIONS GIVEN BY EITHER THE CHIEF WARDEN, POLICE OR FIRE SERVICE.

EVACUATION WOULD BE BY WORD OF MOUTH AND NOT ACTIVATION OF THE MANUAL ALARM.

Luke J. Rees-Thomas

From: LBA - Hamish [hamishm@lewisbradford.com]
Sent: Tuesday, 8 February 2011 3:21 p.m.
To: Luke J. Rees-Thomas
Subject: RE: 736-738 Colombo St

26

Thanks for sorting that out

Regards

Hamish

Lewis Bradford Consulting Engineers
 Level 2, 71 Armagh Street
 PO Box 2919, Christchurch
 Phone 03 379 9096 | Facsimile 03 379 9095
www.lewisbradford.com

'ob Name:
 Job Number:

“IMPORTANT: This email is only intended to be read by the named recipient. It may contain information that is confidential, proprietary or the subject of legal privilege. If you are not the intended recipient please notify the sender immediately and delete this email. You may not use any information contained in it. Legal privilege is not waived because you have read this email.”

From: Luke J. Rees-Thomas [<mailto:Luke.Rees-Thomas@nz.knightfrank.com>]
Sent: Tuesday, 8 February 2011 1:42 p.m.
To: LBA - Hamish
Subject: 736-738 Colombo St

25

Hi Hamish,

Apologies for the delay, the property file is now at the Council for viewing.

You can drop down and have a look for plans if you like.

Knight Frank

Luke J. Rees-Thomas
 Commercial Property Manager, Property Management
 Dip Bus (NZ)
 Knight Frank Christchurch
 Level 2, 62 Worcester Blvd
 Christchurch 8141
 New Zealand

+64 3 377 1460 - Main Line
 +64 3 366 2972 - Fax
 +64 27 274 3275 - Mobile

Luke.Rees-Thomas@nz.knightfrank.com
www.knightfrank.com
 Simes Ltd, Licensed Agent (REAA 2008), MREINZ

Luke J. Rees-Thomas

From: Phil Buckman [Phil.Buckman@mclarensyoung.com]
Sent: Friday, 28 January 2011 7:47 a.m.
To: hamishm@lewisbradford.com
Cc: Luke J. Rees-Thomas
Subject: Fw: 738 Colombo St - Parapet

24

Hi Hamish

We have received advice from the Property Manager of damage to the parapet wall at 738 Colombo Street. See email correspondence below.

Could you please inspect this and report as part of you investigations into the damage.

Regards
Phil Buckman

ClaimCare - Absolute Transparency

McLarens Young International
Global Claims Services
PO Box 424 , Timaru 7940, New Zealand
Ph: +64 (0)3 684-3156 Fax: +64 (0)3 684-8958



Loss Adjuster of the Year

— Forwarded by Phil Buckman/NZ/MYI on 27/01/2011 09:38 p.m. —

"**Luke J. Rees-Thomas**" <Luke.Rees-Thomas@nz.knightfrank.com>

To Phil Buckman <Phil.Buckman@mclarensyoung.com>
cc

Subject FW: 738 Colombo St - Parapet

26/01/2011 11:31 a.m.

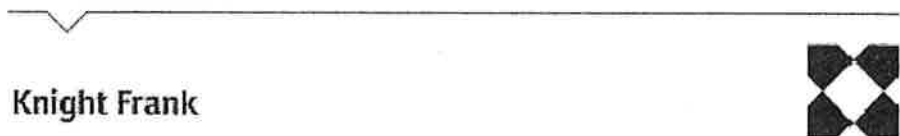
23

Hi Phil,

We had a roof leak repaired at the building, the contractor noted the parapet needs repair (see email below).

Perhaps if we can make a note for this to be inspected in due course also?

Thanks.



Luke J. Rees-Thomas
Commercial Property Manager, Property Management

Dip Bus (NZ)
Knight Frank Christchurch
Level 2, 62 Worcester Blvd
Christchurch 8141
New Zealand

+64 3 377 1460 - Main Line


+64 3 366 2972 - Fax

+64 27 274 3275 - Mobile

Luke.Rees-Thomas@nz.knightfrank.com

www.knightfrank.com

Simes Ltd, Licensed Agent (REAA 2008), MREINZ

 Help the environment. We only print the emails we really need to.

This e-mail (and attachments if any) is intended only for the addressee(s). It contains information which may be confidential. If you are not the intended recipient please advise the sender by return email. Do not use or disclose the contents and delete the message and any attachments from your system. Unauthorised retention or use of such information may be in breach of the Privacy Act 1988. In accordance with The Unsolicited Electronic Messages Act should you not have consented to receiving this email please click here to inform the sender that such messages should not be sent to you in the future. Thank you.

From: FHS Roofing Ltd [<mailto:sales@fhsroofing.co.nz>]

Sent: Wednesday, 19 January 2011 1:49 p.m.

To: Luke J. Rees-Thomas

Subject: 738 Colombo St

22

Good Afternoon Luke,

We have inspected the roof leak at the above address and performed the following repairs:
Sealed a split lead flashing on the front guttering. (see attached photo).

We also note the Colombo st Parapet (3m tall) has come adrift from the walls either side and will need refixing to the adjacent buildings to resecure.

FHS Roofing Ltd

PO Box 7585, 92 Orbell Street

CHRISTCHURCH 8240

email: sales@fhsroofing.co.nz

PH: 03 962 6385

FAX: 03 962 6388

Luke J. Rees-Thomas

From: LBA - Hamish [hamishm@lewisbradford.com]
Sent: Tuesday, 25 January 2011 12:48 p.m.
To: Luke J. Rees-Thomas
Subject: RE: 736-738 Colombo ST

(21)

Hi Luke

Thanks for that.

Regards

Hamish

Lewis Bradford Consulting Engineers
 Level 2, 71 Armagh Street
 PO Box 2919, Christchurch
 Phone 03 379 9096 | Facsimile 03 379 9095
www.lewisbradford.com

Job Name:
 Job Number:

“IMPORTANT: This email is only intended to be read by the named recipient. It may contain information that is confidential, proprietary or the subject of legal privilege. If you are not the intended recipient please notify the sender immediately and delete this email. You may not use any information contained in it. Legal privilege is not waived because you have read this email.”

From: Luke J. Rees-Thomas [mailto:Luke.Rees-Thomas@nz.knightfrank.com]
Sent: Tuesday, 25 January 2011 11:56 a.m.
To: LBA - Hamish
Subject: 736-738 Colombo ST

(20)

Hi Hamish - copies of property plans in the post to you today.

Hope they are sufficient for your requirements.

.heers.

Knight Frank

Luke J. Rees-Thomas
 Commercial Property Manager, Property Management
 Dip Bus (NZ)
 Knight Frank Christchurch
 Level 2, 62 Worcester Blvd
 Christchurch 8141
 New Zealand

+64 3 377 1460 - Main Line
 +64 3 366 2972 - Fax
 +64 27 274 3275 - Mobile

Luke.Rees-Thomas@nz.knightfrank.com
www.knightfrank.com
 Simes Ltd, Licensed Agent (REAA 2008), MREINZ



30th December 2010

UGL Services
92 Hugo Johnston Drive
Penrose
Auckland 1642

Attention: John Braithwaite

Dear John

Subject: Canterbury Post Earthquake Inspections – NZ Post - 736 Columbo Street, Christchurch

INSPECTION

This report was prepared on 30th December 2010 and is based on the conditions encountered at the time of inspection on 29th December 2010 following the major aftershocks of 26th December 2010. The inspection involved a suitably experienced engineer undertaking a visual inspection of the building to determine whether it could be safely occupied by staff and customers.

The walkover inspection that was carried was limited to the following areas:

- Exterior facades from ground level
- Internal inspection.

Some areas that are not readily able to be observed from our walkover inspection, such as the roof, ceiling voids, concealed areas, foundations and sub-surface structures have not been inspected.

The structure could have been weakened by the earthquake and aftershocks and, if these aftershocks continue, further weakening may occur. Accordingly we recommend that the building be re-inspected following any further significant aftershocks. Based on the findings of our walkthrough inspection of the building, the site has been assessed as follows:

SAFE TO USE

Based on our inspection, we believe that your building can continue to be safely occupied. Some areas of minor building damage, such as cracking to finishes throughout the building, have been pointed out during the inspection, but these do not make the building unsafe to occupy.

In addition we make the following observations:

- Ground floor - Cracking internally on the plaster to the south facing wall.

URS New Zealand Limited
URS House, 287 Durham Street
Christchurch, 8013
PO Box 4479, Christchurch 8140
New Zealand
T: 64 3 374 8500
F: 64 3 377 0655



John Braithwaite

30th December 2010

Page 2

- First floor - Cracking to plaster finishes around the stair well as per the ground floor and to the internal faces of brick external facing walls throughout the floor. Note there is an area of plaster stripped from the concrete column to the southeast in the stairwell with some surface cracking to column concrete.
- Second floor – Cracking to finishes around the stair well as per the ground floor and cracking on the brick external facing walls on the internal face throughout the floor.
- There is some cracking to the rear elevation of the building running up one of the columns however it is not evident in the interior of the wall. There is also a spalled section to one column to the south side around the 3rd floor level where the column meets the pitched roof of the souvenir shop next door.

We would recommend the building owner carries out further structural inspection of the above at the earliest opportunity with repairs carried out as necessary.

URS New Zealand Limited (URS) has prepared this inspection letter in accordance with the usual care and thoroughness of the consulting profession for the use of UGL Services and NZ Post. As previously noted, the inspection was purely visual and no intrusive investigations were carried out.

Whilst URS is able to advise that the building can now be occupied we recommend that a more thorough investigation is undertaken in the near future when more time is available. At that time a more comprehensive assessment of the state of the structure should be carried out and a detailed report of any damage identified should be prepared together with recommendations of remedial works needed.

Yours sincerely
URS New Zealand Limited

A handwritten signature in black ink, appearing to read 'Gary Cross', written over a horizontal line.

Gary Cross
Senior Associate
Structural Engineer

CC: Dave Smith – NZ Post

(18)

Luke J. Rees-Thomas

From: Phil Buckman [Phil.Buckman@mclarensyoung.com]
Sent: Monday, 20 December 2010 10:30 p.m.
To: Luke J. Rees-Thomas
Subject: Claim: Earthquake 736 Colombo Street, Christchurch September 2010 (Ins'd: Natural Blessing Ltd / MYI Ref: CHC522917)

Follow Up Flag: Follow up
Flag Status: Completed

Hi Luke,

The insurer has confirmed acceptance of the claim for damage to 736 Colombo Street, subject to an excess of 2.5% of the claim cost (minimum \$2,500.00 including GST).

We will instruct the engineers to complete their investigations in regards to the damage, to enable finalisation of a scope of repair.

We will also instruct Sharp Glass to proceed with the reglazing quoted.

Please provide details of any other costs incurred, for consideration under the claim.

Regards
Phil Buckman

ClaimCare - Absolute Transparency

McLarens Young International
Global Claims Services
PO Box 424 , Timaru 7940, New Zealand
Ph: +64 (0)3 684-3156 Fax: +64 (0)3 684-8958

This message, together with any attachments, is intended only for the use of the individual or entity to whom it is addressed and may contain information that is legally privileged, confidential and exempt from disclosure. If you are not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this message, or any attachment, is strictly prohibited. If you have received this message in error, please notify the original sender immediately by telephone or return email, and delete this message, along with any attachments, from your computer. You should not copy or use it for any purpose or disclose its contents to any other person. Internet communications are not secure. You should scan this message and any attachments for viruses. Under no circumstances do we accept liability for any loss or damage that may result from your receipt of this message or any attachment.



lewis bradford
CONSULTING ENGINEERS

CATHEDRAL SQUARE NORTH POSTSHOP 736 COLOMBO STREET CHRISTCHURCH

STRUCTURAL DAMAGE REPORT FOLLOWING 4/9/10 EARTHQUAKE

CONTENTS

- Report
- Appendix A – Floor Plans and Photograph Layout
- Appendix B – Repair Schedule
- Appendix C – Damage Register
- Appendix D – Photographs
- Appendix E – Draft Strengthening Flowchart

30 November 2010

Project N°: 110071

A. Introduction

Following the magnitude 7.1 earthquake that occurred just west of Christchurch on the 4th September 2010 Lewis Bradford were engaged to carry out a visual inspection of structural damage to 736 Colombo Street.

At the request of Luke Rees-Thomas from Knight Frank, on behalf of the property owner, this report has been prepared to document the extent of the damage to the structure and to include suggested repair works for the structural damage.

B. Background

The building is a four storey concrete frame building with infill brick panels to the northern and southern walls. A concrete slab on grade at ground floor level and insitu concrete slabs to all other floors and roof. An brick structure located on the roof houses the lift mechanical equipment. This has been strengthened at some point in time.

C. Investigations Carried Out

Initial visual inspections and photographic surveys were undertaken by the undersigned and Geof Wilson of Lewis Bradford and Associates on the 8th September 2010, email correspondence to Andy Bell at Knight Frank on the 9th September 2010 was provided confirming that structurally the building is safe to occupy.

A further inspection by the undersigned and Geof Wilson of Lewis Bradford and Associates was carried out on the 23rd September 2010 following concerns raised by staff that the rear wall was bulging. Email correspondence to Andy Bell at Knight Frank on the same day confirming that structurally the building is safe to occupy.

A detailed inspection and photographic survey was undertaken by the undersigned and Geof Wilson on the 26th November 2010. This report is primarily based on findings from this inspection.

D. Nature of Structural Damage

Refer to Appendix A for floor plans and photograph layout.

Refer to Appendix B for repair schedule for structural damage only.

Refer to Appendix C for detailed description of visible damage to the various areas at the various levels. Refer to Appendix B for repair schedule.

Refer to Appendix D for the photographs which correlate with the Appendix C notes and Appendix B repair schedule.

Every effort has been made to view as much of the structural elements up the height of the buildings as possible. However given the presence of partitions and linings, not all areas were accessible for this review.

As can be seen from the detailed description of damage and the photographs in the appendices the range of damage varies within the building but is generally relatively minor in nature.



Numerous hairline cracks through structural elements have been noted and require minor repair works. A number of these cracks appear to be existing which have subsequently opened up following the earthquakes and now require repair.

E. Repair Recommendations

Repair work required to return the damaged areas to a similar, acceptable, standard in line with before the earthquake will be significant and disruptive for any occupants. Ideally the repair work will be able to take place when some parts of the building are empty.

The repair schedule is detailed in Appendix B and includes recommendations for repairs to brickwork and concrete elements. It is assumed that the superficial elements such as plasterboard linings, timber framed elements, paintwork and the like are repaired, restopped and repainted as per the aesthetic requirements.

F. Consent Requirements

The owner, or their representative, will need to contact the council to determine what building consents are required for carrying out these repair works. As part of this the council may require a full engineering assessment to determine whether the building is deemed earthquake prone or not. As a result of this assessment strengthening of the building may be required, refer to the flow chart in Appendix E.

G. Conclusion

The building has suffered moderate damage to structural elements and requires a range of repair works. A number of cracks appeared to be existing but have subsequently opened up following the earthquake, and subsequent aftershocks, and now require repair.

Given the age and condition of the building, and the uncertainties surrounding its structural integrity, we strongly recommend a full structural assessment be carried out. This will ascertain its current capacity and ability to withstand future seismic events.

Limitation

It is important to note that this report is based on visual walkover inspections and no detailed assessment work has been completed. It is possible that there are unobserved issues that may require further remedial work, such issues should be brought to the attention of the undersigned as soon as possible.

Should you require anything further please contact the undersigned.

Kind regards,



Hamish MacKiven
MIPENZ, CPEng
STRUCTURAL ENGINEER
110071 Structural Damage Report Nov 2010.doc



APPENDIX A

Floor Plans and Photograph Layout



APPENDIX B

Repair Schedule



Repair Schedule

This appendix details the repair work required to the existing structural elements that have been damaged by the 4/9/10 earthquake (and subsequent aftershocks). The repair schedule describes the work required to return the damaged areas to a similar, acceptable, standard in line with before the earthquake. Note this schedule includes damage to brickwork and insitu concrete work only.

Repair Work

Repair N

No repair work necessary.

Repair A

Superficial repair work required, non-structural elements.

Brickwork Elements

Repair B1

Minor cracking to existing brickwork element. Carefully rake out existing mortar joints along crack, blow out all debris and replace mortar. Point all new mortar surfaces. All brickwork and repairwork to be completed by an experienced bricklayer.

Repair B2

Minor cracking to plasterwork and existing brickwork. Carefully remove paint and plasterwork locally and rake out existing mortar joints around crack. Remove all debris and replace mortar to brickwork. Point all new mortar joints, tool and leave flush. Replace plasterwork and repaint. All brickwork and repairs to brickwork to be completed by an experienced bricklayer.

Concretework Elements

Repair C1

Cracking to existing concrete element. Carefully clean out existing crack and remove loose debris. Epoxy inject crack in strict accordance with Sika (or similar approved) specification and details. All epoxy grouting to be by approved contractors only. Repaint to match existing if required.

Repair C2

Cracking to existing concrete element and local spalling of concrete. Carefully break out all loose concrete. Abrasive clean existing steel reinforcing and coat with Sika Monotop Primer (or similar approved) for corrosion protection. Epoxy inject the crack in strict accordance with Sika (or similar approved) specification and details. After epoxy injection is complete repair all spalled areas of concrete using Sika Monotop Structural Mortar (or similar approved) in strict accordance with manufacturer's details.



APPENDIX C

Damage Register



[Y.X] references photos attached to the Appendix D where “Y” refers to the floor level/location and “X” refers to the photo number.

[3.4] would refer to the 4th photo on Third Floor.

[Y.X similar] references a photo of damage very similar to the item mentioned

Refer to Key Plans for approximate locations of photos.

Exterior

- Colombo Street elevation broken windows boarded up [E.1] (**Repair A**)
- Rear elevation broken windows boarded up [E.2] (**Repair A**)
- Eastern end of northern elevation no apparent damage observed from ground level [E.3] (**Repair N**)

Ground Floor

- Damage to linings on southern wall of office/interview rooms which have since been repaired (photos taken 8th September 2010) [G.1 & G.2] (**Repair N**)
- No other apparent damage to main Ground Floor area (Post Shop public area) – note: all walls and ceiling are clad [G.3] (**Repair N**)
- Vertical cracking between concrete column in north-eastern corner and northern brickwork infill wall [G.4] (**Repair B1**)

First Floor

- Vertical cracking between concrete column and brickwork infill wall [1.1 & 1.2] (**Repair A**)
- Vertical cracking between brickwork infill wall and lightweight wall [1.1] (**Repair A**)
- Lining cracking to door opening in lightweight wall to Staff Room [1.3] (**Repair A**)
- Vertical cracking between brickwork infill wall and lightweight wall [1.4] (**Repair B2**)
- Vertical cracking between concrete column and brickwork infill wall [1.5 & 1.6] (**Repair B2**)
- Cracking to brickwork infill wall [1.7] (**Repair B2**)
- Vertical cracking between concrete column and brickwork infill wall [1.8 & 1.9] (**Repair B2**)
- Cracking to brickwork infill wall [1.10] (**Repair B2**)
- Vertical cracking between brickwork infill wall and lightweight wall [1.11] (**Repair A**)
- Horizontal cracking between concrete floor slab over and lightweight wall [1.12] (**Repair A**)
- Horizontal cracking between concrete beam and lightweight wall [1.13] (**Repair A**)
- Horizontal cracking between concrete floor slab over and lightweight wall [1.14 & 1.15] (**Repair A**)
- Horizontal cracking between concrete beam on southern wall and brickwork infill wall [1.16] (**Repair B2**)
- Cracking to brickwork infill wall [1.16] (**Repair B2**)
- Vertical cracking between concrete column and brickwork infill wall [1.17] (**Repair B2**)
- Cracking to brickwork infill wall [1.18 & 1.19] (**Repair B2**)
- Horizontal cracking around base of concrete column [1.20] (**Repair C1**)
- Horizontal cracking around base of concrete column [1.21] (**Repair C1**)

Second Floor

- Water damage to underside of concrete beams [2.1] **(Repair N)**
- Vertical cracking between brickwork infill wall and lightweight wall [2.2] **(Repair A)**
- Cracking/water damage to brickwork column and brickwork infill wall [2.3, 2.4 & 2.5] **(Repair B2)**
- Vertical cracking between concrete column and brickwork infill wall [2.6] **(Repair B2)**
- Horizontal cracking to brickwork infill wall [2.6] **(Repair B2)**
- Horizontal cracking between concrete floor slab over and lightweight wall [2.7] **(Repair A)**
- Vertical cracking between brickwork infill wall and lightweight wall [2.8 & 2.9] **(Repair A)**
- Vertical cracking between concrete column and brickwork infill wall [2.10] **(Repair B2)**
- Water damage to concrete floor slab over/concrete beam/brickwork infill wall [2.11] **(Repair N)**
- Historic cracking to brickwork infill wall & concrete floor slab over which has opened/lengthened [2.12] **(Repair C1 & B2)**
- Vertical cracking between concrete column and brickwork infill wall [2.13] **(Repair B2)**
- Cracking to brickwork infill wall [2.14 & 2.15] **(Repair B2)**
- Diagonal cracking to concrete floor slab over [2.16] **(Repair N)**
- Water damage to concrete beams and concrete floor slab over [2.17] **(Repair N)**
- Historic horizontal cracking across brickwork sill and concrete column pour line which has opened/lengthened [2.18 & 2.19] **(Repair C1 & B2)**
- Historic horizontal cracking across brickwork sill and concrete column pour line which has opened/lengthened [2.20] **(Repair C1 & B2)**
- Vertical cracking between concrete column and window frame [2.21] **(Repair A)**
- Horizontal cracking to concrete column at junction with brickwork cill [2.21] **(Repair A)**
- Horizontal cracking to brickwork sill [2.22] **(Repair A)**
- Vertical cracking between concrete column and brickwork infill wall [2.23 & 2.24] **(Repair B2)**
- Vertical cracking between concrete column and brickwork infill wall [2.25] **(Repair B2)**

Third Floor

- Historic cracking to concrete roof slab over [3.1, 3.2, 3.3 & 3.4] **(Repair N)**
- Water damage to concrete column and brickwork cill [3.5] **(Repair N)**
- Historic cracking to brickwork cill which has opened/lengthened [3.6 & 3.7] **(Repair B2)**
- Historic cracking to concrete column at pour line which has opened/lengthened [3.8] **(Repair C1)**
- Vertical cracking between concrete column and brickwork infill wall [3.9] **(Repair B2)**

Stairwell

Ground Floor to First Floor

- Cracking between concrete beam and brickwork infill wall [S.1] (**Repair B2**)
- Cracking between concrete column and brickwork infill wall [S.1 & S.2] (**Repair B2**)
- Cracking between concrete beam and brickwork infill wall [S.3] (**Repair B2**)
- Cracking between concrete column and brickwork infill wall [S.3] (**Repair B2**)
- Cracking and spalling of concrete column [S.4] (**Repair C2**)
- Cracking between concrete beam and brickwork infill wall [S.5] (**Repair B2**)
- Cracking between concrete column and brickwork infill wall [S.6] (**Repair B2**)
- Cracking to brickwork infill wall [S.6 & S.7] (**Repair B2**)
- Cracking between concrete beam and brickwork infill wall [S.8] (**Repair B2**)
- Cracking to brickwork infill wall [S.8 & S.9] (**Repair B2**)
- Cracking between concrete beam and brickwork infill wall [S.9 – refer also 1.1 in background] (**Repair B2**)
- Cracking between brickwork infill walls [S.10] (**Repair B2**)
- Cracking to brickwork infill bulkhead wall [S.10, S.11 & S.12] (**Repair B2**)
- Cracking to brickwork infill wall [S.13] (**Repair B2**)

First Floor to Second Floor

- Cracking between concrete beam and brickwork infill wall [S.14 & S.15] (**Repair B2**)
- Cracking and water damage to concrete beam, concrete column and concrete floor slab over [S.16, S.17 & S.18] (**Repair C1**)
- Cracking and water damage to concrete columns, brickwork infill walls/sills and concrete floor slab over [S.19, S.20, S.21, S.22 & S.23] (**Repair B2**)

Second Floor to Third Floor

- Cracking between concrete column and brickwork infill wall [S.24] (**Repair B2**)
- Cracking between concrete column and lightweight wall [S.24] (**Repair A**)
- Cracking between concrete beam and brickwork infill wall [S.25] (**Repair B2**)
- Cracking between concrete column and brickwork infill wall [S.26] (**Repair B2**)
- Cracking between concrete beam and brickwork infill wall [S.27] (**Repair B2**)
- Water damage to concrete beam, brickwork infill wall and concrete floor slab over [S.27 & S.28] (**Repair B2**)
- Cracking between concrete column and brickwork infill wall [S.28] (**Repair B2**)
- Vertical cracking to brickwork sill [S.28] (**Repair B2**)
- Cracking to concrete column [S.29] (**Repair C1**)
- Horizontal cracking to brickwork sill [S.29] (**Repair B2**)
- Cracking to concrete column [S.30] (**Repair C1**)
- Cracking to concrete column [S.31] (**Repair C1**)
- Cracking and water damage to concrete beam, concrete column, brickwork Sill, brickwork infill wall and concrete floor slab over [S.32, S.33 & S.34] (**Repair C1 & B2**)

Roof

- Historic cracking to concrete capping [R.1] (Repair N)
- Historic cracking to brickwork wall [R.2] (Repair N)
- Historic cracking to brickwork wall [R.3] (Repair N)
- Historic cracking to concrete roof slab [R.4 – refer also 3.1, 3.2, 3.3 & 3.4] (Repair N)

APPENDIX D

Photographs

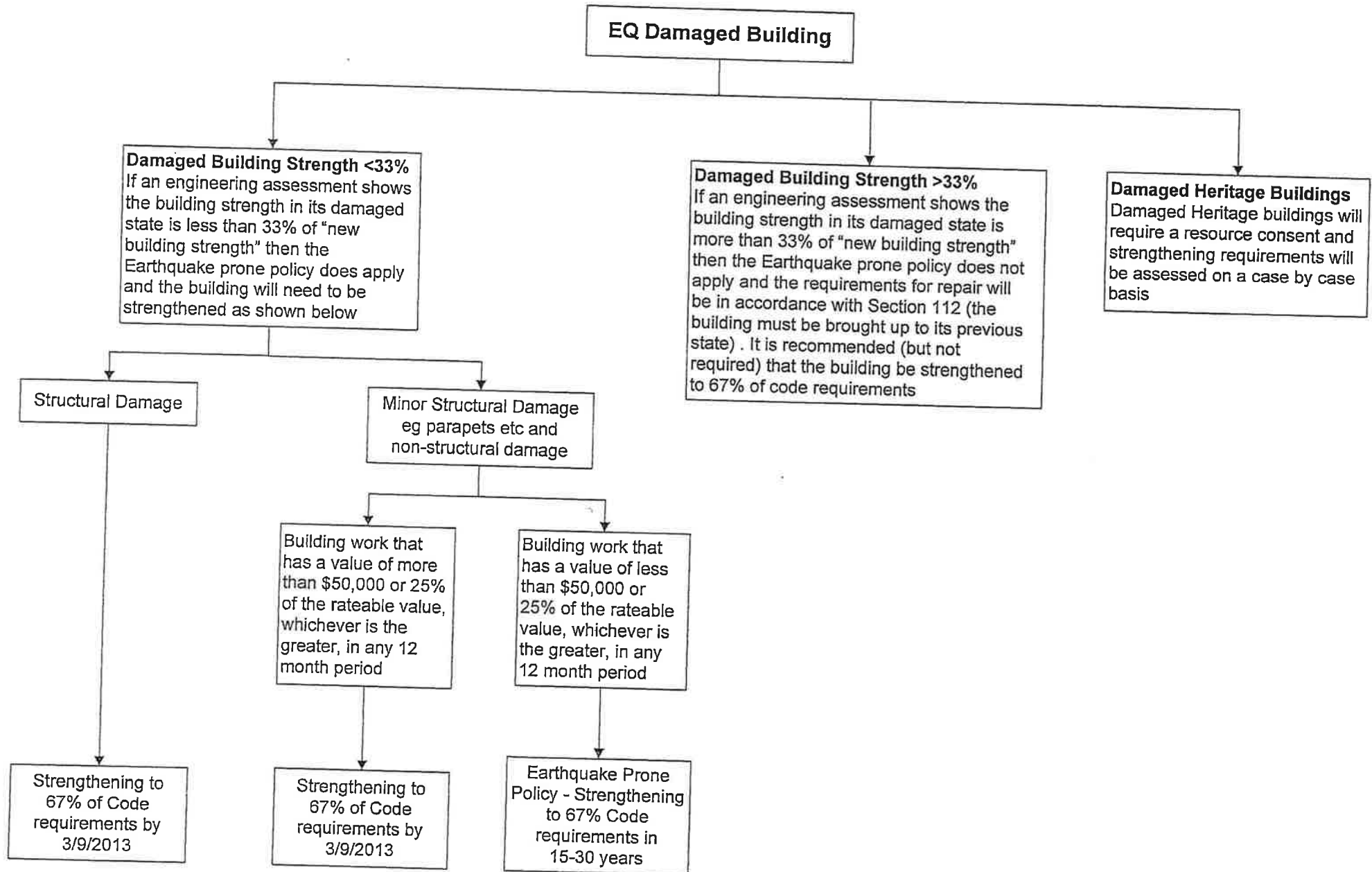


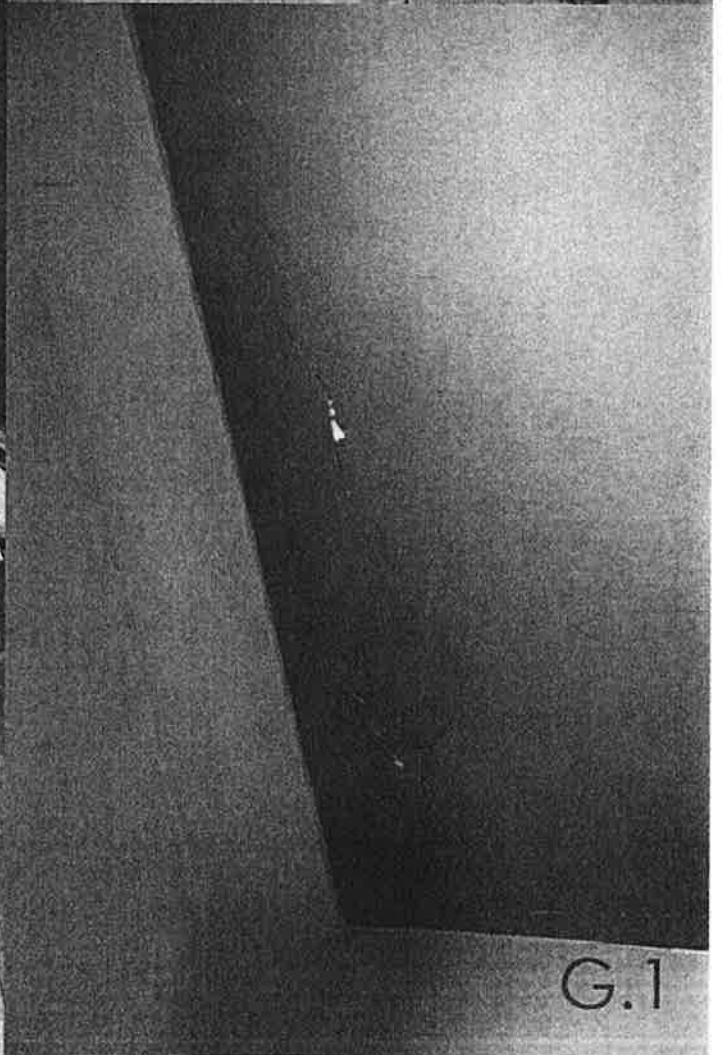
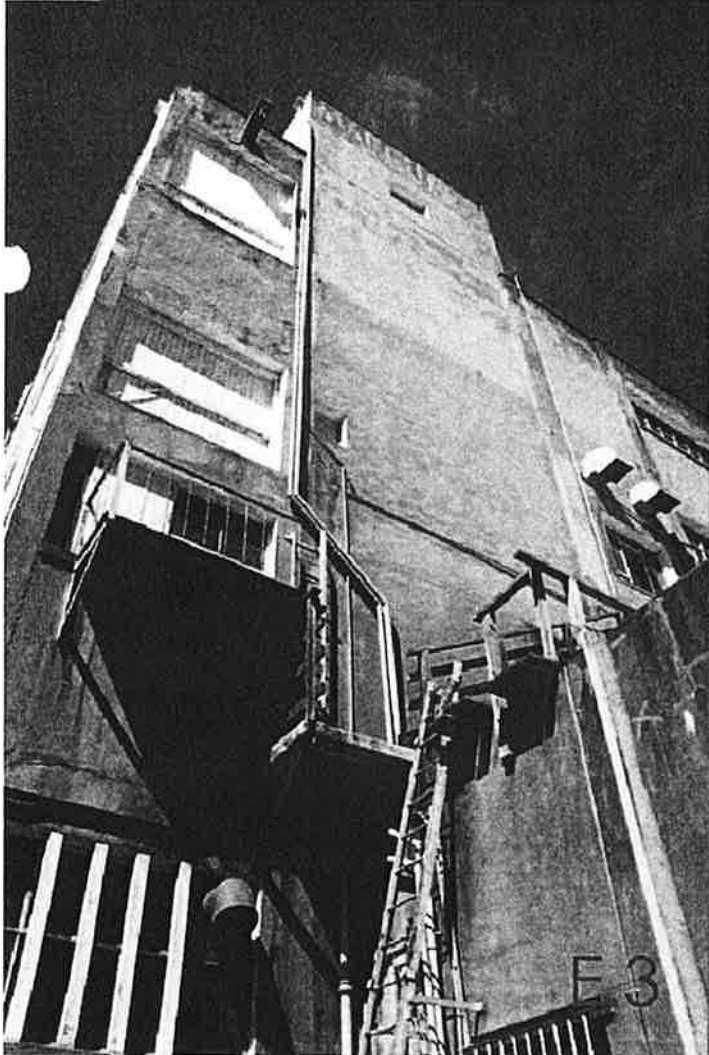
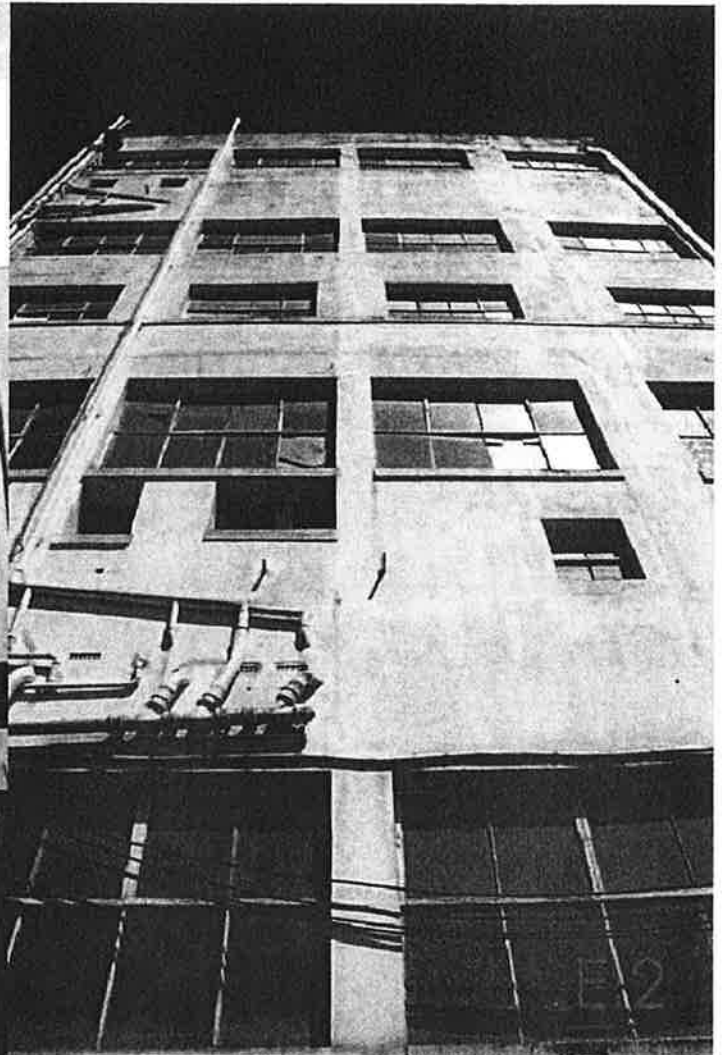
APPENDIX E

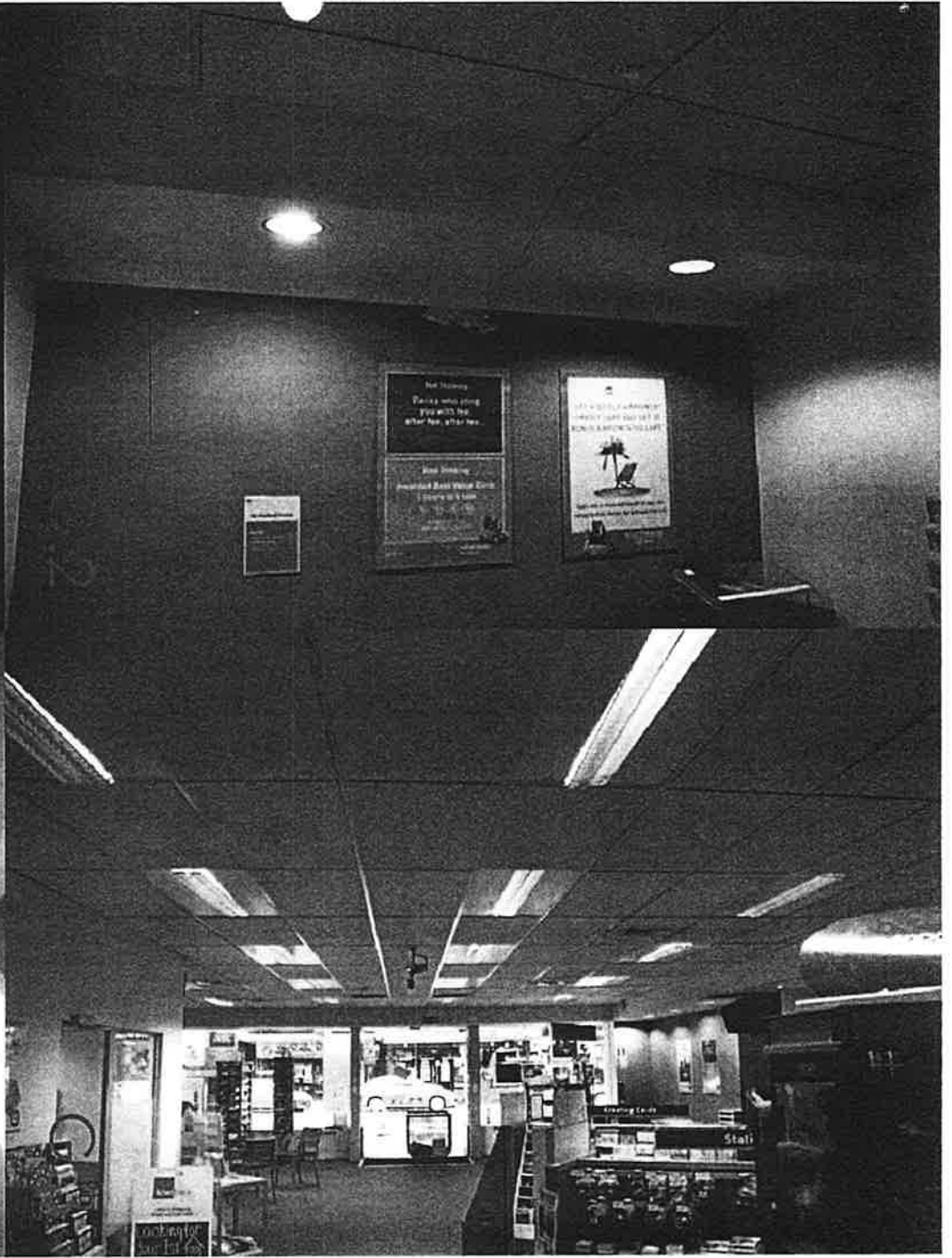
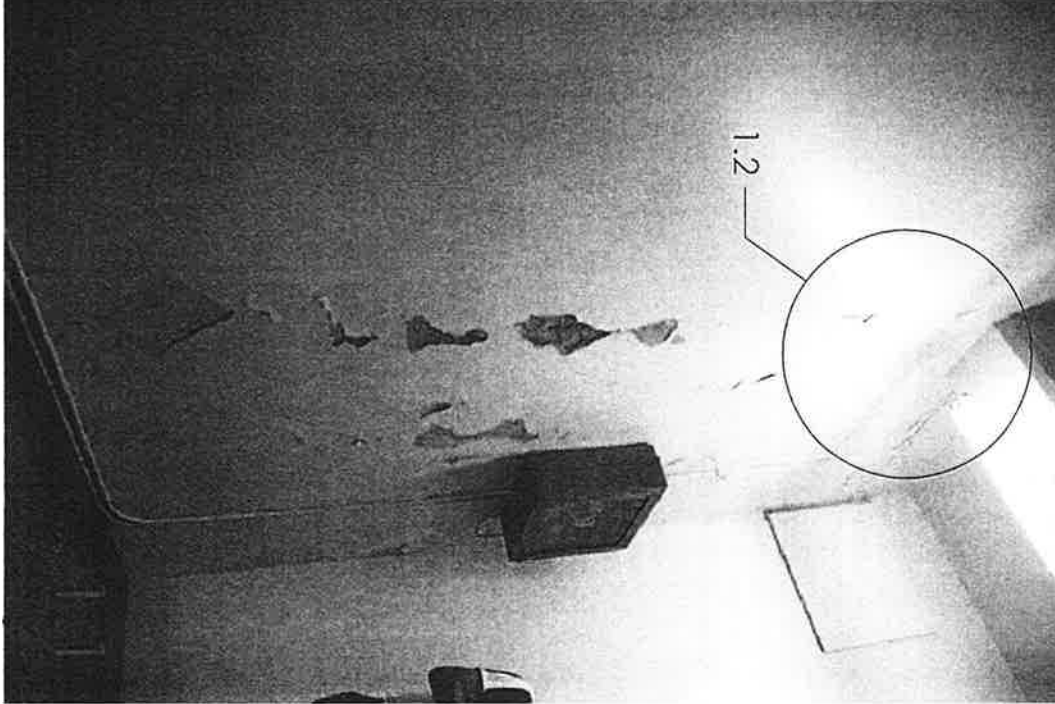
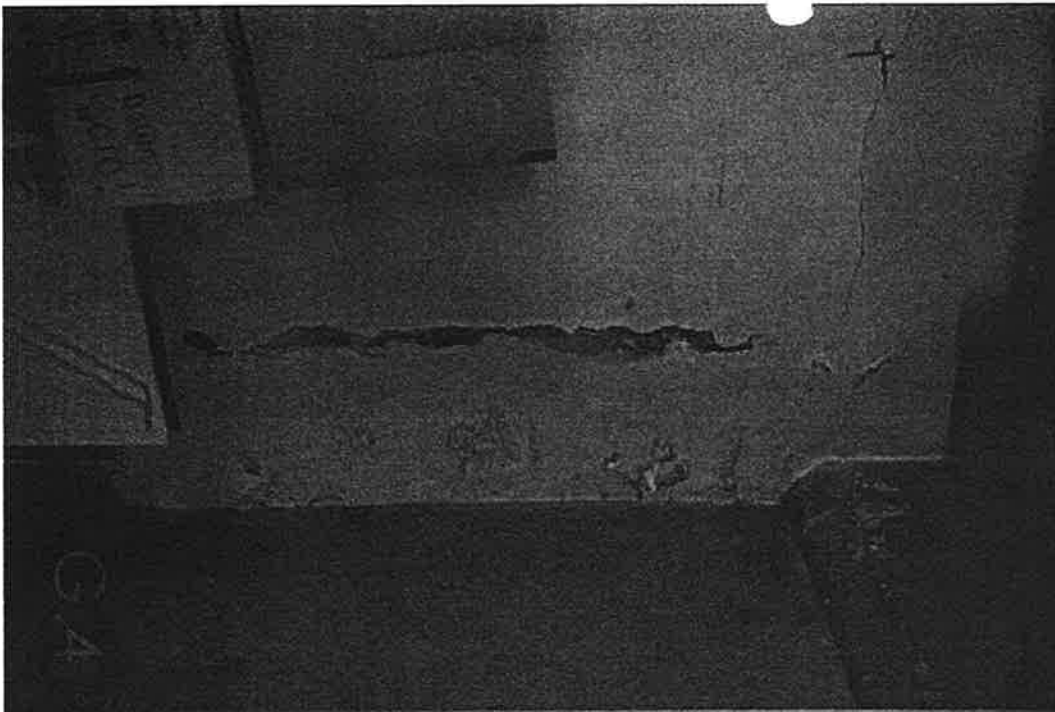
Strengthening of Earthquake Damaged Buildings Flowchart

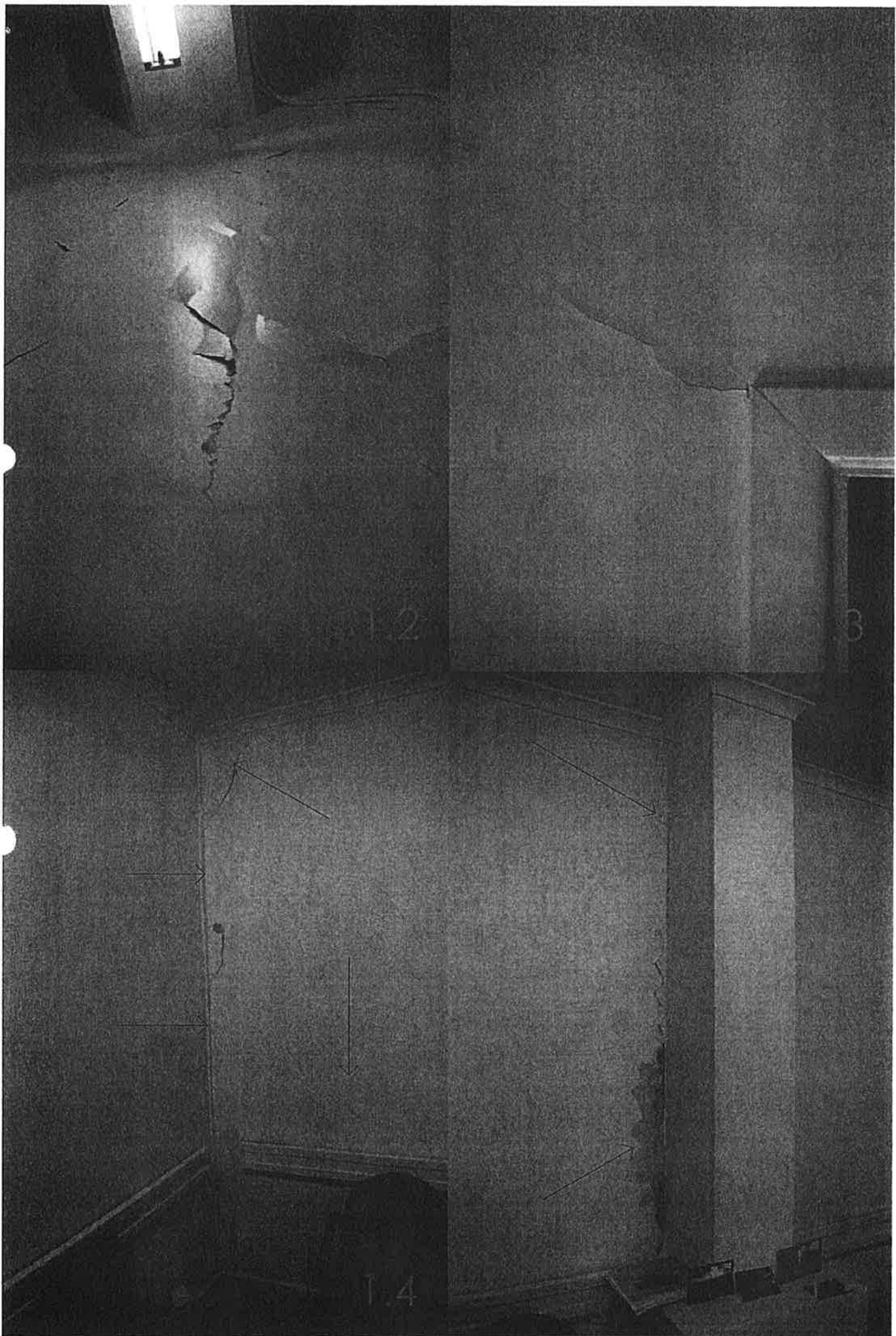


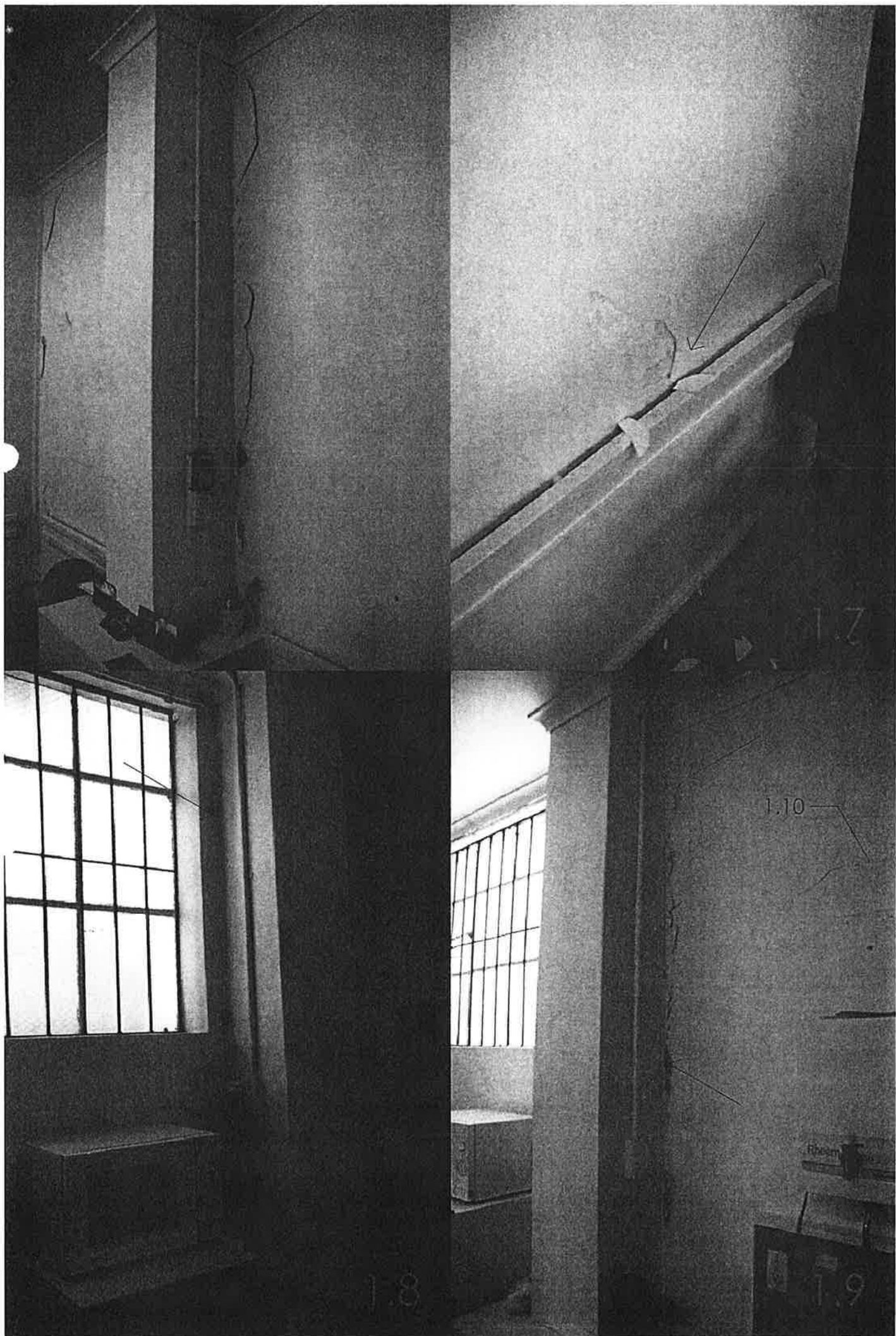
Strengthening of Earthquake Damaged Buildings

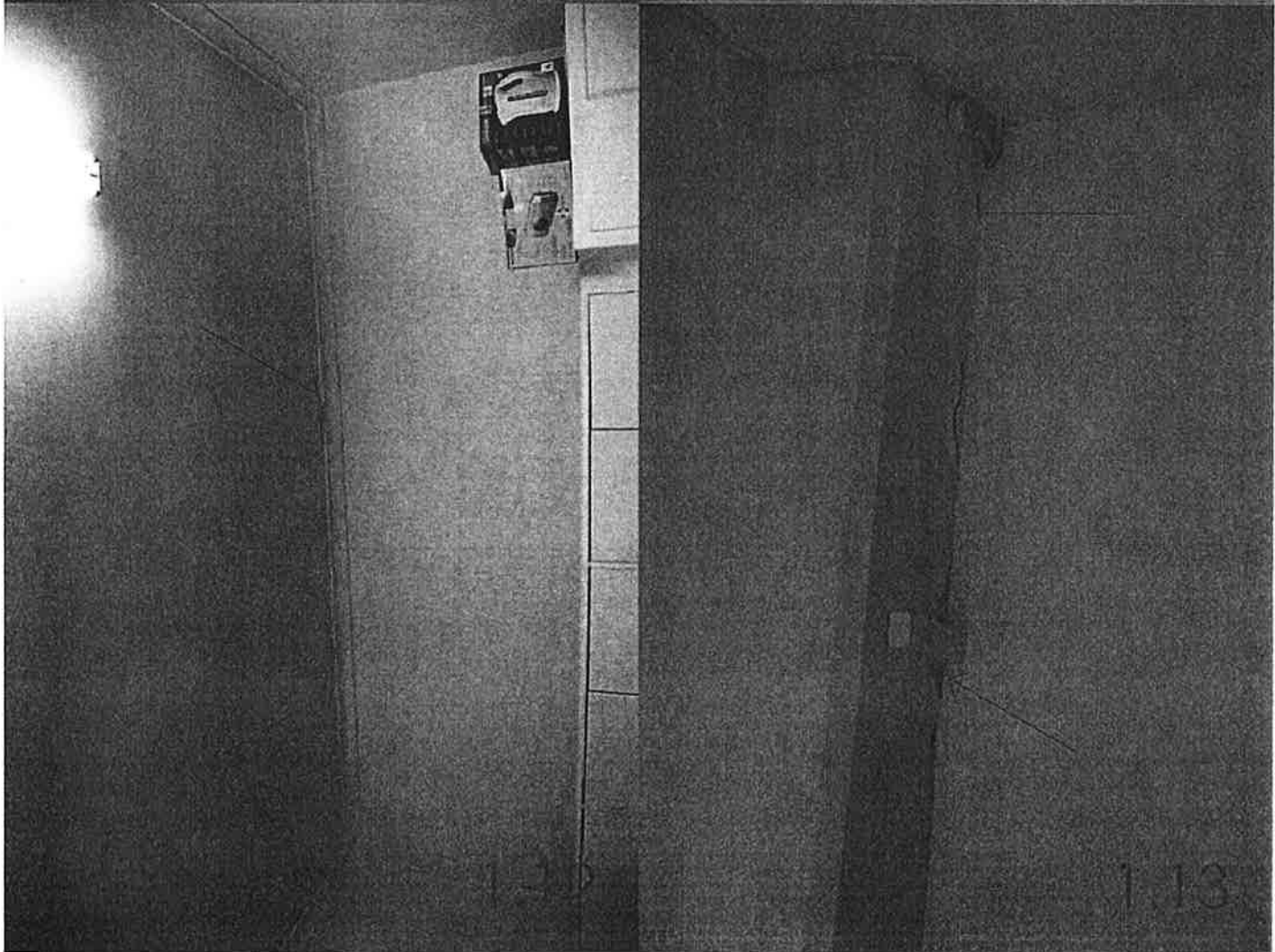
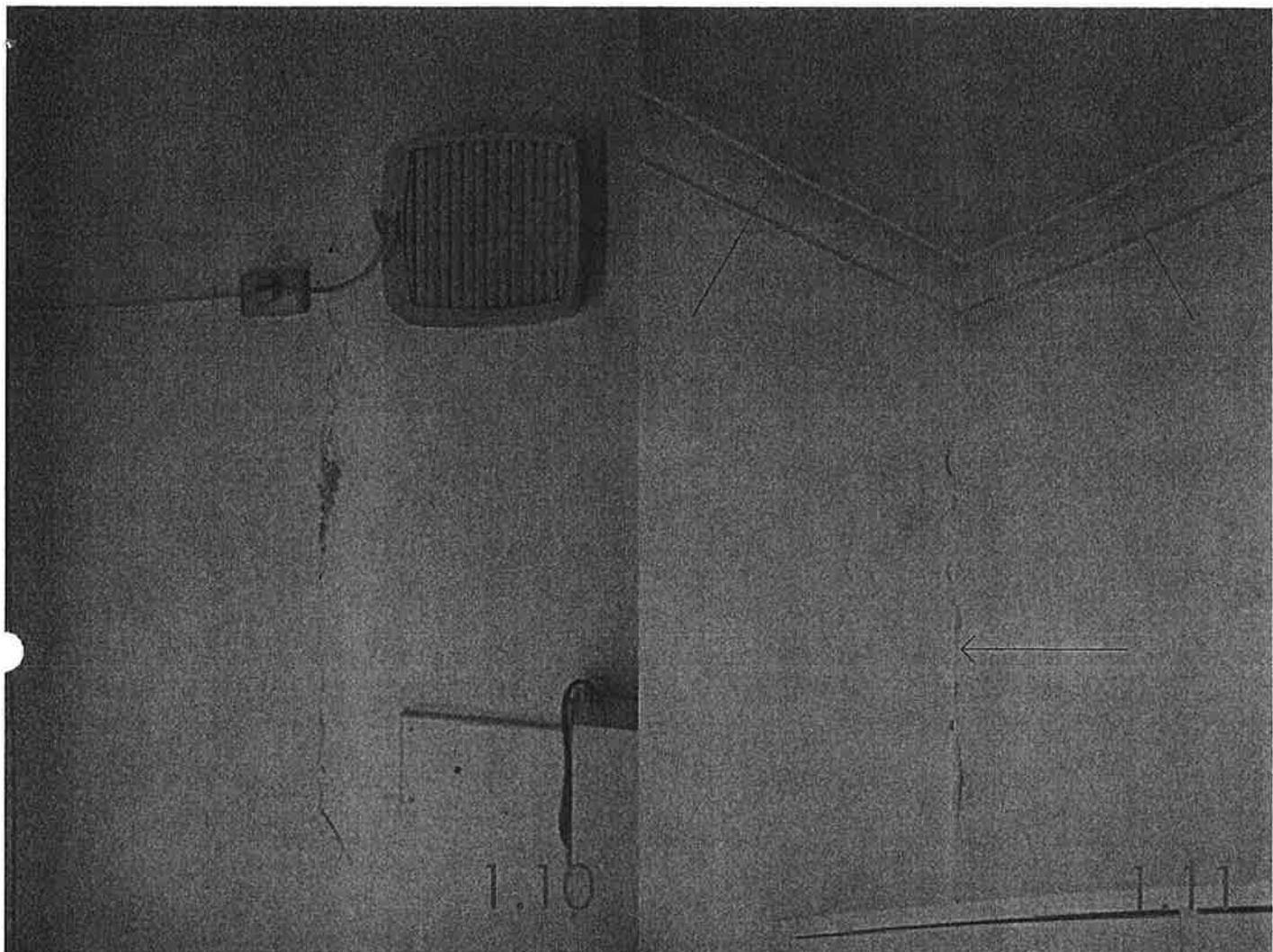


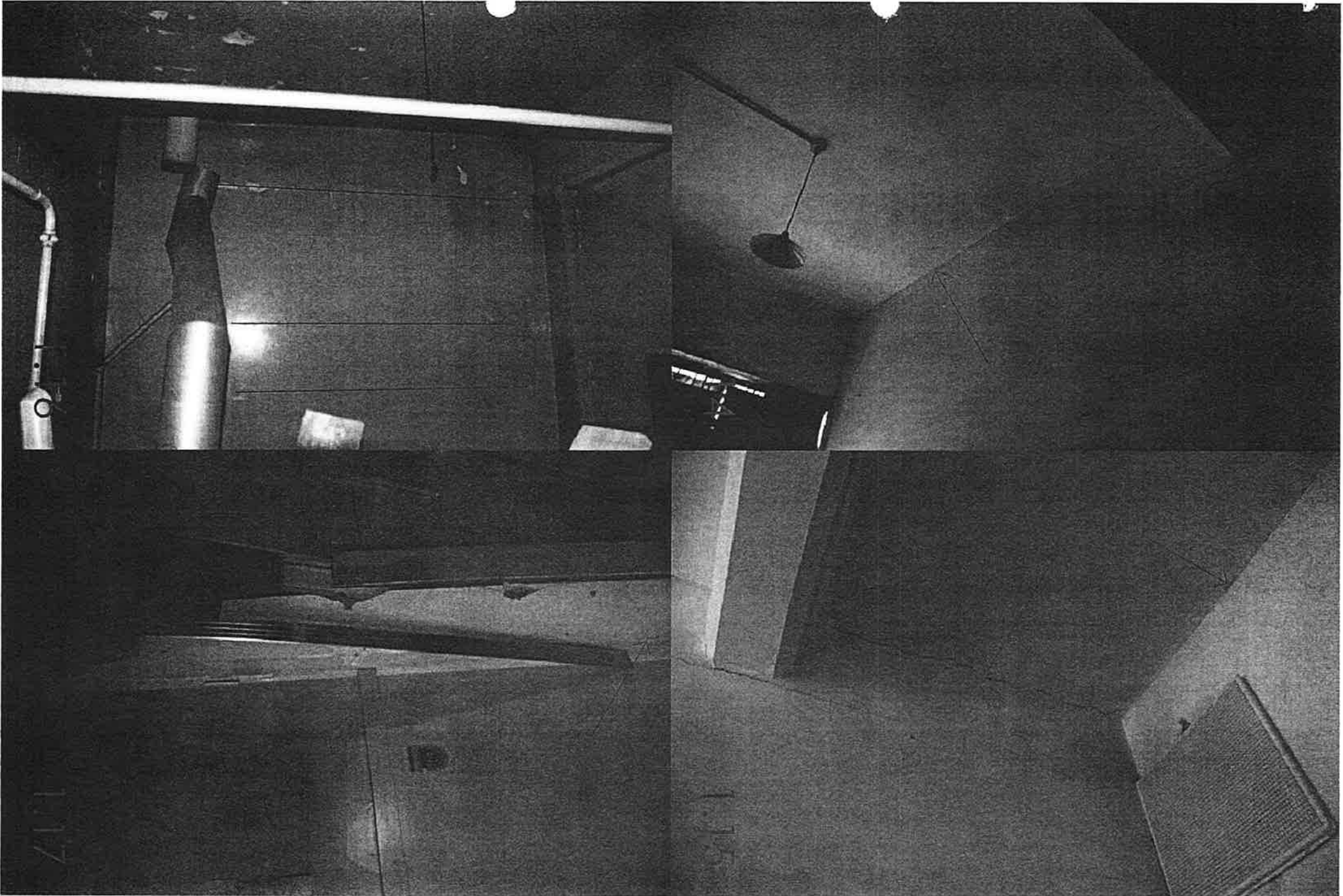


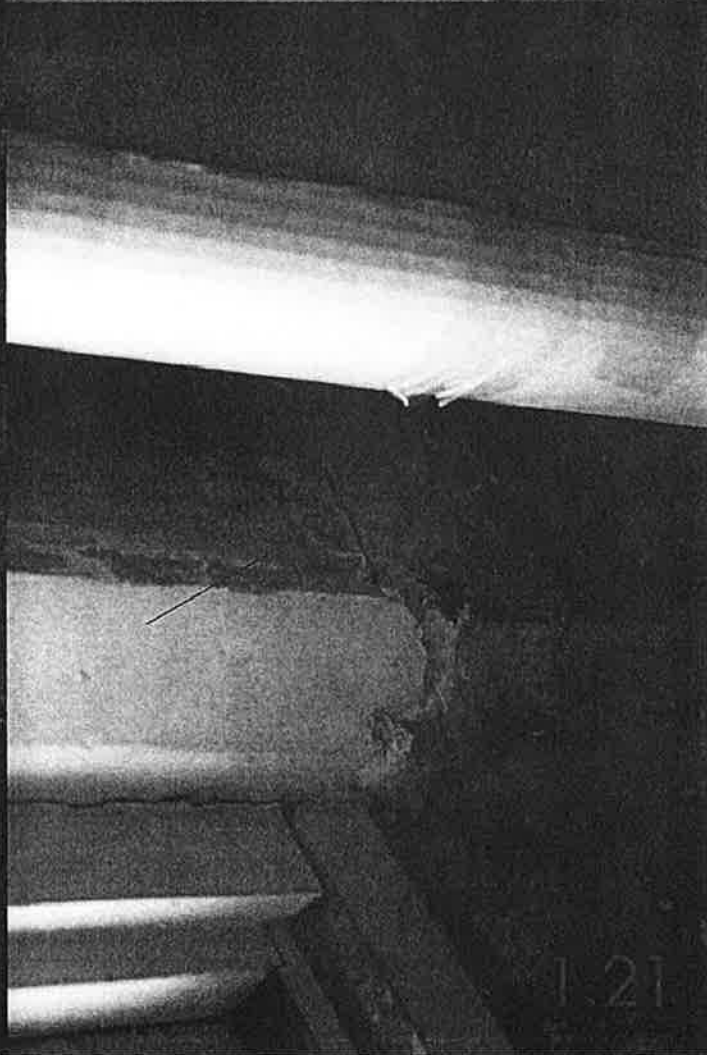
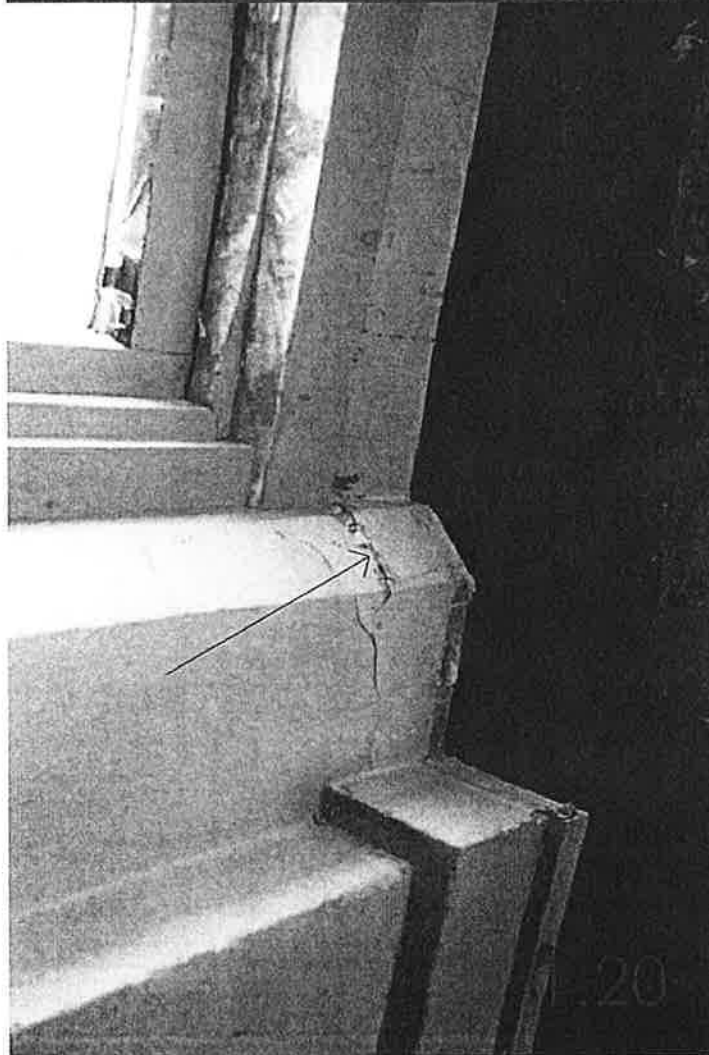
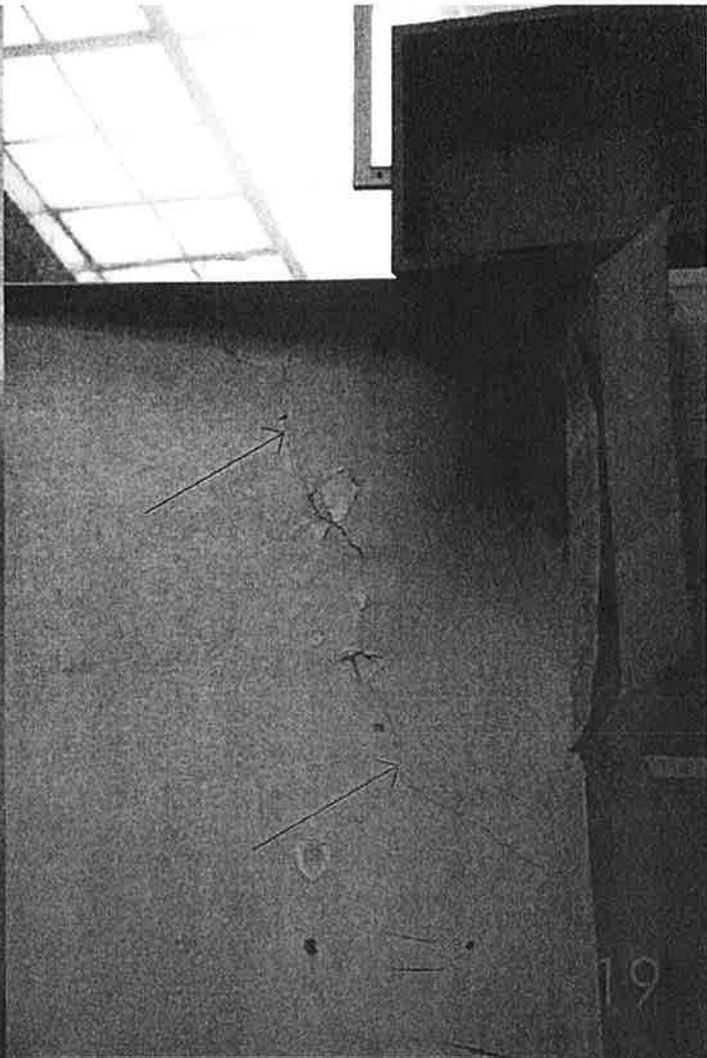
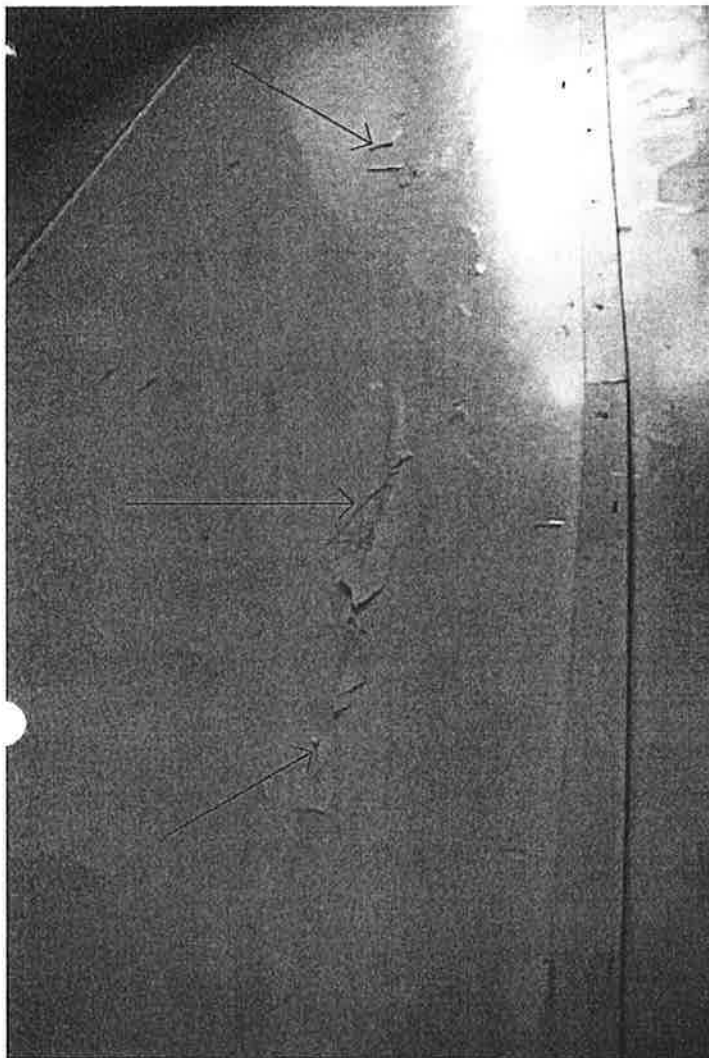


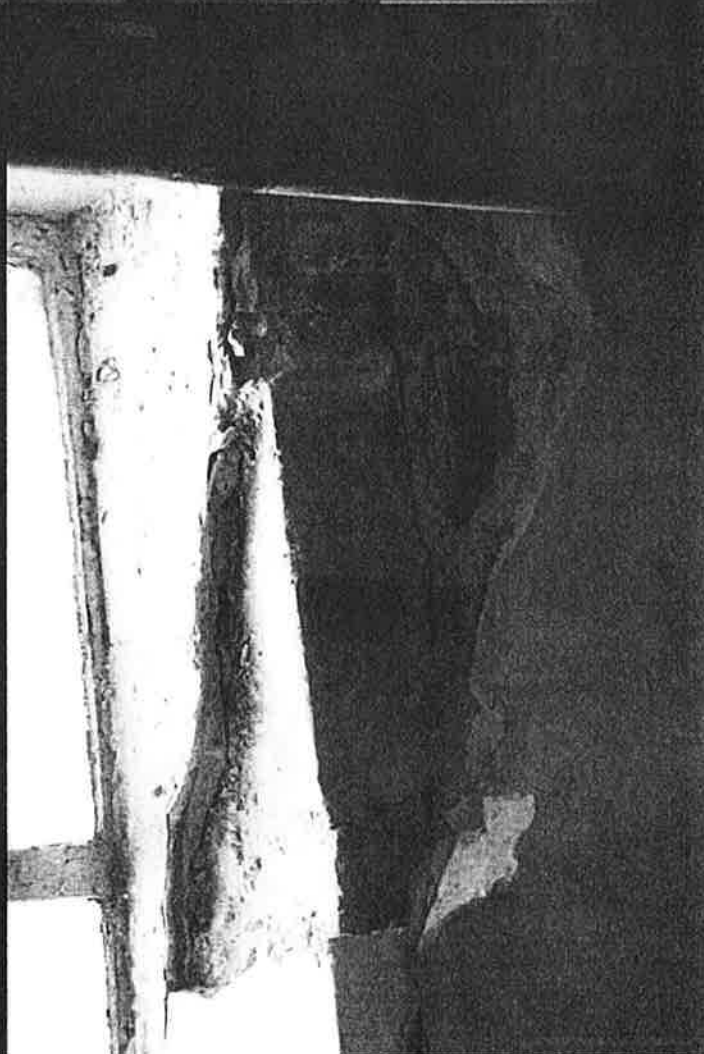
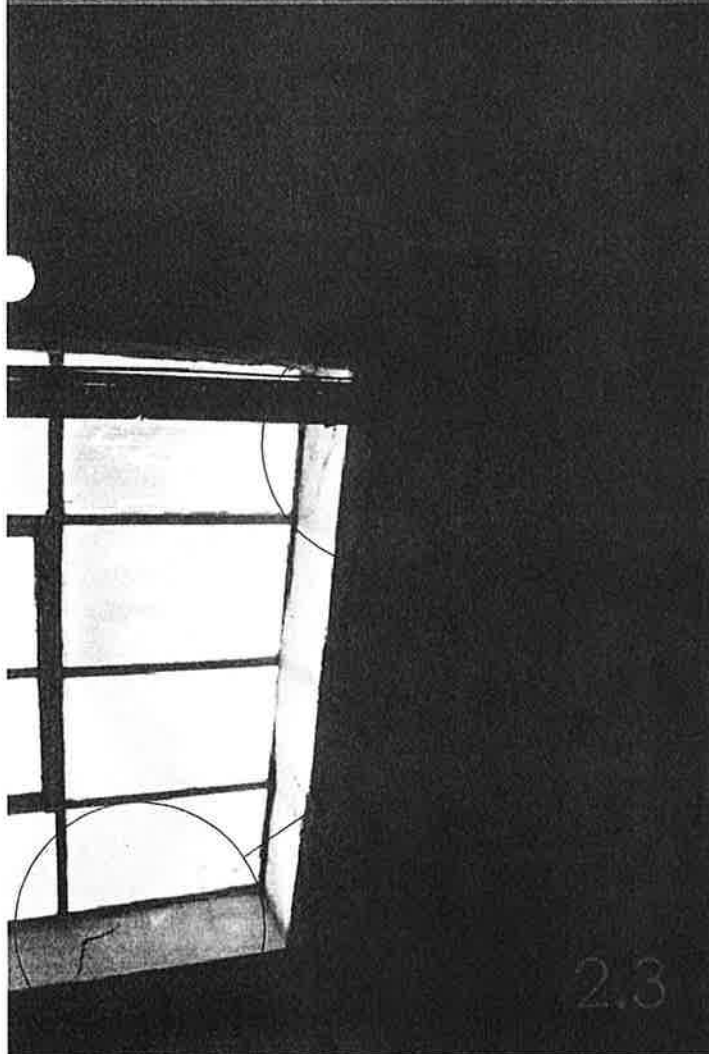
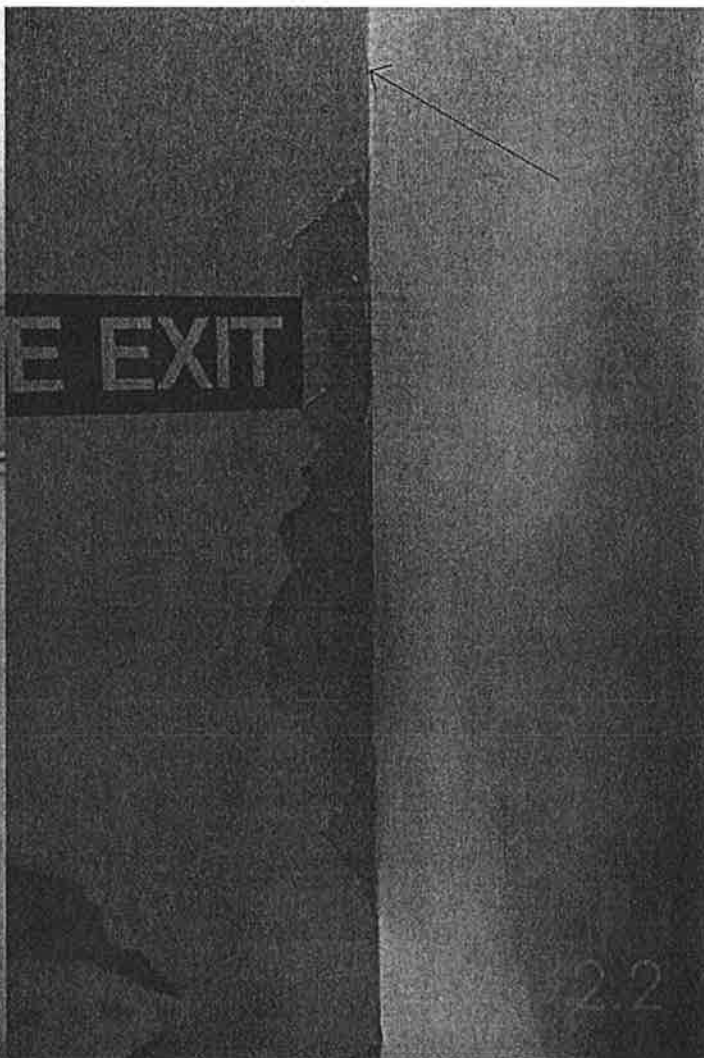
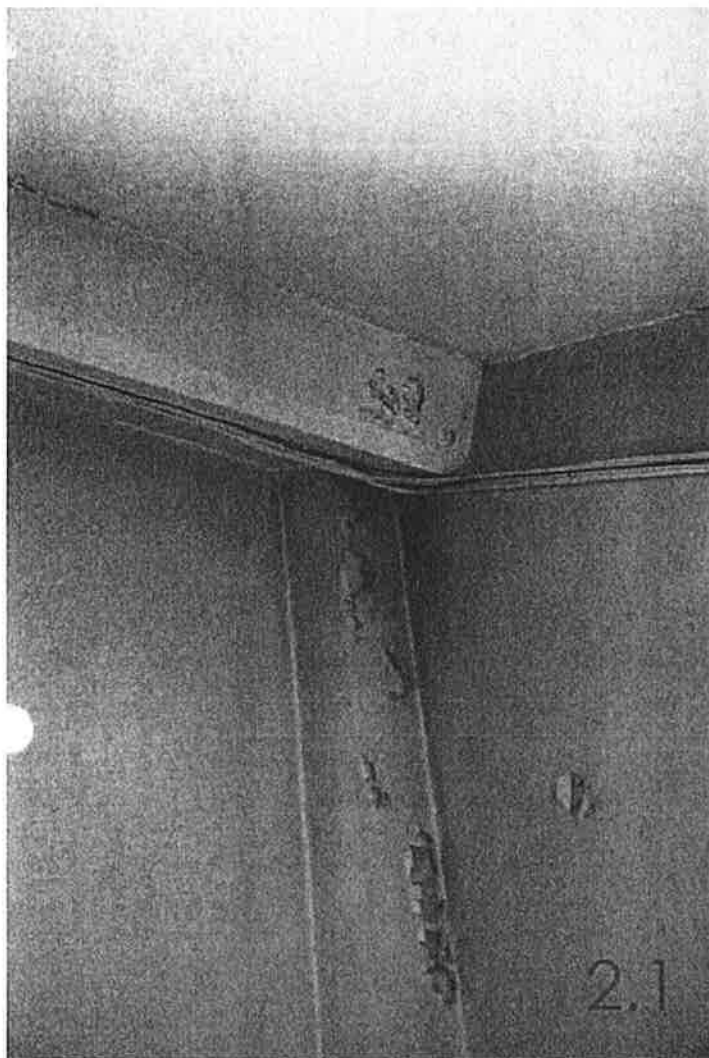


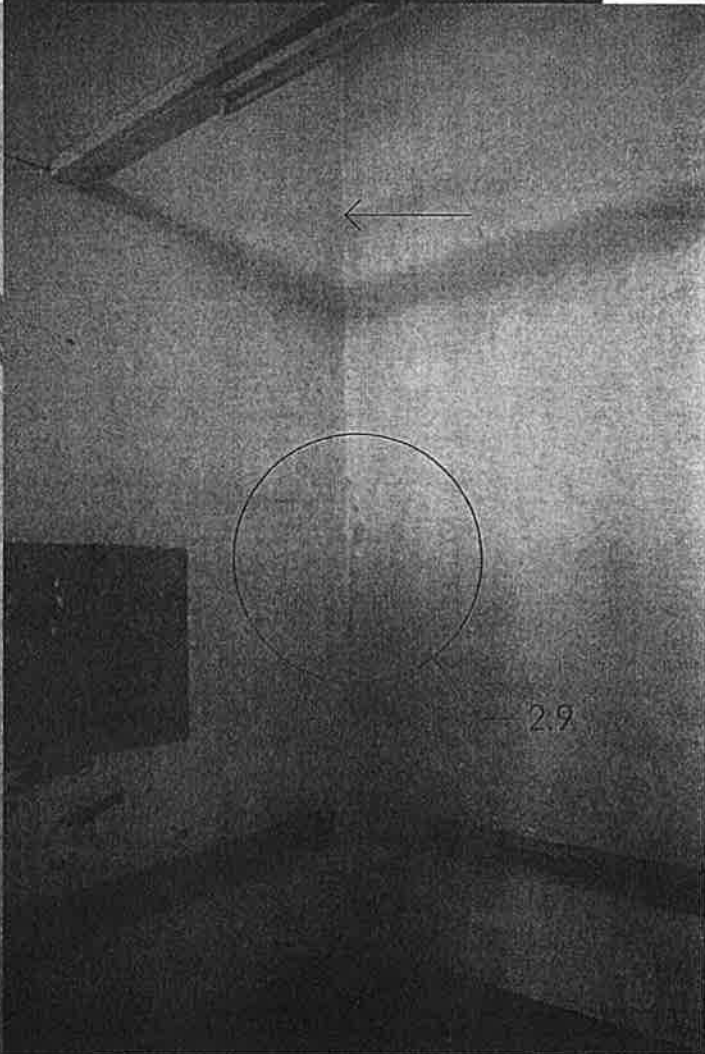
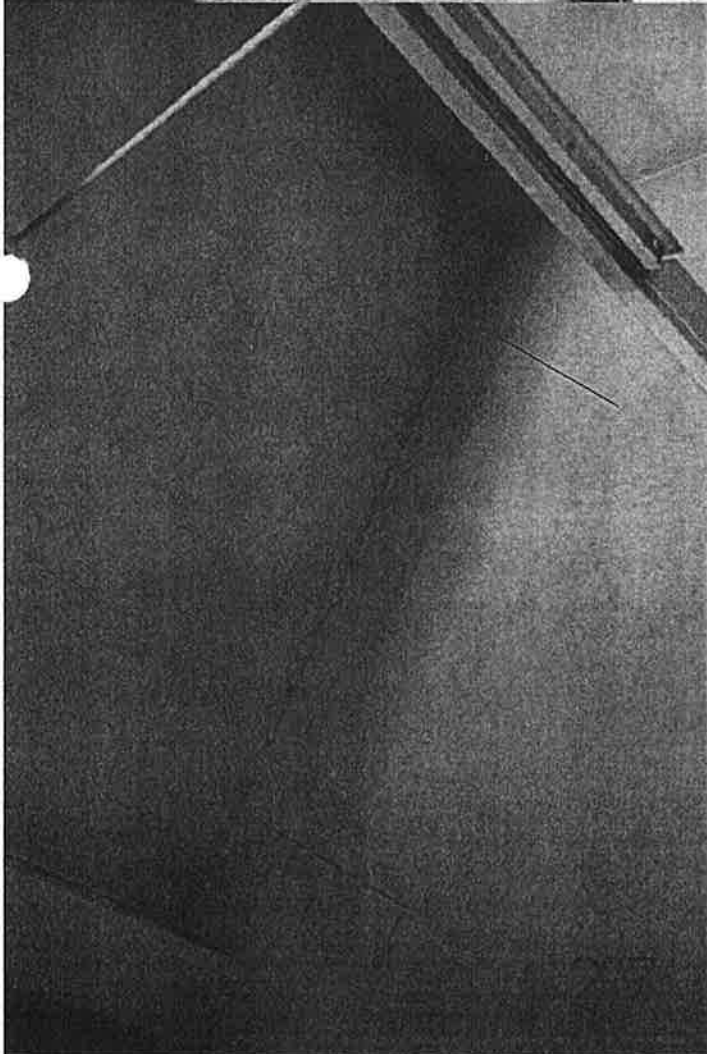
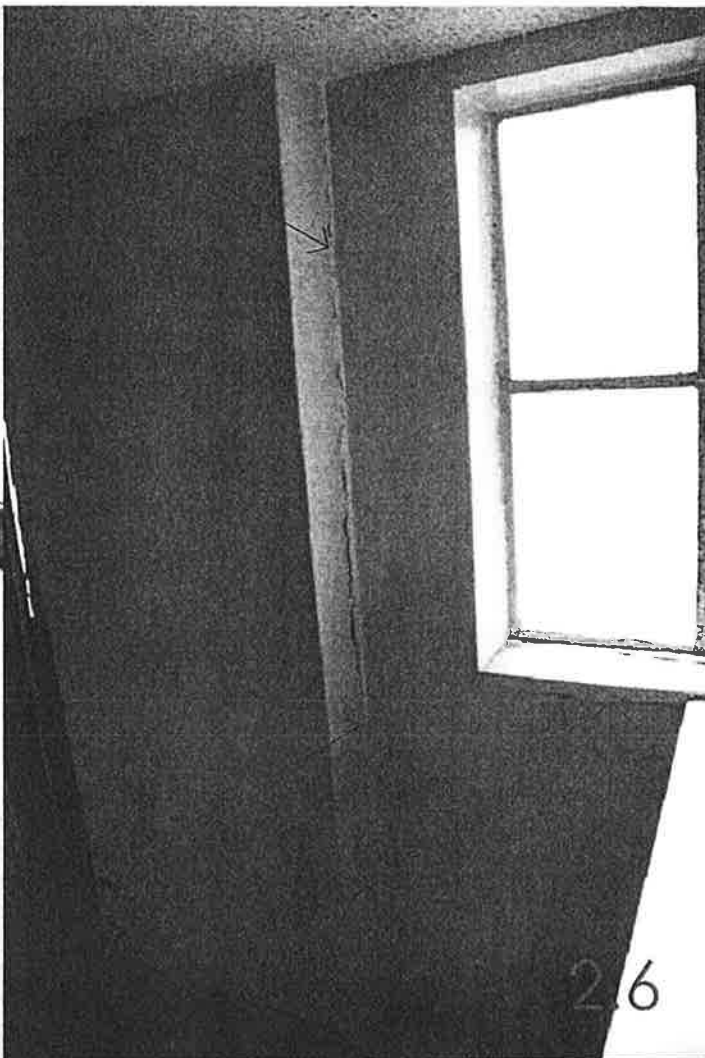
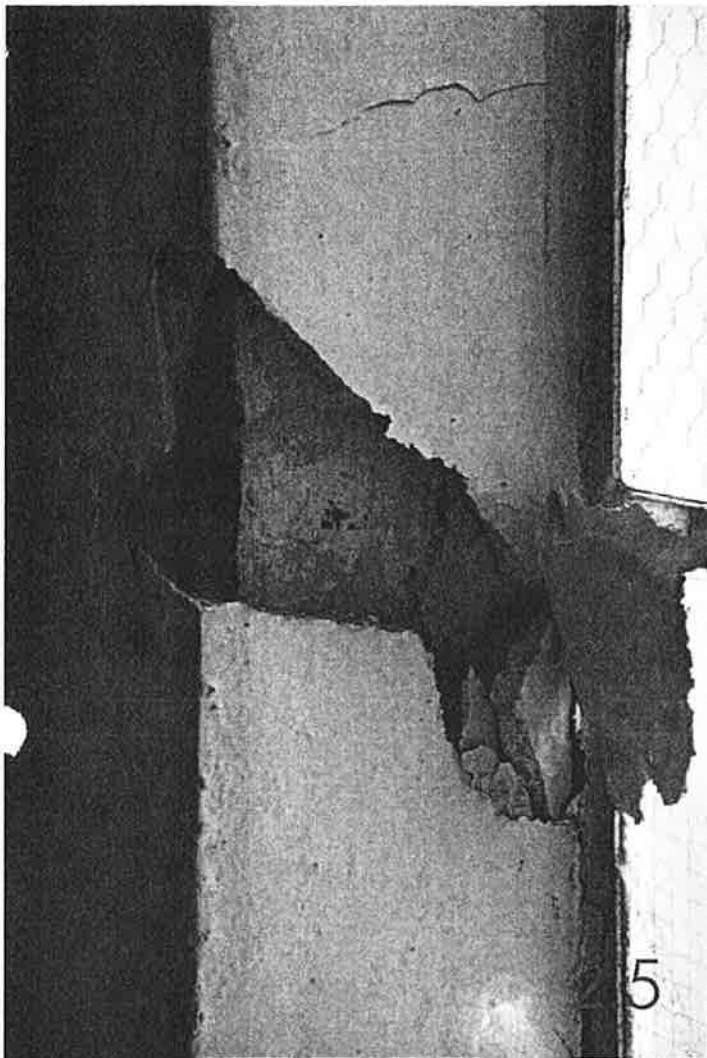


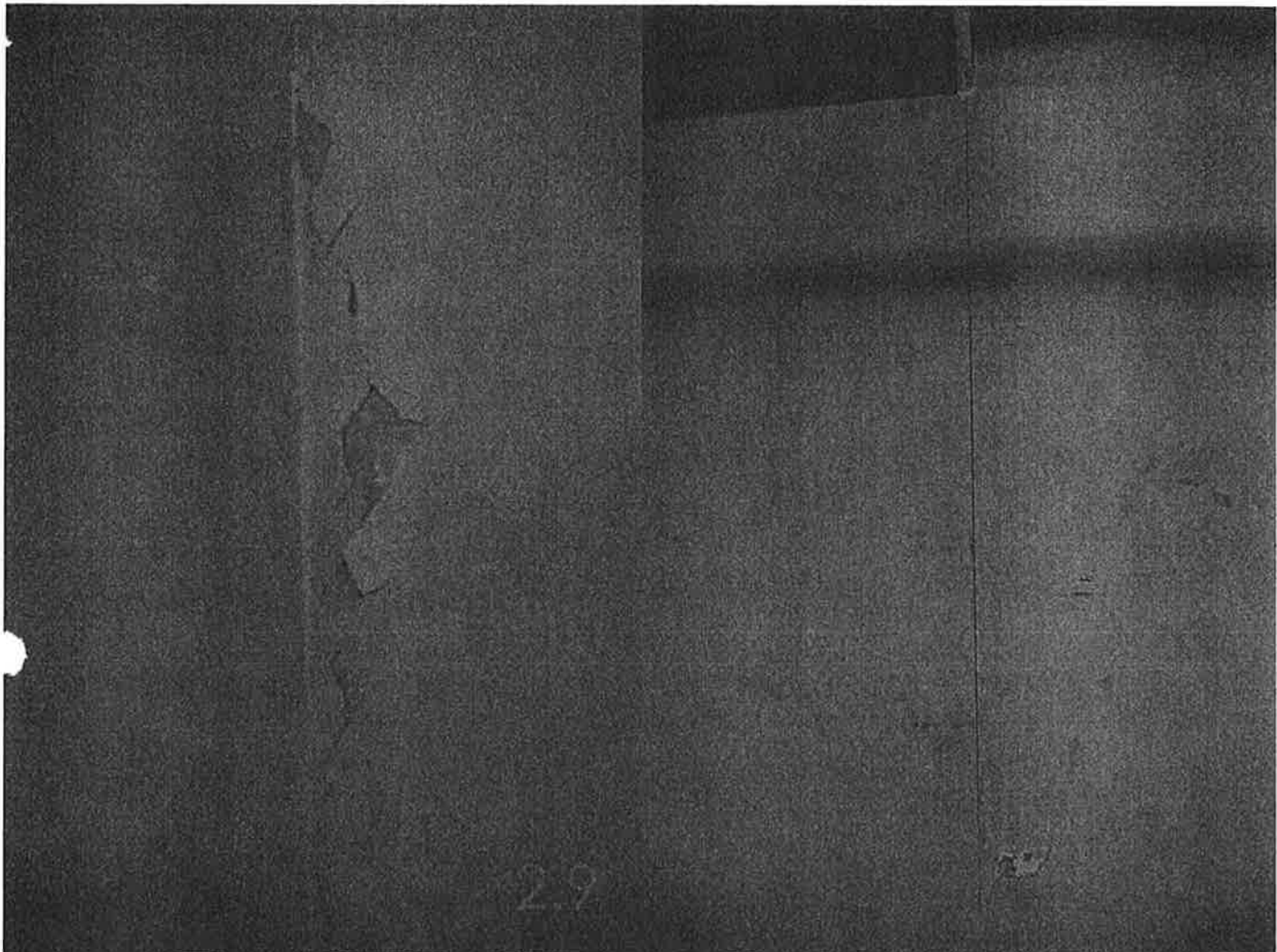








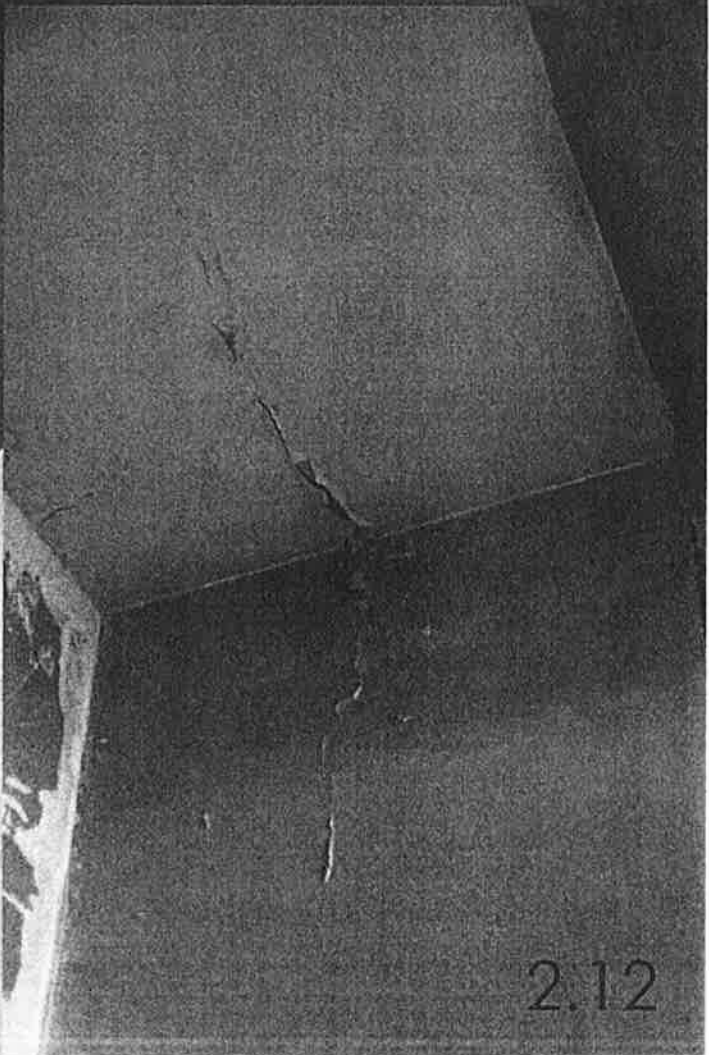




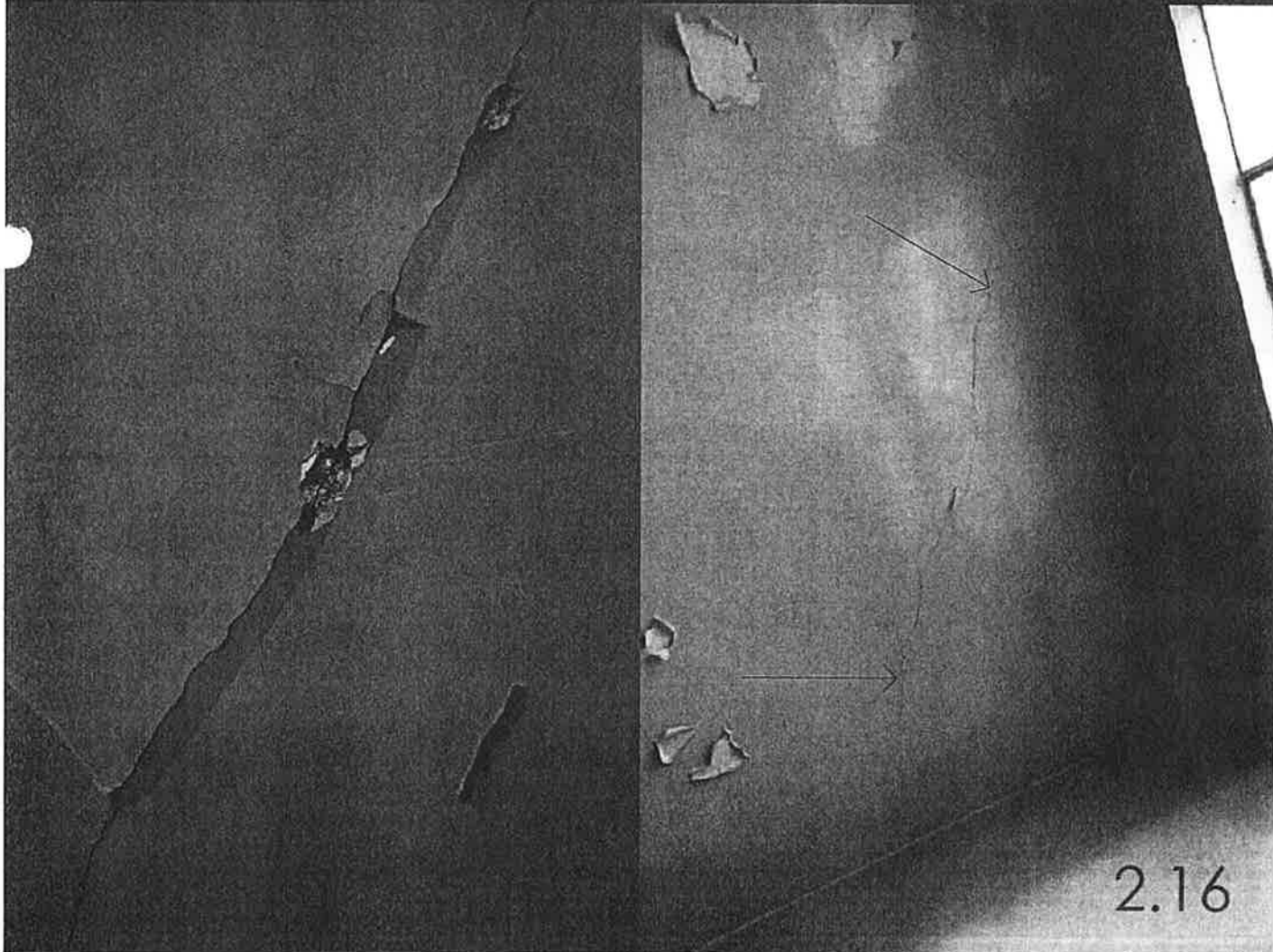
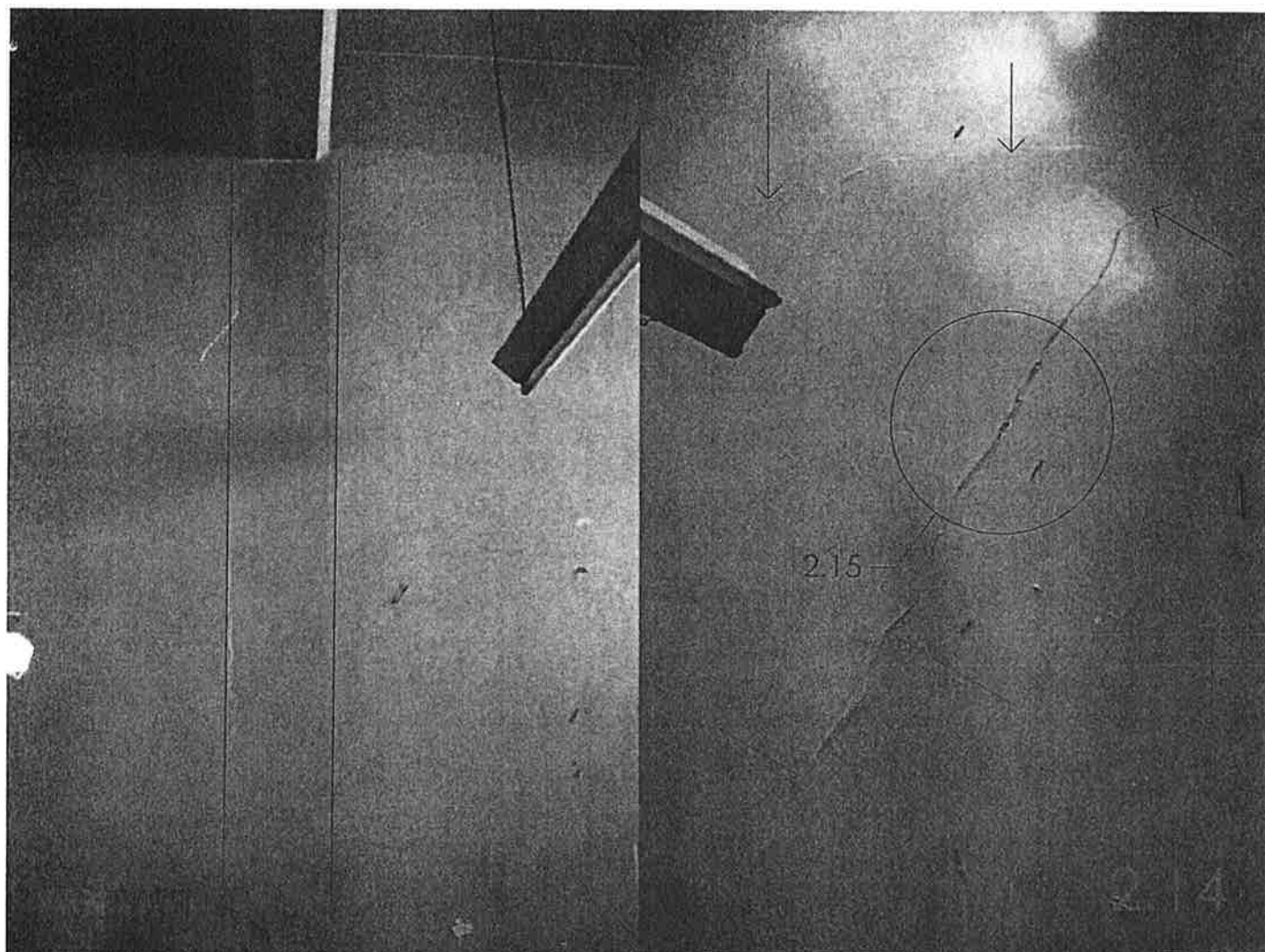
2.9



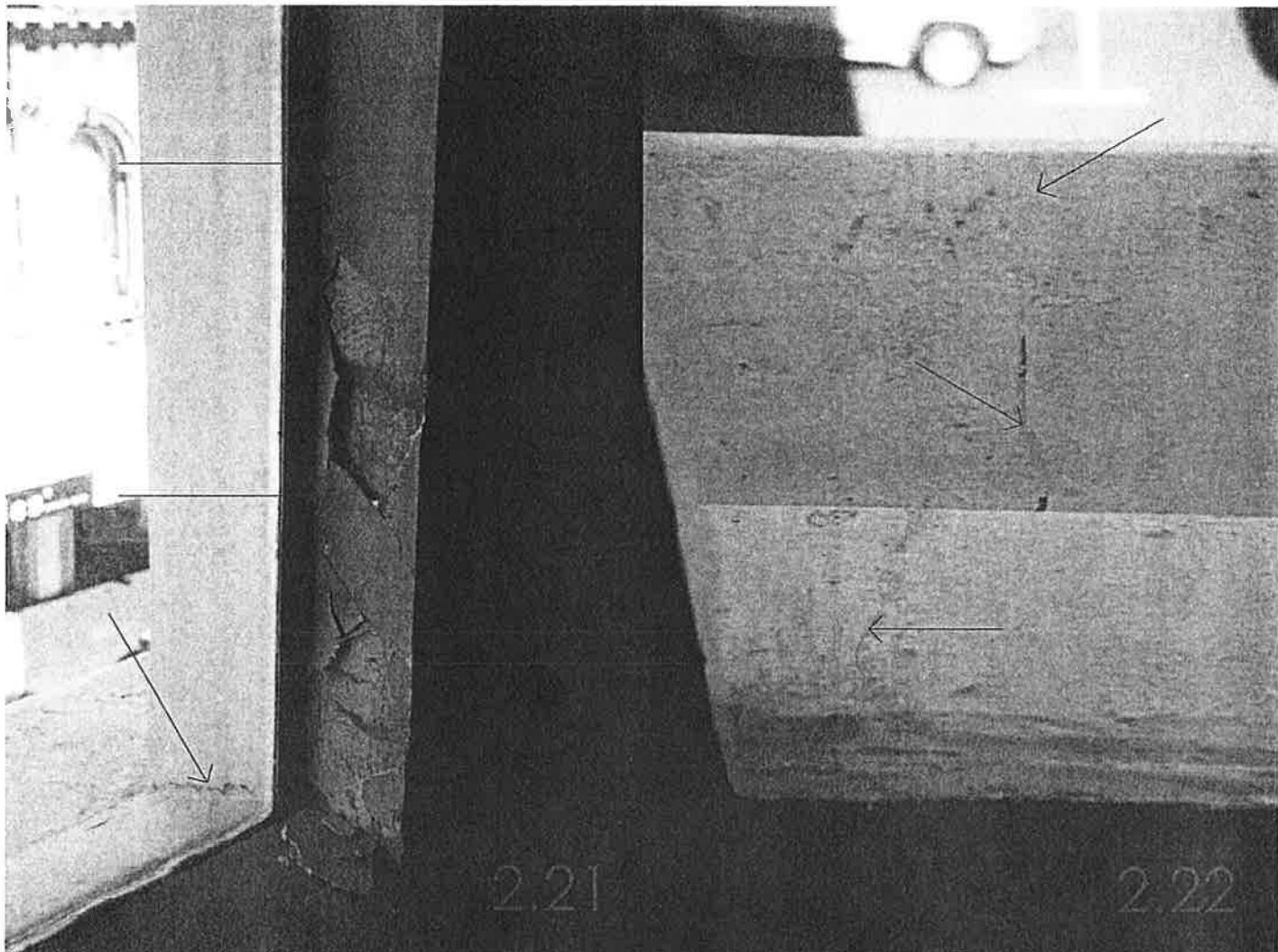
2.11

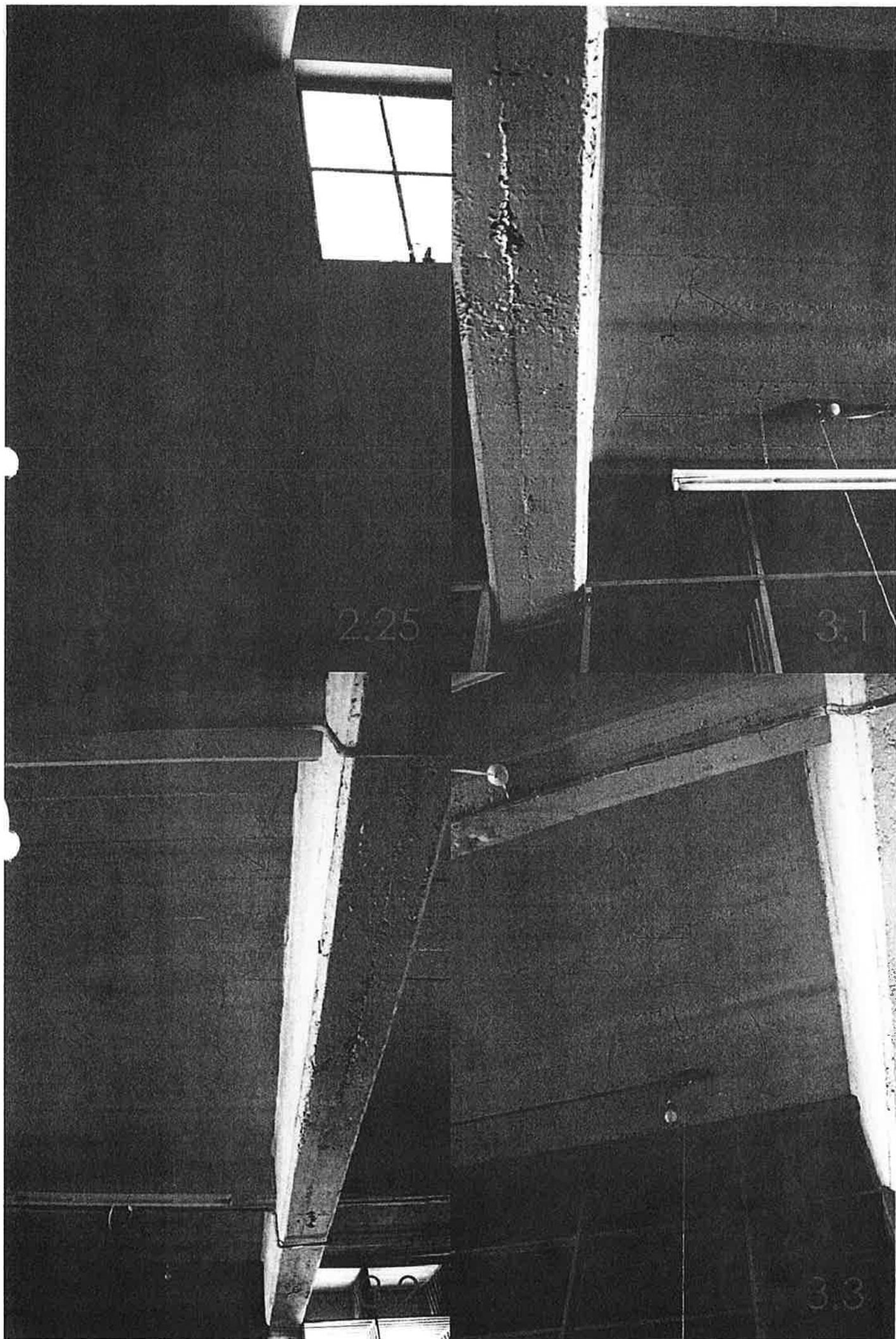


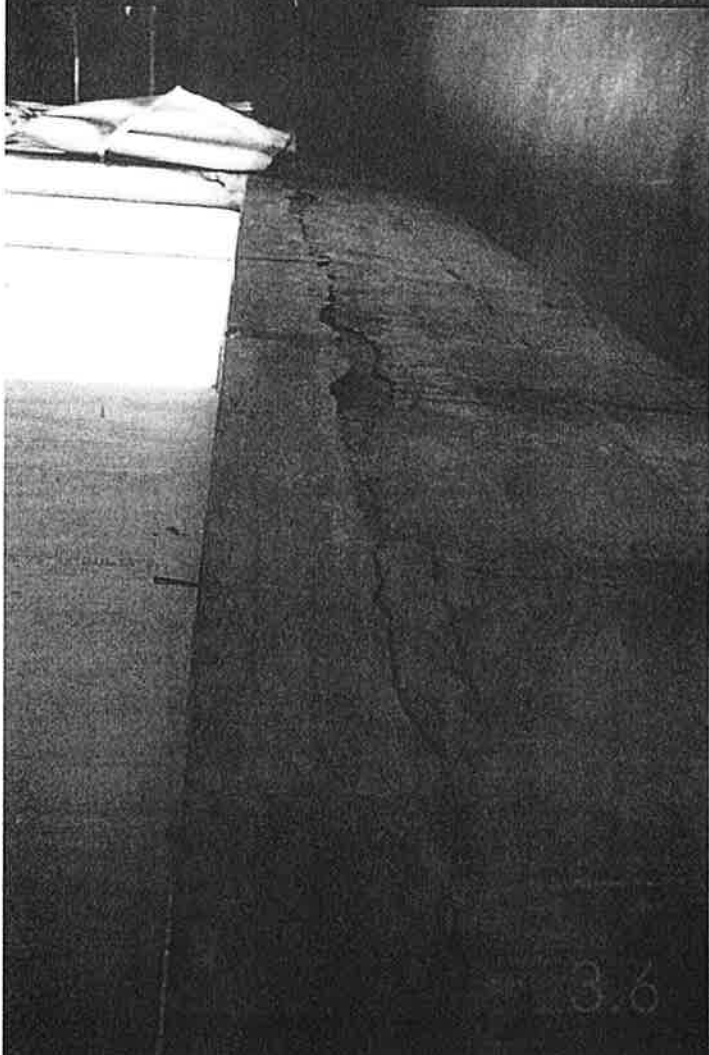
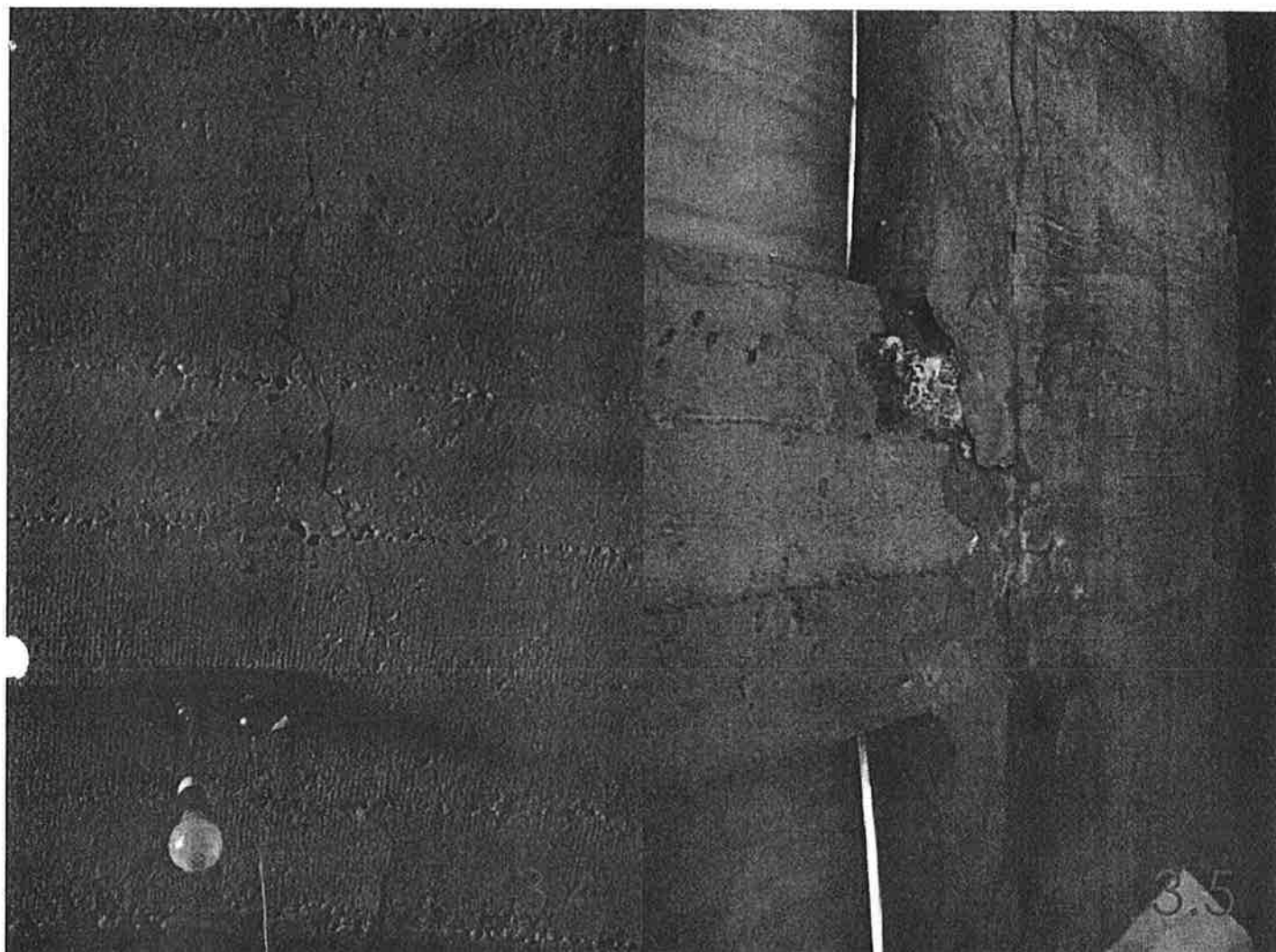
2.12

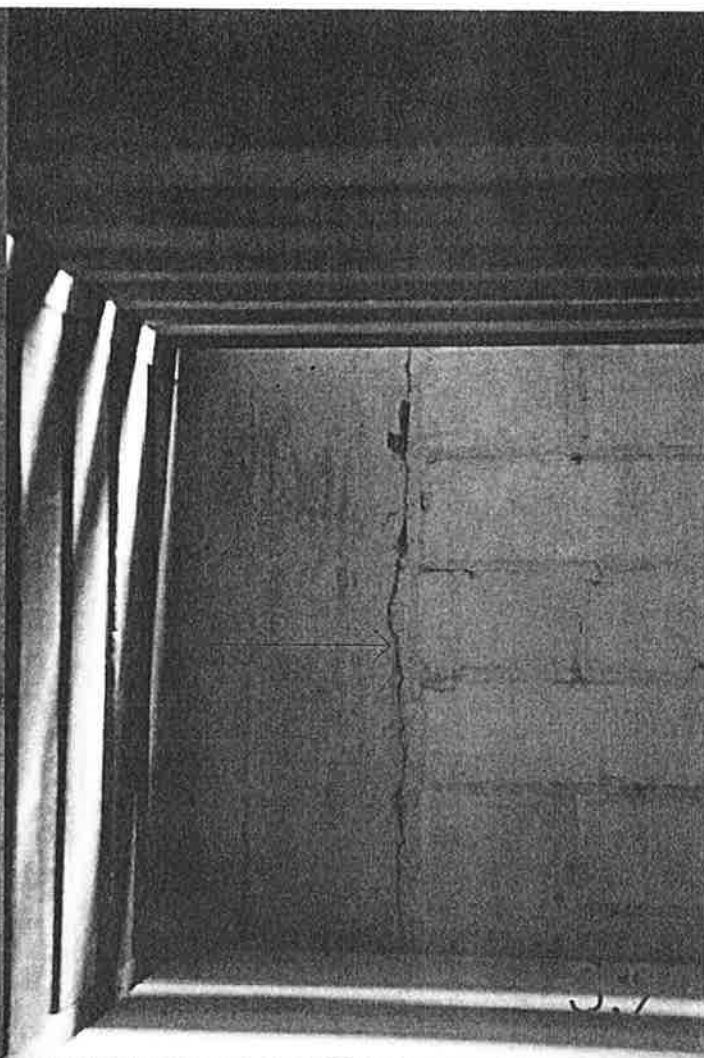
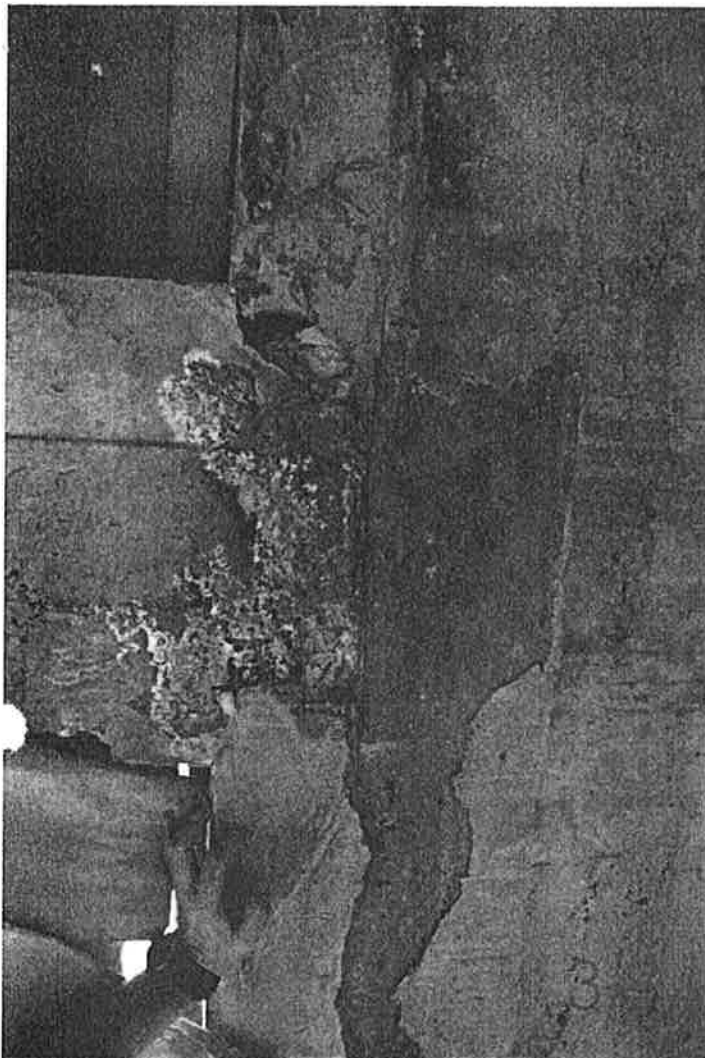


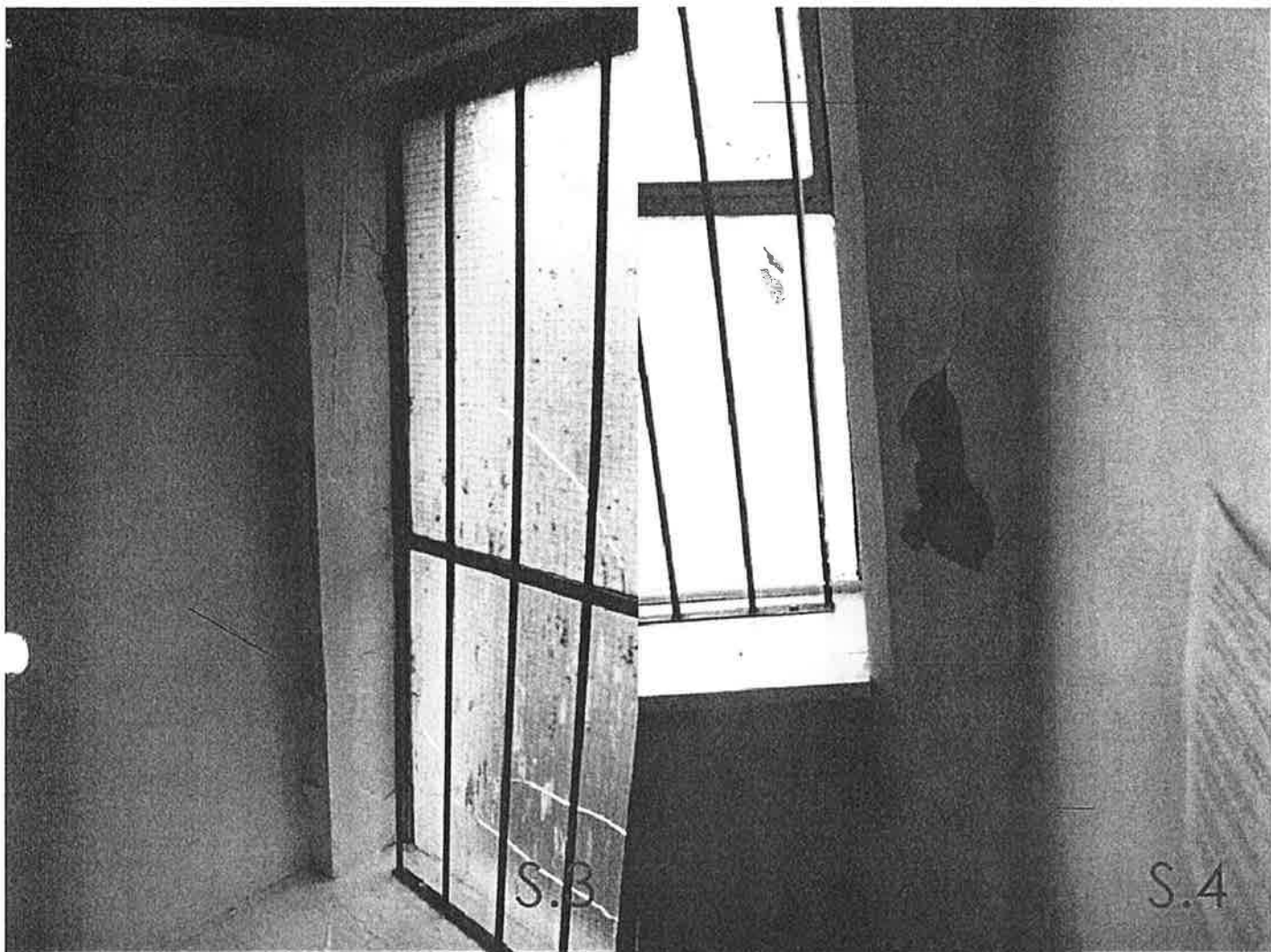


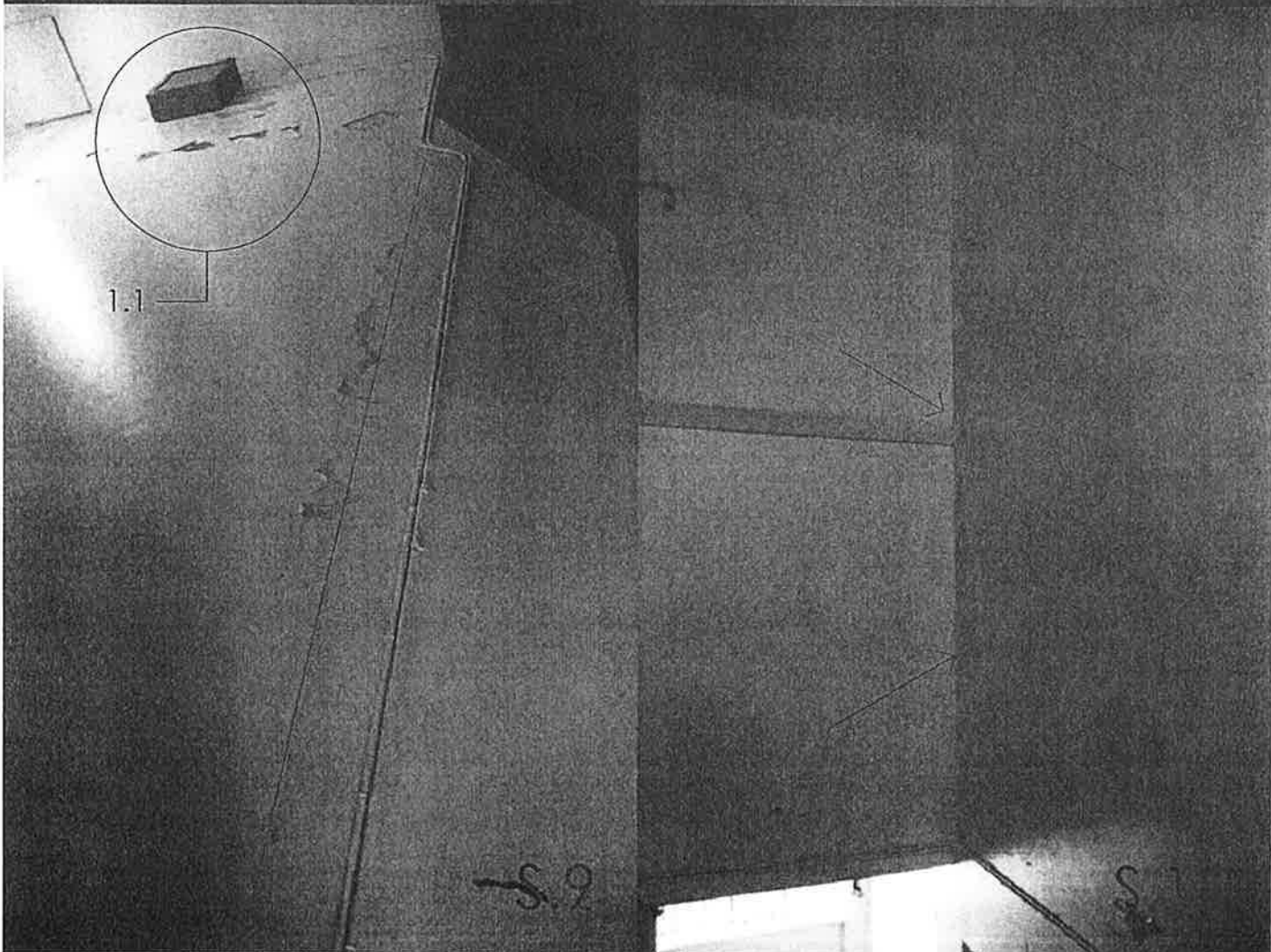
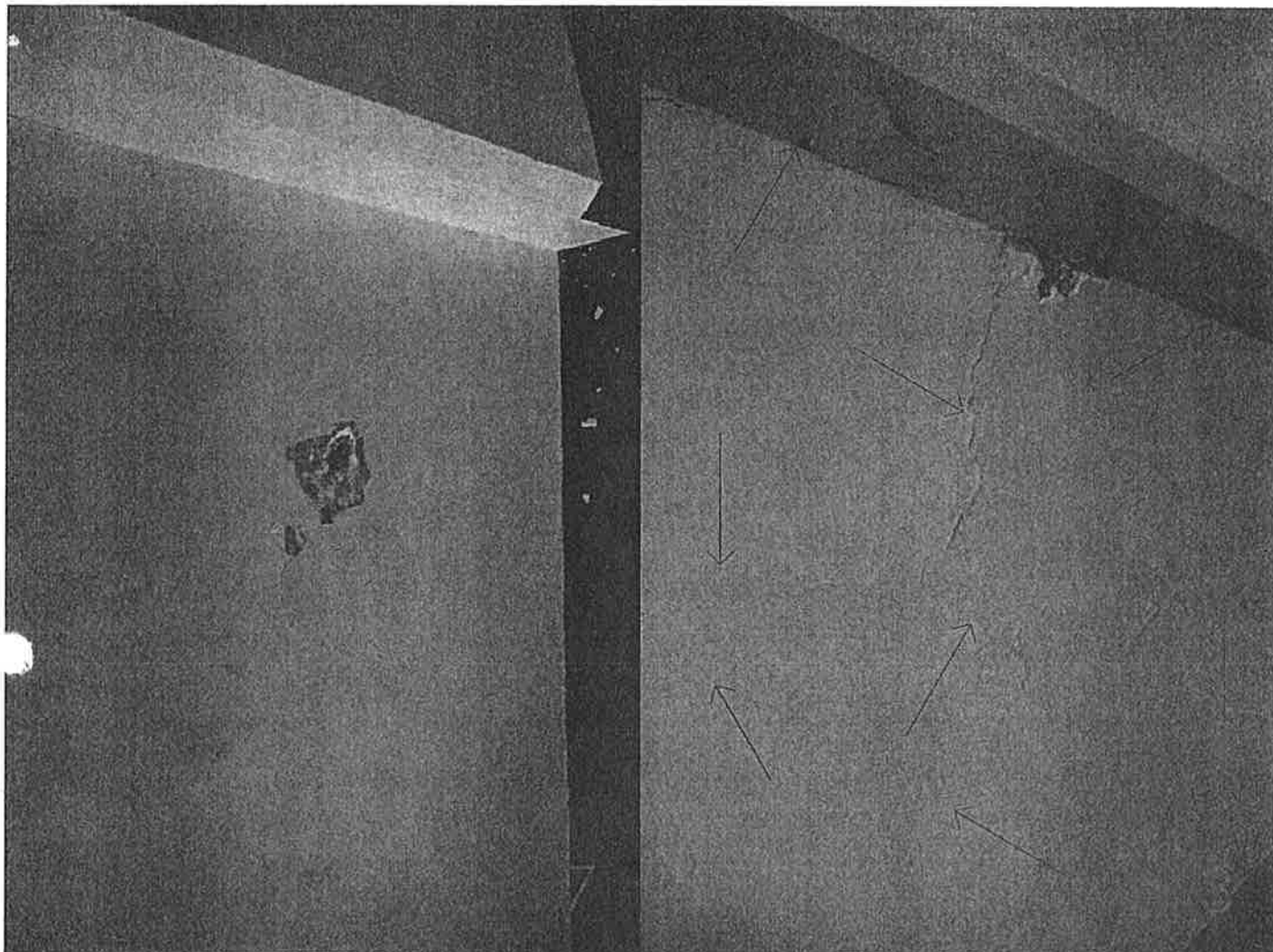


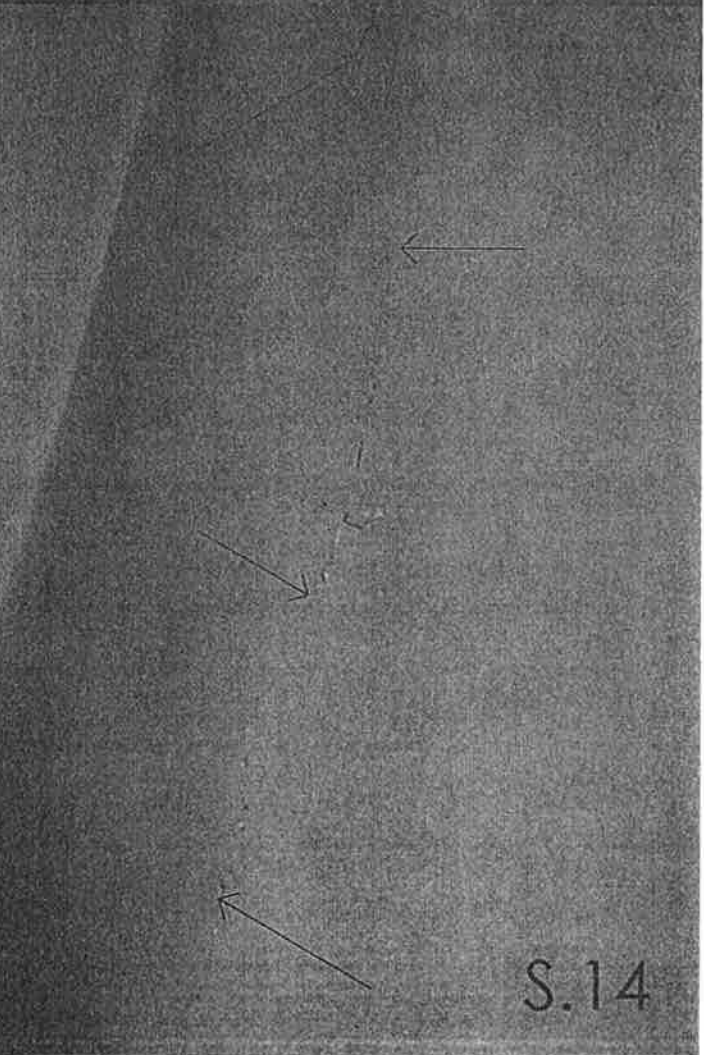
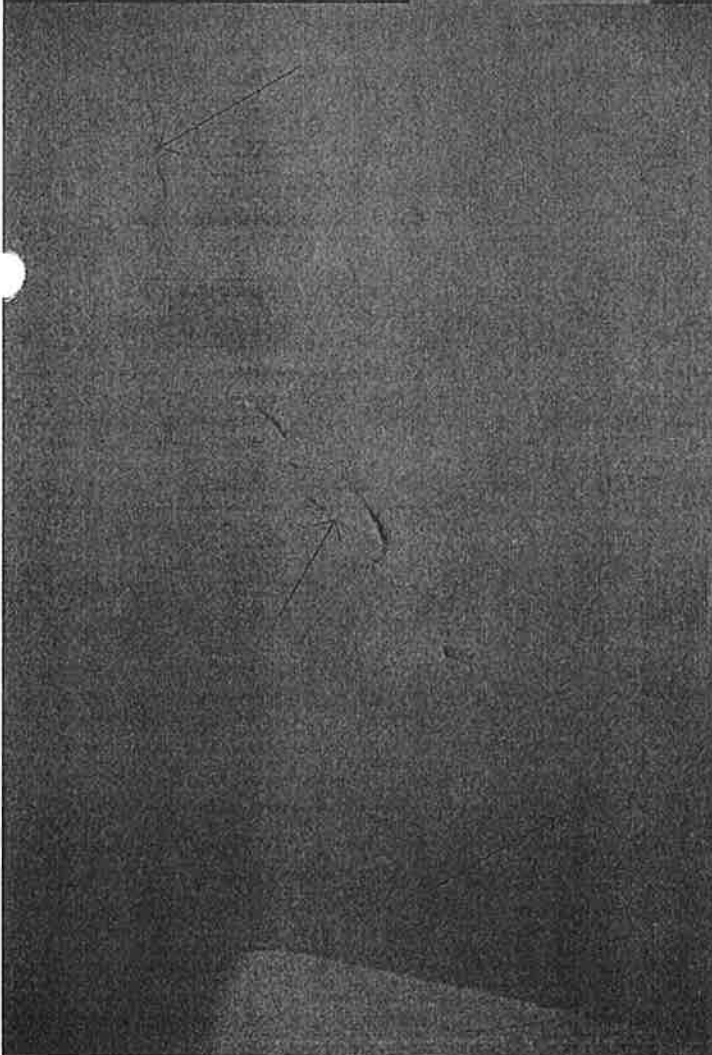
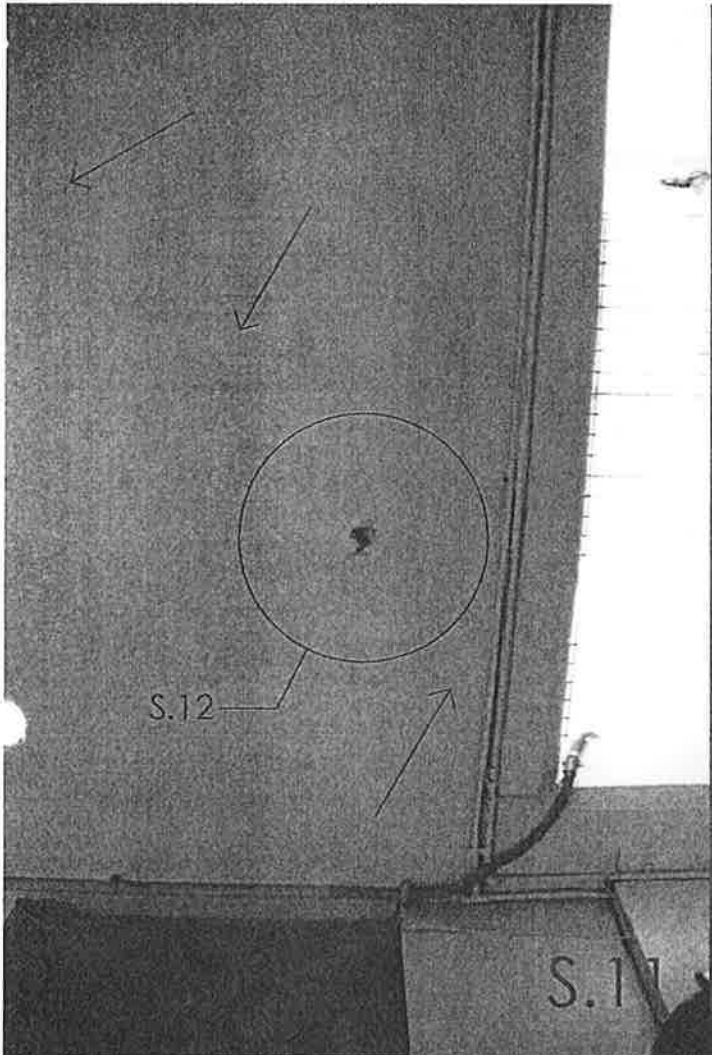


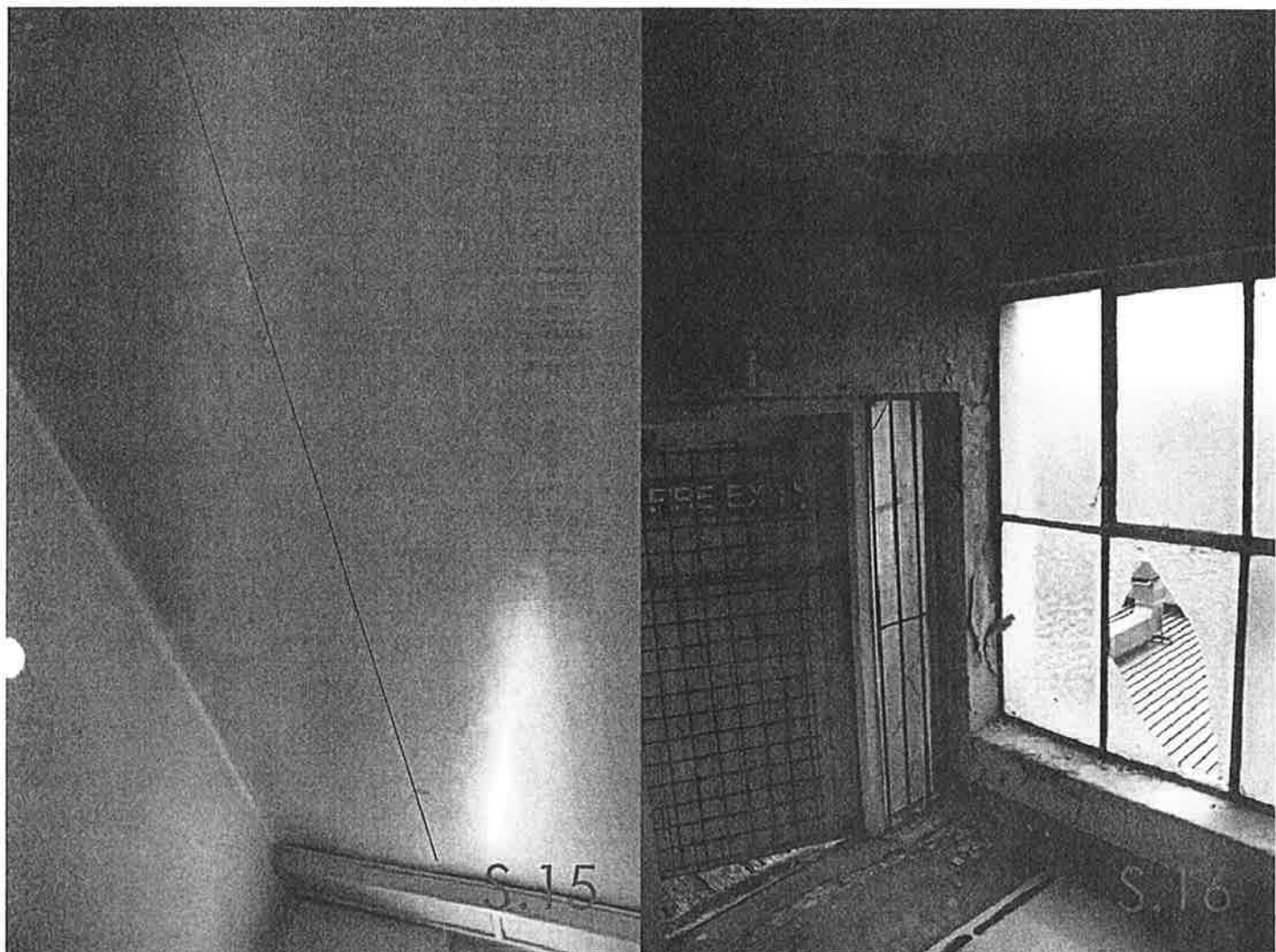


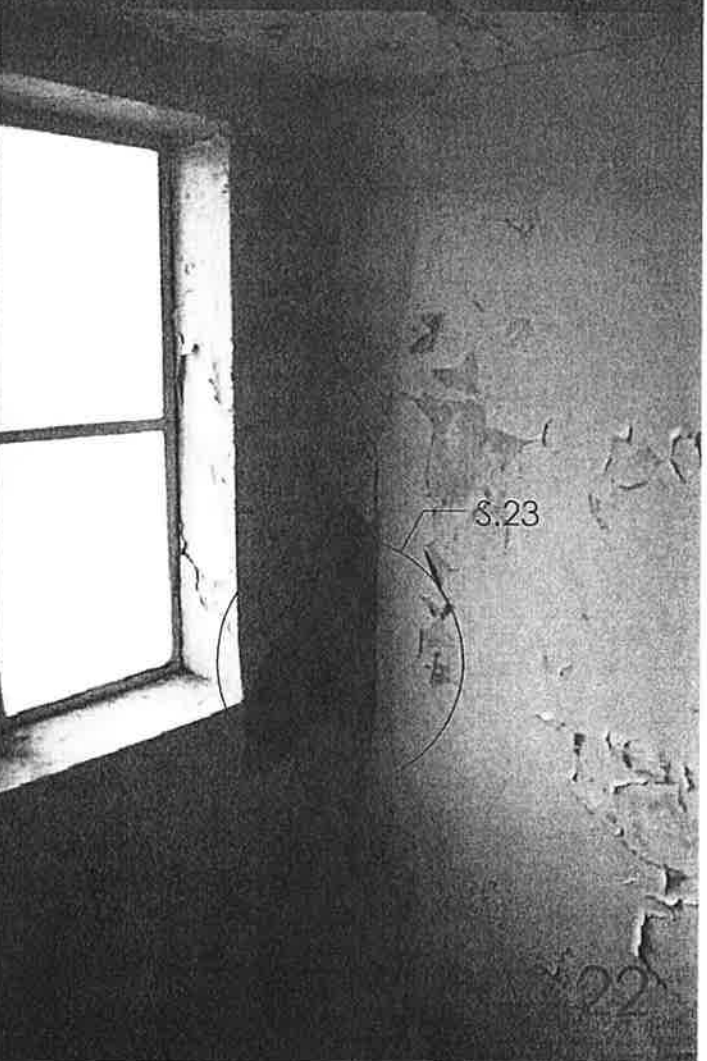
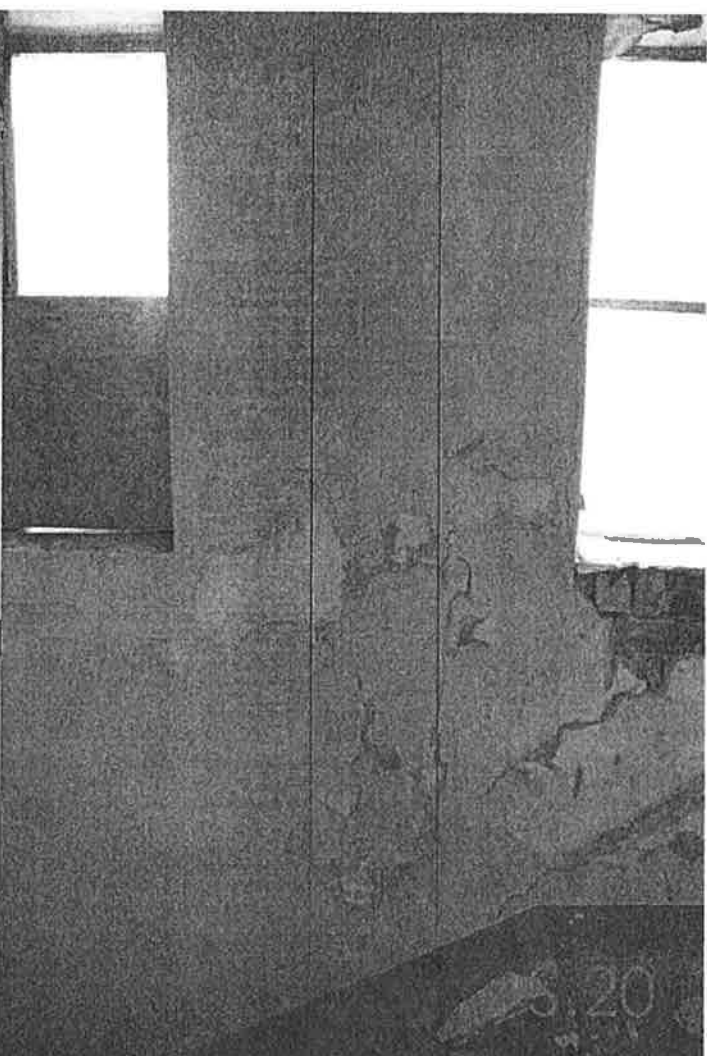
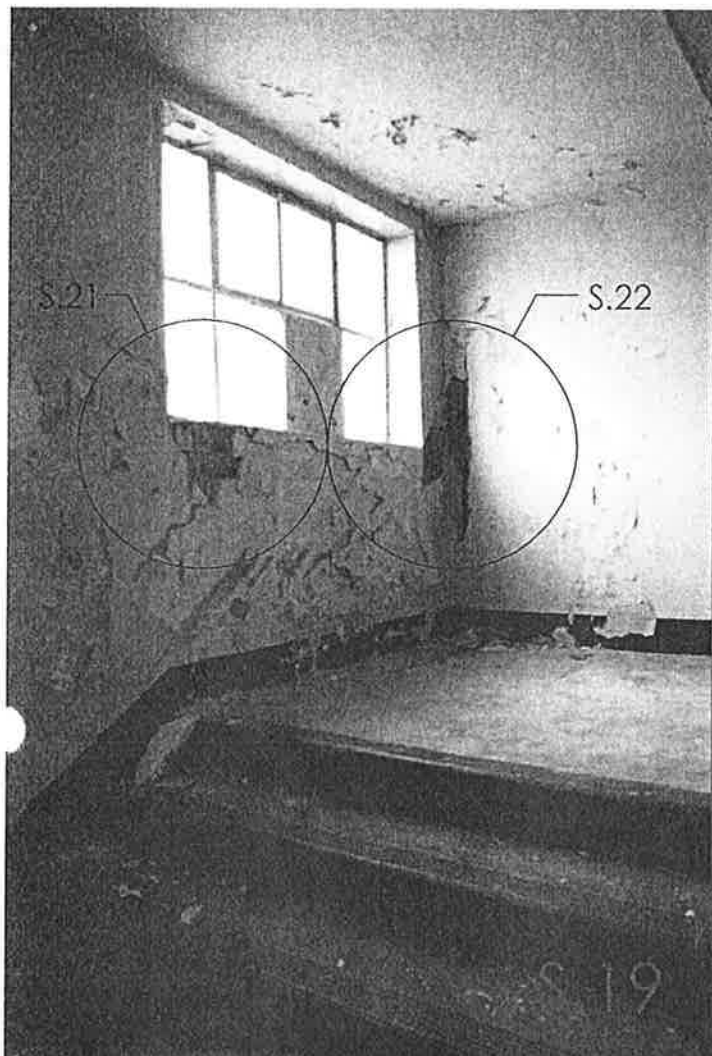


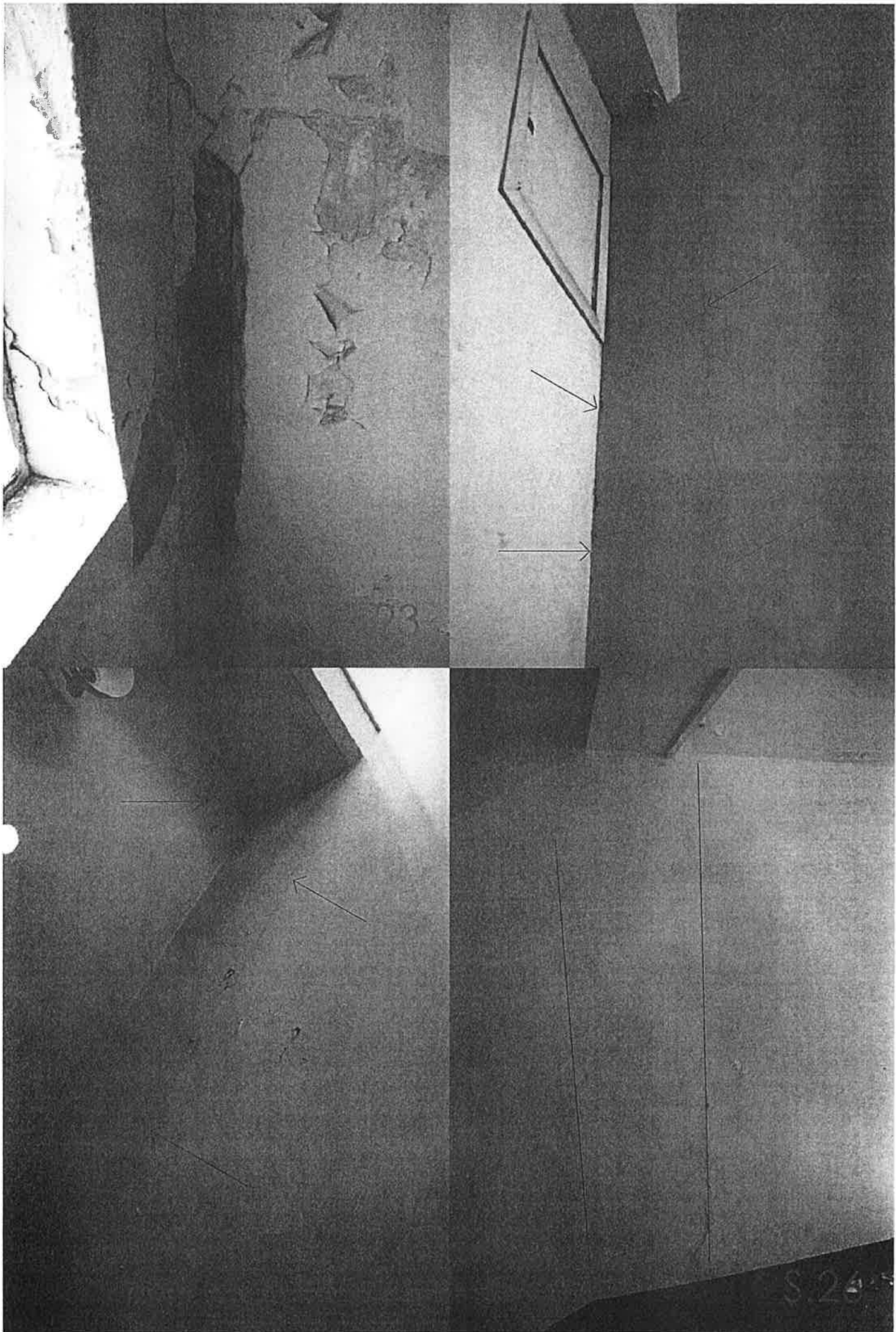


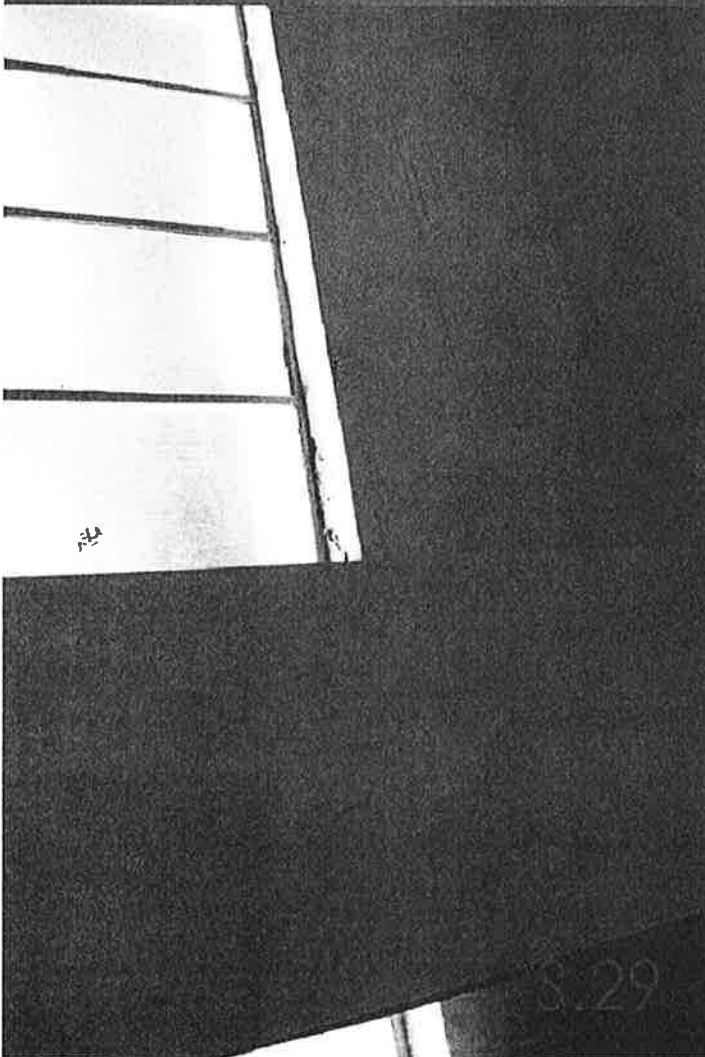
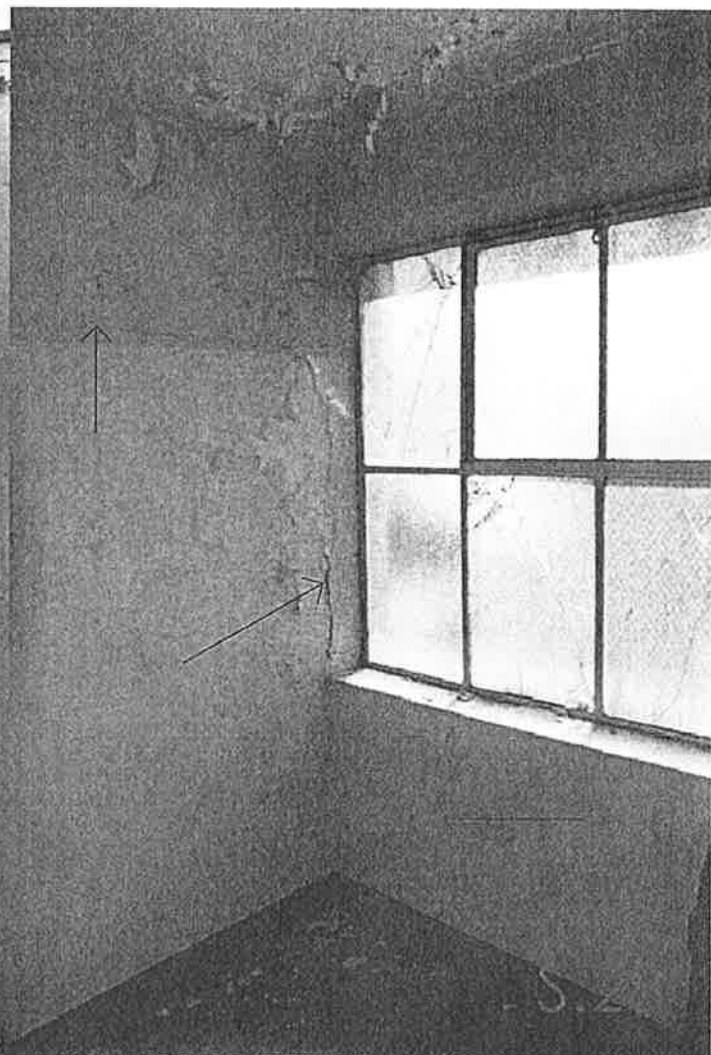
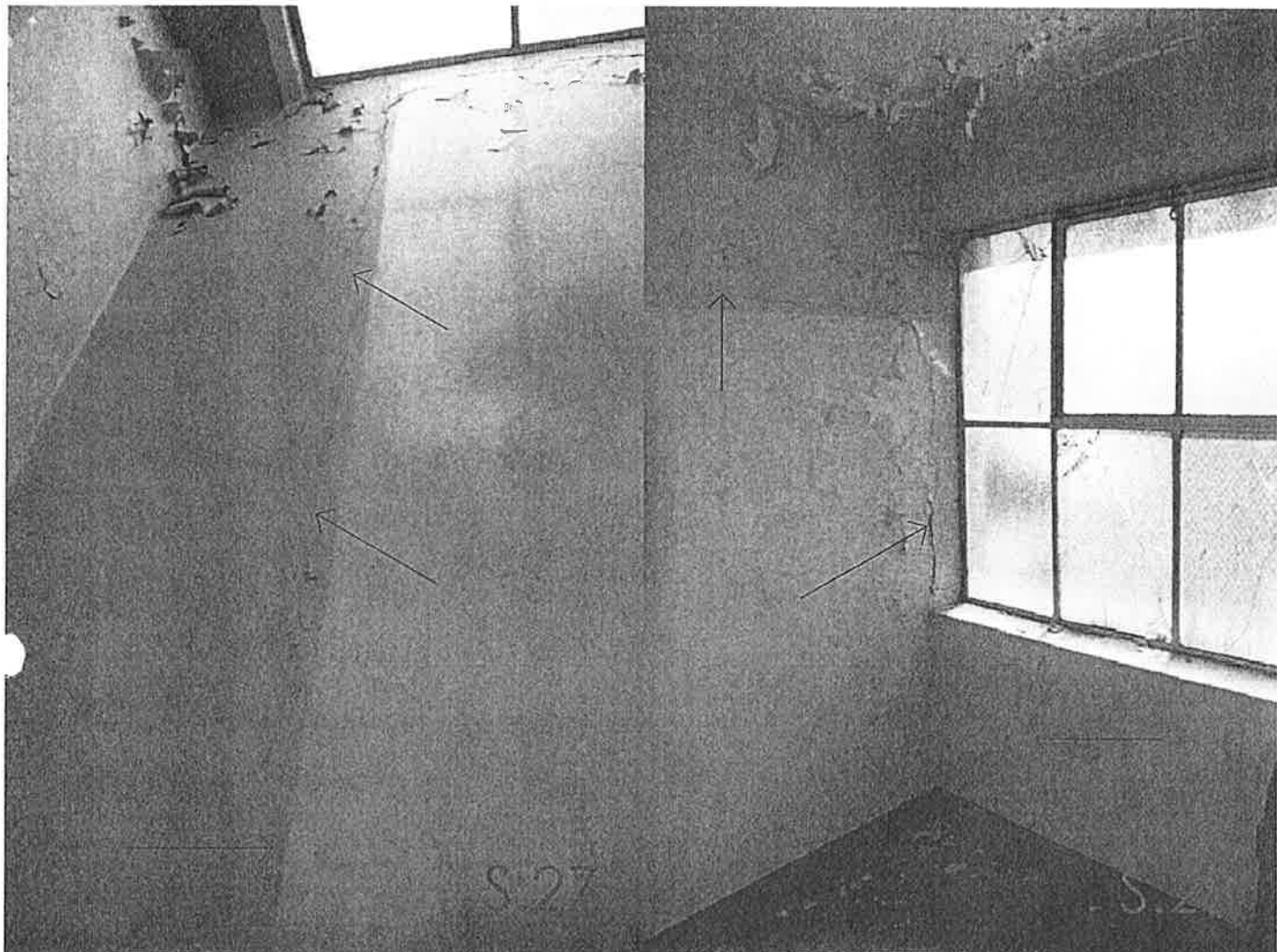


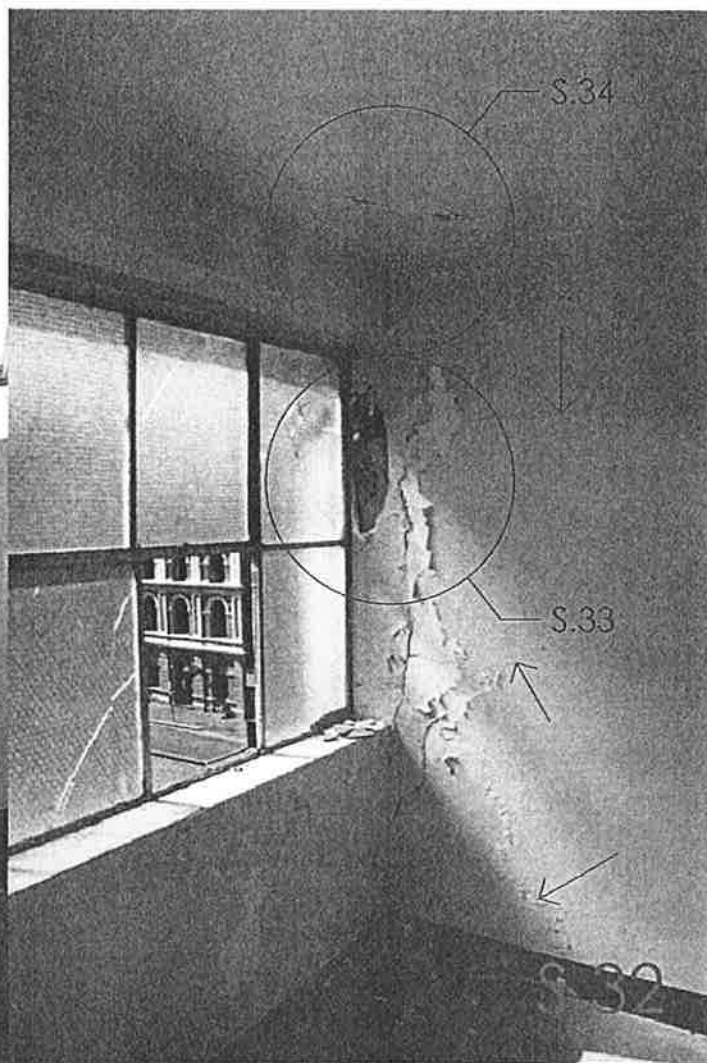
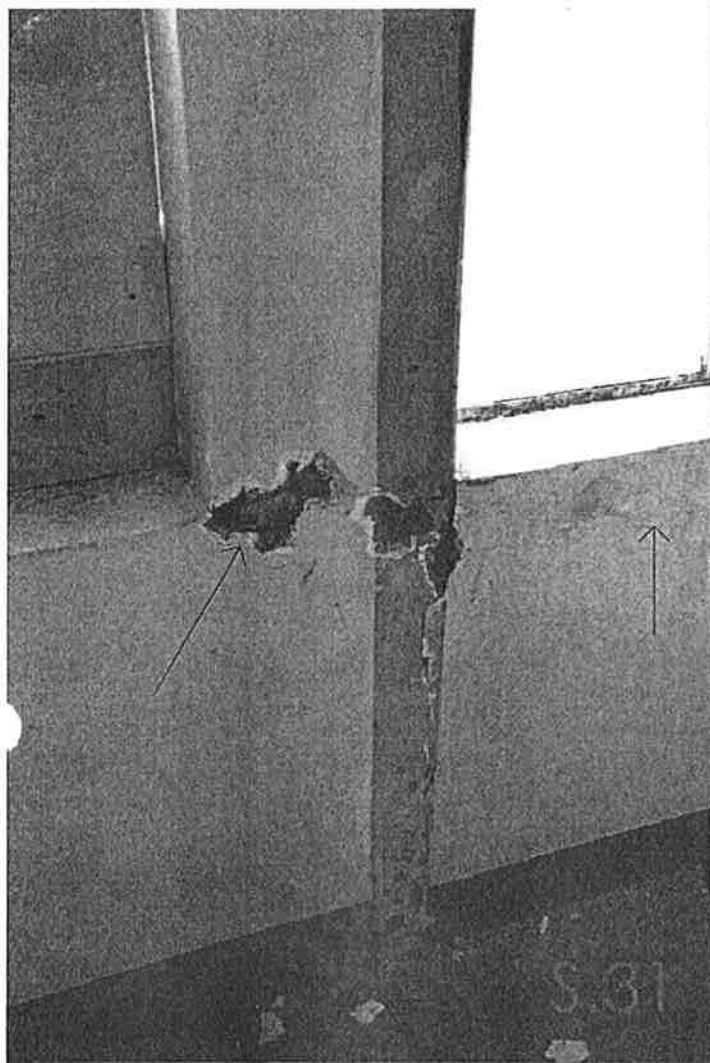


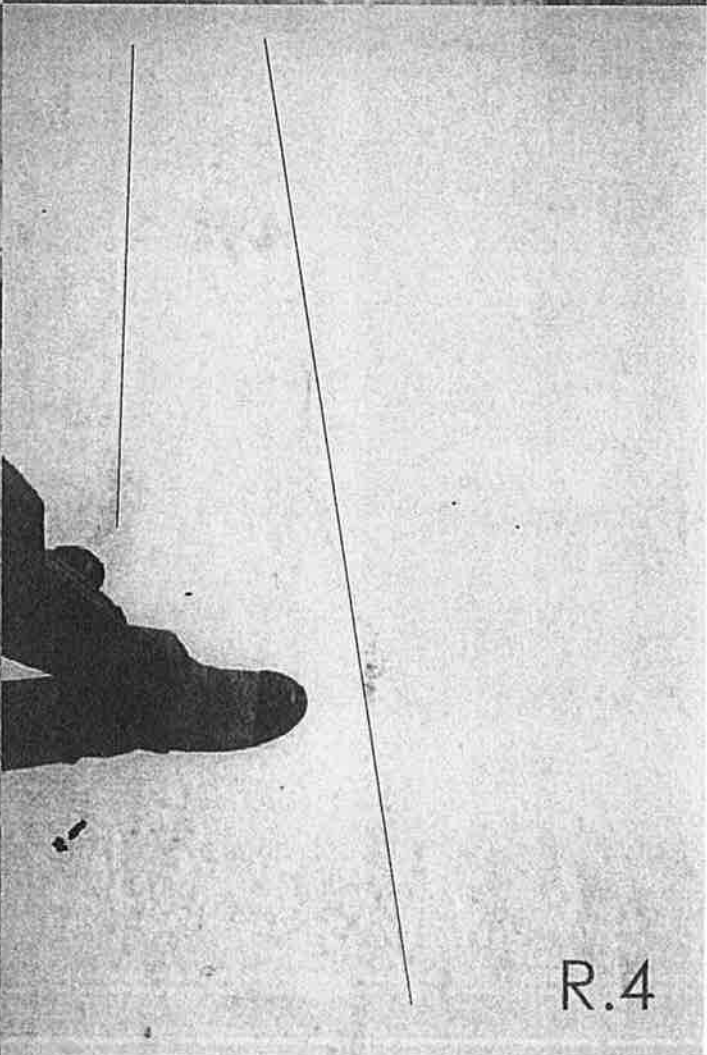
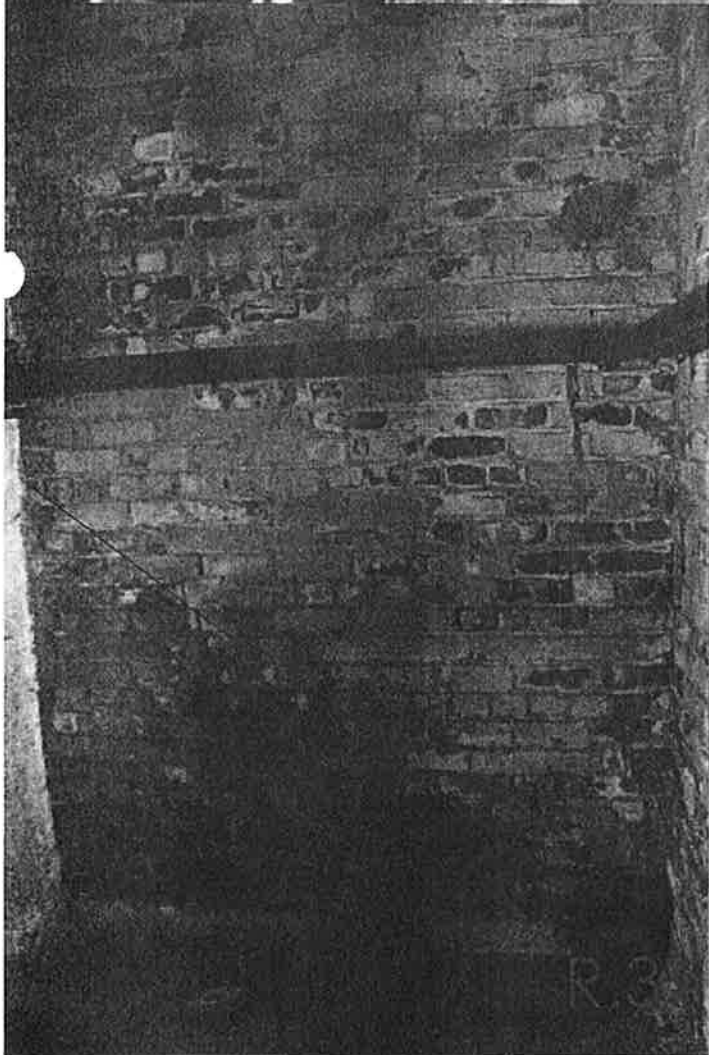
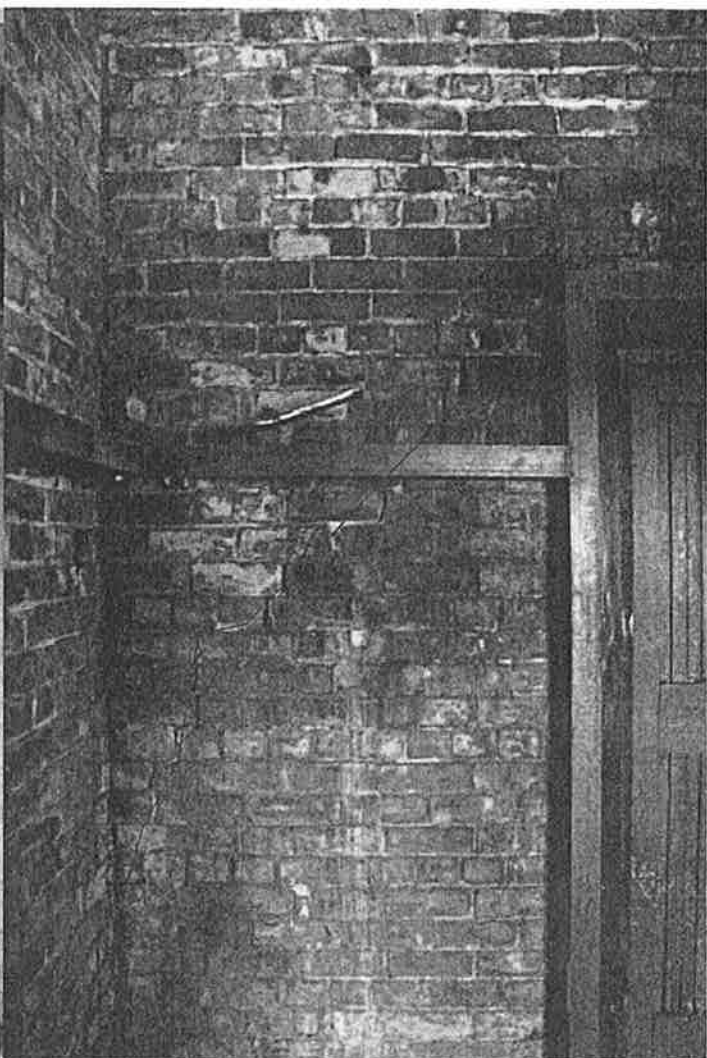
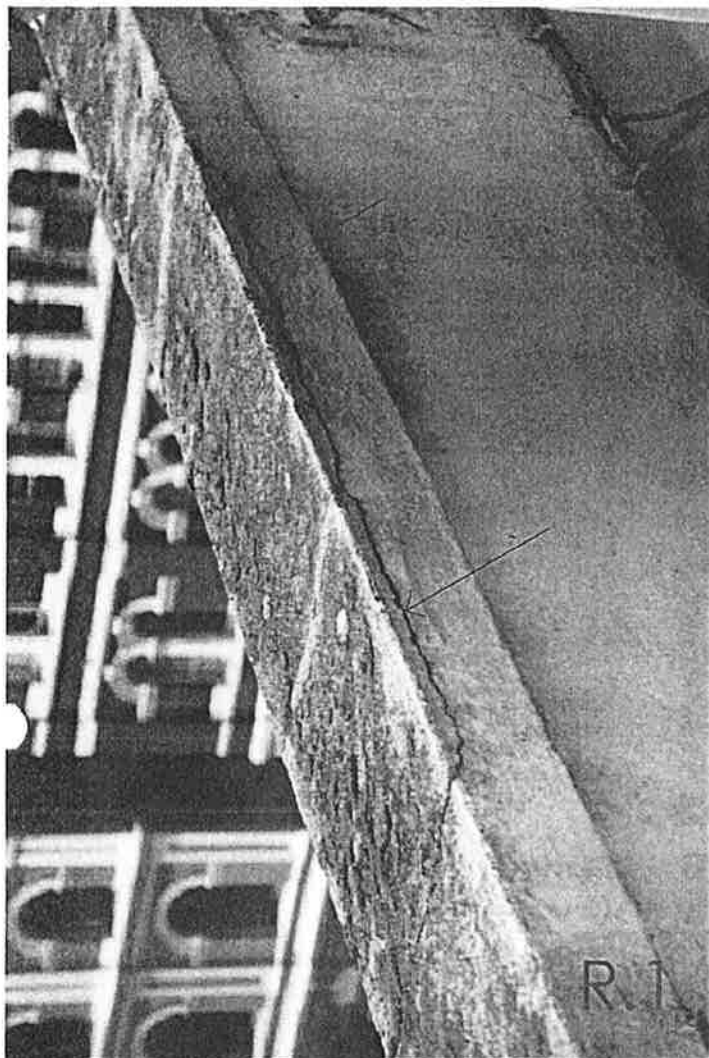


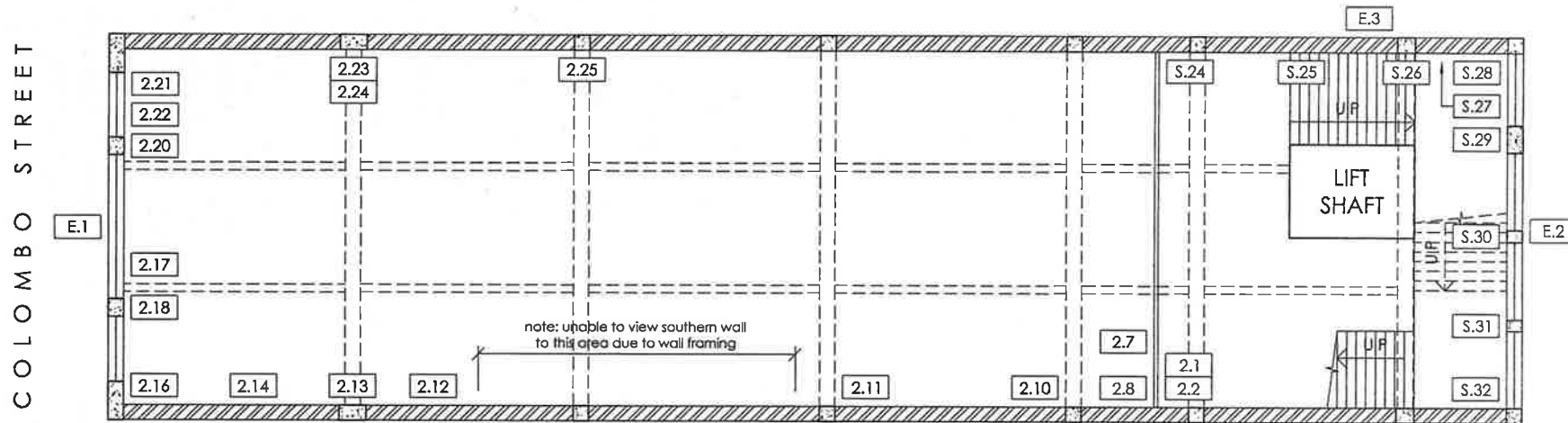




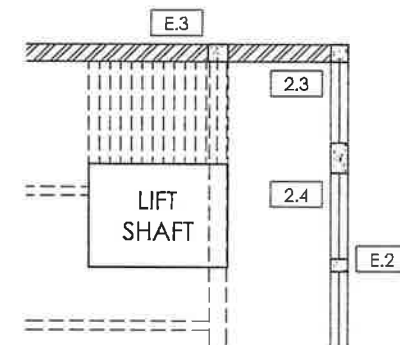








SECOND FLOOR PLAN
NTS



PART SECOND FLOOR PLAN UNDER STAIRWELL



THIS DRAWING AND ALL INFORMATION CONTAINED HEREIN IS THE PROPERTY OF LEWIS BRADFORD CONSULTING ENGINEERS AND MUST NOT BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON OR COMPANY UNLESS ADVISED TO DO SO BY LEWIS BRADFORD CONSULTING ENGINEERS.

CONTRACTOR TO VERIFY ALL DIMENSIONS ON SITE REFER TO ARCHITECT'S DRAWING FOR ALL DETAILS.

REV	DATE	AMENDMENT	BY

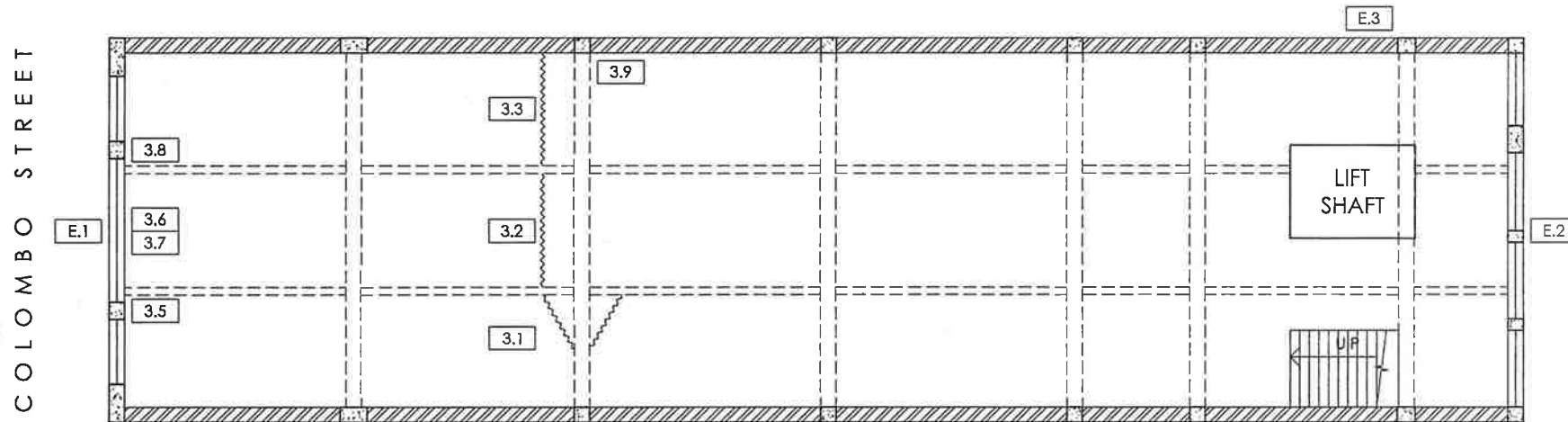
CLIENT:



PROJECT:
CATHEDRAL SQUARE
POSTSHOP
736 COLOMBO STREET
CHRISTCHURCH

DRAWING TITLE:
SECOND FLOOR PLAN

DRAWN	CPW	SCALE
ENGINEER	JHM	NTS
CHECKED		
FILE	DRAWING NO.	REV
110071	S3-1	1



THIRD FLOOR PLAN
NTS

THIS DRAWING AND ALL INFORMATION CONTAINED HEREIN IS THE PROPERTY OF LEWIS BRADFORD CONSULTING ENGINEERS AND MUST NOT BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON OR COMPANY UNLESS SO CALLED FOR IN WRITING BY LEWIS BRADFORD CONSULTING ENGINEERS.

CONTRACTOR TO VERIFY ALL DIMENSIONS ON SITE REFER TO ARCHITECT'S DRAWING FOR ALL SETOUTS

DI	REV	DATE	AMENDMENT	BY

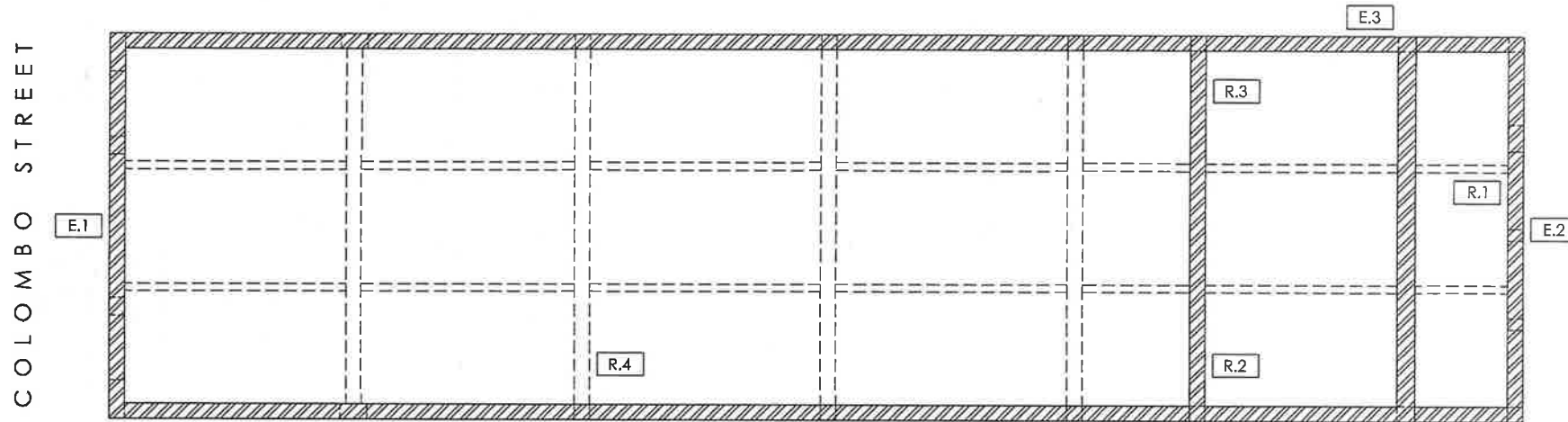
CLIENT:



PROJECT:
CATHEDRAL SQUARE
POSTSHOP
736 COLOMBO STREET
CHRISTCHURCH

DRAWING TITLE:
THIRD FLOOR PLAN

DRAWN: GPW	SCALE: NTS
ENGINEER: JHM	
CHECKED:	
FILE: 110071	DRAWING NO. S4-1
	REV. 1



ROOF PLAN
NTS

THIS DRAWING AND ALL INFORMATION CONTAINED HEREIN IS THE PROPERTY OF LEWIS BRADFORD. ITS CONTENTS ARE CONFIDENTIAL AND MUST NOT BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON OR COMPANY UNLESS AUTHORIZED TO DO SO BY LEWIS BRADFORD.

CONTRACTOR TO VERIFY ALL DIMENSIONS ON SITE REFER TO ARCHITECT'S DRAWING FOR ALL DETAILS.

REV.	DATE	AMENDMENT	BY
01			GPW

CLIENT:



PROJECT:
CATHEDRAL SQUARE
POSTSHOP
736 COLOMBO STREET
CHRISTCHURCH

DRAWING TITLE:
ROOF PLAN

DRAWN: GPW	SCALE: NTS
ENGINEER: HM	
CHECKED:	
FILE: 110071	DRAWING NO: S5-1 REV: 1

16

Luke J. Rees-Thomas

From: julie [julie@okgiftchch.co.nz]
Sent: Thursday, 25 November 2010 1:36 p.m.
To: Luke J. Rees-Thomas
Subject: Re: Engineer Visit

See you then Luke.
 Thanks.
 Julie.

----- Original Message -----

From: Luke J. Rees-Thomas
To: julie@okgiftchch.co.nz
Sent: Thursday, November 25, 2010 11:42 AM
Subject: Engineer Visit

Hi Julie,

Trust the week is going well. I will be visiting with a Structural Engineer tomorrow morning to assess the buildings damage & safety in full. A brief check was completed post earthquake.

As you open at 10am, we will visit the NZ Postshop access areas from 9am and look to visit you afterwards.

Thanks again for your assistance.


Knight Frank

Luke J. Rees-Thomas
 Commercial Property Manager, Property Management
 Dip Bus (NZ)
 Knight Frank Christchurch
 Level 2, 62 Worcester Blvd
 Christchurch 8141
 New Zealand
 +64 3 377 1460 - Main Line
 +64 3 366 2972 - Fax
 +64 27 274 3275 - Mobile

Luke.Rees-Thomas@nz.knightfrank.com

www.knightfrank.com

Simes Ltd, Licensed Agent (REAA 2008), MREINZ

 Help the environment. We only print the emails we really need to.

This e-mail (and attachments if any) is intended only for the addressee(s). It contains information which may be confidential. If you are not the intended recipient please advise the sender by return email. Do not use or disclose the contents and delete the message and any attachments from your system. Unauthorised retention or use of such information may be in breach of the Privacy Act 1988. In accordance with The Unsolicited Electronic Messages Act should you not have consented to receiving this email please click here to inform the sender that such messages should not be sent to you in the future. Thank you.

(15)

Luke J. Rees-Thomas

From: Luke J. Rees-Thomas
Sent: Thursday, 25 November 2010 11:46 a.m.
To: 'LBA - Hamish'
Subject: 736-738 Colombo St
Attachments: 15 Broken Windows.jpg

Hi Hamish,

Owners of the above property are 'Natural Blessings Limited'.

Notes re access to the building are as follows;

736 Colombo St - NZ Post Shop - Ground Floor Shop, Internal stairway access to Levels 2 (rear half), 3 (all) & 4 (all), roof.

738 Colombo St - OK Gift Shop - Ground Floor Shop, Colombo St stair access to Level 2 (front half) and storeroom.

Will explain tomorrow...thanks.

Luke J. Rees-Thomas

From: LBA - Hamish [hamishm@lewisbradford.com]
Sent: Thursday, 25 November 2010 10:29 a.m.
To: Luke J. Rees-Thomas
Subject: FW: Attention Laura Bronner

(14)

Response below

Regards

Hamish

Lewis Bradford Consulting Engineers
 Level 2, 71 Armagh Street
 PO Box 2919, Christchurch
 Phone 03 379 9096 | Facsimile 03 379 9095
www.lewisbradford.com

Job Name:
 Job Number:

“IMPORTANT: This email is only intended to be read by the named recipient. It may contain information that is confidential, proprietary or the subject of legal privilege. If you are not the intended recipient please notify the sender immediately and delete this email. You may not use any information contained in it. Legal privilege is not waived because you have read this email.”

From: Bronner, Laura [mailto:Laura.Bronner@ccc.govt.nz] **On Behalf Of** CDRescue
Sent: Thursday, 25 November 2010 10:26 a.m.
To: LBA - Hamish
Subject: RE: Attention Laura Bronner

(13)

Hi Hamish,

That's all correct. Thank you for contacting us about the letter.

Regards,

Laura Bronner
 Building Recovery
 Christchurch City Council
 Ph 941 8868

From: LBA - Hamish [mailto:hamishm@lewisbradford.com]
Sent: Thursday, 25 November 2010 10:25 am
To: CDRescue
Cc: 'Luke J. Rees-Thomas'
Subject: Attention Laura Bronner

(12)

Good morning Laura

I'm just writing to confirm our phone conversation this morning with regards to your attached letter for 736 Colombo Street, this letter discusses red and yellow stickered buildings. From our phone conversation it is my understanding that as the building had a green sticker placed on it a CPEng report is not required.

Regards

Hamish Mackinven
 MIPENZ, CPEng

Lewis Bradford Consulting Engineers
Level 2, 71 Armagh Street
PO Box 2919, Christchurch
Phone 03 379 9096 | Facsimile 03 379 9095
www.lewisbradford.com

Job Name:
Job Number:

“IMPORTANT: This email is only intended to be read by the named recipient. It may contain information that is confidential, proprietary or the subject of legal privilege. If you are not the intended recipient please notify the sender immediately and delete this email. You may not use any information contained in it. Legal privilege is not waived because you have read this email.”

_____ Information from ESET NOD32 Antivirus, version of virus signature database 5646
(20101124) _____

The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>

This electronic email and any files transmitted with it are intended solely for the use of the individual or entity to whom they are addressed.

The views expressed in this message are those of the individual sender and may not necessarily reflect the views of the Christchurch City Council.

If you are not the correct recipient of this email please advise the sender and delete.

Christchurch City Council

<http://www.ccc.govt.nz>

_____ Information from ESET NOD32 Antivirus, version of virus signature database 5646



Luke J. Rees-Thomas

From: Andy Bell
Sent: Wednesday, 24 November 2010 12:11 p.m.
To: Luke J. Rees-Thomas
Subject: RE: 736 Colombo Street - Postshop Building

Follow Up Flag: Follow up
Flag Status: Completed

yes please

Knight Frank



Andy Bell
 Director Property Management, Property Management
 Knight Frank Christchurch
 Level 2, 62 Worcester Blvd
 Christchurch 8141
 New Zealand
 +64 3 377 1460 - Main Line
 +64 3 366 2972 - Fax
 +64 27 553 3252 - Mobile

Andy.Bell@nz.knightfrank.com

www.knightfrank.com

Simes Ltd, Licensed Agent (REAA 2008), MREINZ



Help the environment. We only print the emails we really need to.

This e-mail (and attachments if any) is intended only for the addressee(s). It contains information which may be confidential. If you are not the intended recipient please advise the sender by return email. Do not use or disclose the contents and delete the message and any attachments from your system. Unauthorised retention or use of such information may be in breach of the Privacy Act 1988. In accordance with The Unsolicited Electronic Messages Act should you not have consented to receiving this email please click here to inform the sender that such messages should not be sent to you in the future. Thank you.

From: Luke J. Rees-Thomas
Sent: Wednesday, 24 November 2010 10:35 a.m.
To: Andy Bell
Subject: 736 Colombo Street - Postshop Building

Hi Andy,

After meeting with the loss adjuster this morning, there are a huge amount of wall cracks etc.

The adjuster has requested a full engineers report, this is also recommended by Hamish below.

Shall I arrange this? Some of the cracks underneath pillars do need to be determined.

The council has also request confirmation.

Thanks.

From: LBA - Hamish [mailto:hamishm@lewisbradford.com]
Sent: Thursday, 9 September 2010 8:07 a.m.
To: Andy Bell

Cc: ross.newton@nzpost.co.nz

Subject: 736 Colombo Street - Postshop Building

Good morning Andy

As requested I have completed a brief structural inspection of the Postshop Building at 736 Colombo Street. I have not seen anything structurally that would indicate the building structure has been compromised. Glass panes on the front and the rear of the building have broken and I recommended that the remainder of these broken windows be removed as they are a safety hazard, a cordon is in front of the building preventing the public walking on the road. During the inspection evidence was found that there is damage to some of the infill masonry panels. I recommend that a full structural seismic assessment be completed on the building by an engineer.

I inspected the rear fire escape, there is no damage to it and the ladder just need to be pulled up and latched back into place.

Following this inspection it would appear that structurally there is no reason this building cannot be occupied.

Regards

Hamish

Lewis Bradford Consulting Engineers

Level 2, 71 Armagh Street

PO Box 2919, Christchurch

Phone 03 379 9096 | Facsimile 03 379 9095

www.lewisbradford.com

Job Name:

Job Number:

“IMPORTANT: This email is only intended to be read by the named recipient. It may contain information that is confidential, proprietary or the subject of legal privilege. If you are not the intended recipient please notify the sender immediately and delete this email. You may not use any information contained in it. Legal privilege is not waived because you have read this email.”

_____ Information from ESET NOD32 Antivirus, version of virus signature database 5435
(20100908) _____

The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>

_____ Information from ESET NOD32 Antivirus, version of virus signature database 5202
(20100616) _____

The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>

_____ Information from ESET NOD32 Antivirus, version of virus signature database 5202
(20100616) _____

The message was checked by ESET NOD32 Antivirus.

10

Luke J. Rees-Thomas

From: Luke J. Rees-Thomas
Sent: Wednesday, 24 November 2010 2:09 p.m.
To: 'hamishm@lewisbradford.com'
Subject: RE: 736 Colombo Street - Postshop Building

Hi Hamish,

I trust all has been well of late, would it be possible for us to arrange a full Structural Engineers report on the buildings 736-740 Colombo St?

I have visited with a Loss Adjuster and noted all internal crack, some of which need to be examined by a professional.

If you are able to let me know how your or colleagues are placed, I can meet you on site when required.

Thanks again.

From: LBA - Hamish [<mailto:hamishm@lewisbradford.com>]
Sent: Thursday, 9 September 2010 8:07 a.m.
To: Andy Bell
Cc: ross.newton@nzpost.co.nz
Subject: 736 Colombo Street - Postshop Building

Good morning Andy

As requested I have completed a brief structural inspection of the Postshop Building at 736 Colombo Street. I have not seen anything structurally that would indicate the building structure has been compromised. Glass panes on the front and the rear of the building have broken and I recommended that the remainder of these broken windows be removed as they are a safety hazard, a cordon is in front of the building preventing the public walking on the road. During the inspection evidence was found that there is damage to some of the infill masonry panels. I recommend that a full structural seismic assessment be completed on the building by an engineer.

I inspected the rear fire escape, there is no damage to it and the ladder just need to be pulled up and latched back into place.

Following this inspection it would appear that structurally there is no reason this building cannot be occupied.

Regards

Hamish

Lewis Bradford Consulting Engineers

Level 2, 71 Armagh Street
PO Box 2919, Christchurch
Phone 03 379 9096 | Facsimile 03 379 9095
www.lewisbradford.com

Job Name:
Job Number:

"IMPORTANT: This email is only intended to be read by the named recipient. It may contain information that is confidential, proprietary or the subject of legal privilege. If you are not the intended recipient please notify the sender immediately and delete this email. You may not use any information contained in it. Legal privilege is not waived because you have read this email."

(9)

Luke J. Rees-Thomas

From: Luke J. Rees-Thomas
Sent: Tuesday, 2 November 2010 2:07 p.m.
To: 'CDRescue@ccc.govt.nz'
Subject: 738 Colombo St
Attachments: Council Letter - 738 Colombo St.pdf; 738 Colombo St - Structural Engineer's Report.pdf

Hello,

As per your attached letter, I also attach a copy of our Structural Engineer's report - following the September 4 Earthquake.

To our knowledge, this building was provided with a Green sticker and as a result the tenants have continued to trade as per normal.

Should you have any questions, please contact myself directly.

⑧

Luke J. Rees-Thomas

From: Luke J. Rees-Thomas
Sent: Tuesday, 2 November 2010 2:06 p.m.
To: 'CDRescue@ccc.govt.nz'
Subject: 736 Colombo St
Attachments: Council Letter - 736 Colombo St.pdf; 736 Colombo St - Structural Engineer's Report.pdf

Hello,

As per your attached letter, I also attach a copy of our Structural Engineer's report - following the September 4 Earthquake.

To our knowledge, this building was provided with a Green sticker and as a result the tenants have continued to trade as per normal.

Should you have any questions, please contact myself directly.



15 October 2010

Natural Blessings Co Limited
C/O Symes Limited
PO Box 13341
Christchurch 8141
New Zealand

Dear Sir/Madam,

RE: CPEng Report Required for 738 Colombo Street

Following an inspection of the above property on the 12 October 2010, the CCC engineers have requested that a CPEng report be sent to the council. The details are outlined below.

The requirements detailed in this letter are designed to ensure public safety is protected, which ultimately is Council's primary responsibility. In order to balance public safety requirements against the financial impact on individual businesses as a result of buildings that remain closed, Council needs your assistance in insuring that the engineering certification provided to Council clearly and specifically covers the criteria detailed in this letter. Any certification forwarded that does not meet this criteria will not be accepted.

What needs to happen before removing a red and yellow placard

- Professional Engineer Practitioners Certification Suitability for Occupation of Earthquake Affected Buildings

Council is attempting to simplify the process for removing the red and yellow placard on earthquake damaged buildings or buildings affected by or at risk of damage from damaged buildings. This will help return buildings to their normal use.

Red and yellow placards should not be removed from buildings without approval from Council.

Before Council will accept that a building can be reoccupied, building owners must obtain certification at their cost from a Chartered Professional Engineer practicing in structural engineering. The certification must state that:-

- * the building is not dangerous in terms of Section 121(1) of the Building Act, as amended by the Canterbury Earthquake (Building Act) Order 2010 (copied below)
- * the building is not a risk to adjacent buildings or areas such as roads, footpaths and other areas that the public generally has access to.
- * the building is structurally adequate for normal occupancy.

The certification should be accompanied by a Detailed Engineering Evaluation that includes;

- information on the damage that has occurred to the building,
- what remedial works, if any, have been carried out,
- the basis of ascertaining the building is not dangerous in terms of the Building Act; and
- photos of the building that show the general structural condition of the building.

121 Meaning of dangerous building


(1) A building is dangerous for the purposes of this Act if, -

- (a) in the ordinary course of events (excluding the occurrence of an earthquake), the building is likely to cause -
 - (i) injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or
 - (ii) damage to other property; or
- (b) in the event of fire, injury or death to any persons in the building or to persons on other property is likely because of fire hazard or the occupancy of the building; or
- (c) there is a risk that the building could collapse or otherwise cause injury or death to any person in the building as a result of an earthquake that generates shaking that is less than a moderate earthquake*; or
- (d) there is a risk that other property could collapse or otherwise cause injury or death to any person in the building; or
- (e) a territorial authority has not been able to undertake an inspection to determine whether -
 - (i) the building is dangerous under paragraph (a); and
 - (ii) the territorial authority or the chief executive, as the case may be, is required to exercise powers under section 124 or 129 as modified by this order.

The modifications made to this Section by the Canterbury Earthquake (Building Act) Order 2010 are in red.

* A moderate earthquake is defined in Section 7 of the Building (Specified Systems, Change the use, and Earthquake-prone Building) Regulations 2005.

Regards,



Laura Bronner
Building Evaluation Transition Team
Ph 03 941 8868
CDRescue@ccc.govt.nz

7

Luke J. Rees-Thomas

From: julie [julie@okgiftchch.co.nz]
Sent: Tuesday, 2 November 2010 1:24 p.m.
To: Luke J. Rees-Thomas
Subject: Fw: Message from C250 215700127
Attachments: SC250 2157010110212250.pdf

Follow Up Flag: Follow up
Flag Status: Completed

A copy of the engineering report for the OK Gift Shop Ltd as requested.

Regards.
Julie.

----- Original Message -----

From: <CHC-scanner@okgiftchch.co.nz>
To: <julie@okgiftchch.co.nz>
Sent: Tuesday, November 02, 2010 1:26 PM
Subject: Message from C250 215700127

September 4 Tenant Engineer report received

7A



POWELL FENWICK
CONSULTANTS LIMITED

Your quality engineering partner.

consulting engineers	Unit 3, Amuri Park
heating + ventilation	Cnr Bealey Ave & Churchill St
mechanical	P.O. Box 25-108, Victoria St
structural	Christchurch 8144
hydraulic	New Zealand
electrical	(03) 366-1777: phone
acoustic	(03) 379-1626: fax
civil	engineering@pfc.co.nz: email
fire	www.pfc.co.nz: website

BAN:KEF

6 September 2010

Jonothan Liu
PO Box 13206
CHRISTCHURCH 8141



EMAILED

ATTENTION: JONOTHAN LIU

Our Ref: 100703/S/1

Dear Jonothan,

RE: EARTHQUAKE DAMAGE TO BUILDING AT 738 COLOMBO STREET "OK GIFT SHOP"

Subsequent to the earthquake that occurred on the morning of Saturday 4th September 2010 a walk through inspection of the building at 738 Colombo Street was conducted by Ben Niven & Gavin Chinnery of Powell Fenwick Consultants Ltd.

Preliminary indications are that this building is not in immediate danger of structural collapse.

The following specific items have been noted as requiring urgent attention to ensure the ongoing stability of the building:

- None

Other damage that was noted in the building consists of:

- Minor cracking of linings.

It is important to note that information is based on a visual walk through inspection only. It is possible that there is unobserved damage that may require remedial work to ensure the ongoing integrity of the structure. We recommend that a more detailed structural inspection and evaluation is conducted in due course to confirm the ongoing structural suitability of the building.

Please call our office on 366 1777 if you require further information or assistance.

Yours faithfully,

POWELL FENWICK CONSULTANTS LIMITED

pp B L David (DIRECTOR)

M T FREEMAN

Luke J. Rees-Thomas

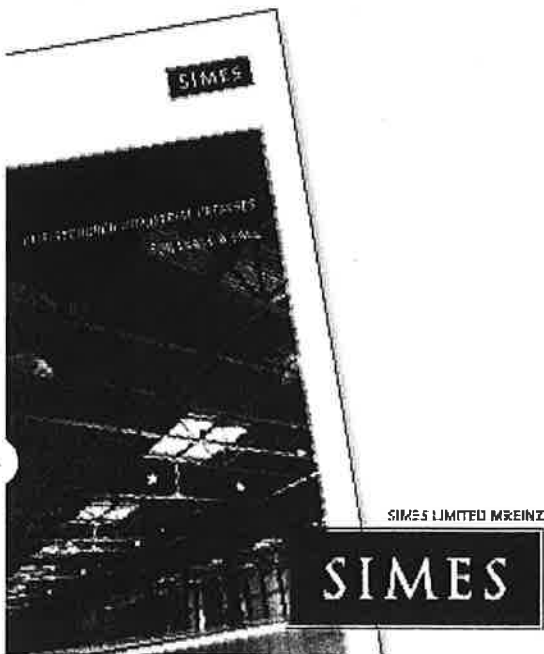
From: Andy Bell
Sent: Friday, 29 October 2010 3:30 p.m.
To: Luke J. Rees-Thomas
Subject: FW: 736 Colombo Street - Postshop Building

Follow Up Flag: Follow up
Flag Status: Completed

Andy Bell | Director Property Management | Simes Ltd, Licensed Agent (REAA 2008), MREINZ
p. 03 377 1460 f. 03 366 2972 e. Andy.Bell@simes.co.nz
P O Box 13-341, Level 2, HSBC Tower, 62 Worcester Blvd, Christchurch www.simes.co.nz

Click below for one of our latest e-catalogues

**NEW INDUSTRIAL
PORTFOLIO
AVAILABLE NOW**



Latest Portfolio www.simes.co.nz

This e-mail (and attachments if any) is intended only for the addressee(s). It contains information which may be confidential. If you are not the intended recipient please advise the sender by return email. Do not use or disclose the contents and delete the message and any attachments from your system. Unauthorised retention or use of such information may be in breach of the Privacy Act 1988. In accordance with The Unsolicited Electronic Messages Act should you not have consented to receiving this email please [click here](#) to inform the sender that such messages should not be sent to you in the future. Thank you.

From: LBA - Hamish [<mailto:hamishm@lewisbradford.com>]
Sent: Thursday, 9 September 2010 8:07 a.m.
To: Andy Bell
Cc: ross.newton@nzpost.co.nz
Subject: 736 Colombo Street - Postshop Building

Good morning Andy

As requested I have completed a brief structural inspection of the Postshop Building at 736 Colombo Street. I have not seen anything structurally that would indicate the building structure has been compromised. Glass panes on the front and the rear of the building have broken and I recommended that the remainder of these broken windows be removed as they are a safety hazard, a cordon is in front of the building preventing the public walking on the road. During the inspection evidence was found that there is damage to some of the infill masonry panels. I recommend that a full structural seismic assessment be completed on the building by an engineer.

I inspected the rear fire escape, there is no damage to it and the ladder just need to be pulled up and latched back into place.

Following this inspection it would appear that structurally there is no reason this building cannot be occupied.

Regards

Hamish

Lewis Bradford Consulting Engineers

Level 2, 71 Armagh Street

PO Box 2919, Christchurch

Phone 03 379 9096 | Facsimile 03 379 9095

www.lewisbradford.com

Job Name:

Job Number:

“IMPORTANT: This email is only intended to be read by the named recipient. It may contain information that is confidential, proprietary or the subject of legal privilege. If you are not the intended recipient please notify the sender immediately and delete this email. You may not use any information contained in it. Legal privilege is not waived because you have read this email.”

_____ Information from ESET NOD32 Antivirus, version of virus signature database 5435
(20100908) _____

The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>

_____ Information from ESET NOD32 Antivirus, version of virus signature database 5202
(20100616) _____

The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>

_____ Information from ESET NOD32 Antivirus, version of virus signature database 5202
(20100616) _____

The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>

_____ Information from ESET NOD32 Antivirus, version of virus signature database 5573

**Luke J. Rees-Thomas**

From: Luke J. Rees-Thomas
Sent: Wednesday, 27 October 2010 8:51 a.m.
To: Brett.Gerrard@marsh.com
Subject: 736-740 Colombo St

Hi Brett,

Andy Bell has passed your contact details on, as I am now assisting him with management of the following;

- 736 Colombo St, NZ Post Shop
- 738-740 Colombo St, OK Gift Shop

I understand you require to visit the properties and assess the recent Insurance details?

Perhaps if you can let me know a date and time that suits you, I can arrange with the current tenants and meet you on site.

egards,

Luke Rees-Thomas | Commercial Property Manager | Simes Ltd, Licensed Agent (REAA 2008), MREINZ
p. 03 377 1460 f. 03 366 2972 e. Luke.Rees-Thomas1@simes.co.nz
P O Box 13-341, Level 2, HSBC Tower, 62 Worcester Blvd, Christchurch www.simes.co.nz

Click below for one of our latest e-catalogues

[Latest Portfolio www.simes.co.nz](http://www.simes.co.nz)

This e-mail (and attachments if any) is intended only for the addressee(s). It contains information which may be confidential. If you are not the intended recipient please advise the sender by return email. Do not use or disclose the contents and delete the message and any attachments from your system. Unauthorised retention or use of such information may be in breach of the Privacy Act 1988. In accordance with The Unsolicited Electronic Messages Act should you not have consented to receiving this email please [click here](#) to inform the sender that such messages should not be sent to you in the future. Thank you.

Information from ESET NOD32 Antivirus, version of virus signature database 5565
(20101026)

The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>

lukes first dealing with buildings

①

④

Andy Bell

From: Josée [josee@okgiftchch.co.nz]
Sent: Sunday, 10 October 2010 11:21 a.m.
To: Andy Bell
Subject: Fw: Message from C250 215700127
Attachments: SC250 2157010101011110.pdf

Re: Earthquake follow up.

Hi Andy,

did you receive my previous email regarding the started glass repairs to our building? Also see attached the invoice for Powell Fenwick for their first assessment. Jonathon has spoken to Akira about this. Will you pay directly?

Regards

Tracey

----- Original Message -----

From: <CHC-scanner@okgiftchch.co.nz>
To: <josee@okgiftchch.co.nz>
Sent: Sunday, October 10, 2010 12:11 PM
Subject: Message from C250 215700127

/ _____ Information from ESET NOD32 Antivirus, version of virus signature database 5202
(20100616) _____

The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>

4A

Tax Invoice

G.S.T. REG No. 47-813-417


POWELL FENWICK
 CONSULTANTS LIMITED

Your quality engineering partner.

 OK Gift Shop
 P O Box 13 206
 Armagh
 CHRISTCHURCH 8141
**Invoice No: 50935****30 Sep 2010****Job No 100703****Page 1 of 1**

consulting engineers	Unit 3, Amuri Park
heating + ventilation	Cnr Bealey Ave & Churchill St
mechanical	P.O.Box 25-108, Victoria St
structural	Christchurch 8144
hydraulic	New Zealand
electrical	(03) 366-1777: phone
acoustic	(03) 379-1626: fax
civil	engineering@pfc.co.nz: email
fire	www.pfc.co.nz: website

Re: EQ OK Gift Shop**To: PROFESSIONAL ENGINEERING SERVICES**

Structural assessment and report.

Fees are based on hourly rates in accordance with the Association of Consulting Engineers of New Zealand "Conditions of Engagement for Consulting Engineers" Document C, July 1997.

Fee to 15 September 2010

\$538.80

GST

\$67.35**Payment Due On 20/10/2010****\$606.15**

For payment of this invoice by Direct Credit, our account details are ASB Bank - 12-3151-0019896-00.
 Please quote job number as a reference.

 POWELL FENWICK CONSULTANTS LIMITED
 P.O.Box 25-108, Victoria St
 Christchurch 8144,
 New Zealand

 REMITTANCE ADVICE please detach this portion
 and return with your payment.
Invoice No: 50935**30 Sep 2010****Job No 100703****Payment Due On 20/10/2010****\$606.15**

③

Luke J. Rees-Thomas

Subject: 736 Colombo Street - Postshop Building

From: LBA - Hamish [mailto:hamishm@lewisbradford.com]**Sent:** Thursday, 9 September 2010 8:07 a.m.**To:** Andy Bell**Cc:** ross.newton@nzpost.co.nz**Subject:** 736 Colombo Street - Postshop Building

Good morning Andy

As requested I have completed a brief structural inspection of the Postshop Building at 736 Colombo Street. I have not seen anything structurally that would indicate the building structure has been compromised. Glass panes on the front and the rear of the building have broken and I recommended that the remainder of these broken windows be removed as they are a safety hazard, a cordon is in front of the building preventing the public walking on the road. During the inspection evidence was found that there is damage to some of the infill masonry panels. I recommend that a full structural seismic assessment be completed on the building by an engineer.

I inspected the rear fire escape, there is no damage to it and the ladder just need to be pulled up and latched back into place.

Following this inspection it would appear that structurally there is no reason this building cannot be occupied.

Regards

Hamish

Lewis Bradford Consulting Engineers

Level 2, 71 Armagh Street

PO Box 2919, Christchurch

Phone 03 379 9096 | Facsimile 03 379 9095

www.lewisbradford.com

Job Name:

Job Number:

"IMPORTANT: This email is only intended to be read by the named recipient. It may contain information that is confidential, proprietary or the subject of legal privilege. If you are not the intended recipient please notify the sender immediately and delete this email. You may not use any information contained in it. Legal privilege is not waived because you have read this email."

Empire Robertson 70 A. 70

DARIN AVENUE - Leo Street

WIT.REE.0002A.80

2

Simes Limited

Property List

For Manager ADB Andy Bell

Property Code	Alternate Name	Name	Address	Owner	Manager	Contract Start	Contract End	Annual Mgmt Fees	Area	Active Tenants	Rent	Rent per Sq.M	Car Park Rent
100MOO	001	100 Moorhouse Avenue	100 Moorhouse Avenue	PAU	ADB	--	--	0.00	0.0000	2	335,000.00	0.0000	0.00
177STA	016	177 St Asaph St,	Christchurch. C	NAT	ADB	--	--	0.00	0.0000	3	108,133.40	0.0000	0.00
33NGA	028	33 Nga Mahi Road,	Christchurch C	ERI	ADB	--	--	0.00	0.0000	1	20,000.00	0.0000	0.00
359LIN	029	359 Lincoln Road	359 Lincoln Road	RSG	ADB	--	--	6,500.04	141.0000	13	444,477.89	3,152.3300	0.00
40CAS	032	40 Cass St,	Christchurch	NAT	ADB	--	--	0.00	0.0000	2	20,000.00	0.0000	0.00
460SEL	034	Greenstone Energy Limited	460 Selwyn Street	PAU	ADB	--	--	0.00	1,504.0000	2	166,580.95	110.7600	0.00
471COL	035	471 Colombo St	Christchurch C/Ment	NAT	ADB	--	--	0.00	0.0000	1	92,182.83	0.0000	0.00
49SIR	036	Unit 3, 49 Sir William Pickering Drive	49 Sir William Pickering Drive	PAU	ADB	--	--	0.00	1,054.0000	1	227,876.00	216.2000	0.00
70-74M	041	70-74 Moorhouse Ave	74 Moorhouse Ave	PAU	ADB	--	--	0.00	1,196.0000	12	529,385.93	442.6300	0.00
753	042	753 Colombo St		CPT	ADB	--	--	0.00	0.0000	1	95,000.00	0.0000	0.00
755	042	755 Colombo		CPT	ADB	--	--	0.00	0.0000	0	0.00	0.0000	0.00
757	043	757 Colombo St		CPT	ADB	--	--	0.00	0.0000	0	0.00	0.0000	0.00
759	044	759 Colombo St		CPT	ADB	--	--	0.00	203.7600	1	52,144.00	255.9100	0.00
76MOO	045	76 Moorhouse Ave	76 Moorhouse Ave	PAU	ADB	--	--	0.00	0.0000	1	124,680.00	0.0000	0.00
ANNEX	049	Unit B 250 Annex Road	Unit B 250 Annex Road, C	ERI	ADB	--	--	1,700.04	375.0000	1	42,000.00	112.0000	0.00
BISHOP	050	7 Bishopdale Court,	7 Bishopdale Court	BIS	ADB	--	--	4,750.08	327.9600	3	71,258.00	217.2800	0.00
CHURCH	055	Anglican Church House	67 Riccarton Road	CPT	ADB	--	--	0.00	534.8000	3	92,253.00	172.5000	0.00
CURRIE	057	48 Curries Road,	Woolston Christchurch C	ERI	ADB	--	--	1,700.04	310.0000	1	20,000.00	64.5200	0.00
GIFT	061	OK GIFT SHOP	740 COLOMBO ST,	NAT	ADB	--	--	0.00	0.0000	1	215,000.00	0.0000	0.00
HAYTON	063	Hayton Road	6 / 40 Hayton Road	ERI	ADB	--	--	1,700.04	0.0000	0	0.00	0.0000	0.00
LANG	068	Unit A, 14 Langston Lane	14 Langston Lane	ERI	ADB	--	--	1,700.04	0.0000	1	30,250.00	0.0000	0.00
MIDAS	071	11a Midas place	11a Midas Place,	ERI	ADB	--	--	1,700.04	164.4400	1	13,808.00	83.9700	0.00
POST	075	NZ Postshop	736 Colombo St,	NAT	ADB	--	--	0.00	0.0000	1	120,000.00	0.0000	0.00
SHEFF	077	25a Sheffield Crescent	25a Sheffield Crescent	SHF	ADB	--	--	4,400.04	2,265.7900	6	125,167.21	55.2400	0.00
SUNDRY		Sundry Properties	C/- Simes Ltd	SIM	ADB	--	--	0.00	0.0000	0	0.00	0.0000	0.00
TEMPLE	078	Temple Courts	303 Durham St,	TPR	ADB	--	--	4,749.96	253.7000	6	128,451.00	506.3100	0.00
WINDML	080	Shops 1 - 5, Windmill Centre	184 Clarence Street Christchurch.	HIG	ADB	--	--	3,900.00	315.8900	4	95,366.00	301.8000	0.00

E - Christchurch A.D.

32,800.32	8,646.4400	68	3,169,014.21
Average Rent per Sq M :			210.7944
Rent <= \$1000			4
Rent > \$1000			23
			27

Business has improved

Simes Limited
Property List
For Manager ADB Andy Bell

Property Code	Alternate Name	Name	Address	Owner	Manager	Contract Start	Contract End	Annual Mgmt Fees	Area	Active Tenants	Rent	Rent per Sq.M	Car Park Rent																							
100MOC 001		100 Moorhouse Avenue	100 Moorhouse Avenue	PAU	ADB	--	--	0.00	0.0000	2	335,000.00	0.0000	0.00																							
177STA 016		177 St Asaph St,	Christchurch.	NAT	ADB	--	--	0.00	0.0000	3	108,133.40	0.0000	0.00																							
33NGA 028		33 Nga Mahi Road,	Christchurch	ERI	ADB	--	--	0.00	0.0000	1	20,000.00	0.0000	0.00																							
359LIN 029		359 Lincoln Road	359 Lincoln Road X	RSG	ADB	--	--	6,500.04	141.0000	13	444,477.89	3,152.3300	0.00																							
40 CAS 032		40 Cass St,	Christchurch	NAT	ADB	--	--	0.00	0.0000	2	20,000.00	0.0000	0.00																							
460SEL 034		Greenstone Energy Limited	460 Selwyn Street	PAU	ADB	--	--	0.00	1,504.0000	2	166,580.95	110.7600	0.00																							
471COL 035		471 Colombo St	Christchurch	NAT	ADB	--	--	0.00	0.0000	1	92,182.83	0.0000	0.00																							
49SIR 036		Unit 3, 49 Sir William Pickering Drive	49 Sir William Pickering Drive	PAU	ADB	--	--	0.00	1,054.0000	1	227,876.00	216.2000	0.00																							
70-74M 041		70-74 Moorhouse Ave	DriveBurnside	PAU	ADB	--	--	0.00	1,196.0000	12	529,385.93	442.6300	0.00																							
753 042		753 Colombo St	74 Moorhouse Ave	CPT	ADB	--	--	0.00	0.0000	1	95,000.00	0.0000	0.00																							
755 042		755 Colombo St	X	CPT	ADB	--	--	0.00	0.0000	0	0.00	0.0000	0.00																							
757 043		757 Colombo St	X	CPT	ADB	--	--	0.00	0.0000	0	0.00	0.0000	0.00																							
759 044		759 Colombo St	X	CPT	ADB	--	--	0.00	203.7600	1	52,144.00	255.9100	0.00																							
76MOO 045		76 Moorhouse Ave	76 Moorhouse Ave	PAU	ADB	--	--	0.00	0.0000	1	124,680.00	0.0000	0.00																							
ANNEX 049		Unit B 250 Annex Road	Unit B 250 Annex Road,	ERI	ADB	--	--	1,700.04	375.0000	1	42,000.00	112.0000	0.00																							
BISHOP 050		7 Bishopdale Court.	7 Bishopdale Court	BIS	ADB	--	--	4,750.08	327.9600	3	71,258.00	217.2800	0.00																							
CHURCH 055		Anglican Church House	67 Riccarton Road X	CPT	ADB	--	--	0.00	534.8000	3	92,253.00	172.5000	0.00																							
CURRIE 057		48 Curries Road,	Woodston Christchurch	ERI	ADB	--	--	1,700.04	310.0000	1	20,000.00	64.5200	0.00																							
GIFT 061		OK GIFT SHOP	740 COLOMBO ST, X	ERI	ADB	--	--	0.00	0.0000	1	215,000.00	0.0000	0.00																							
HAYTON 063		Hayton Road	6 / 40 Hayton Road	ERI	ADB	--	--	1,700.04	0.0000	0	0.00	0.0000	0.00																							
LANG 068		Unit A, 11 Langston Lane	11a Langston Lane	ERI	ADB	--	--	1,700.04	0.0000	1	30,250.00	0.0000	0.00																							
MIDAS 071		11a Midas place	11a Midas Place,	ERI	ADB	--	--	1,700.04	164.4400	1	13,808.00	83.9700	0.00																							
POST 075		NZ Postshop	736 Colombo St, X	NAT	ADB	--	--	0.00	0.0000	1	120,000.00	0.0000	0.00																							
SHEFF 077		25a Sheffield Crescent	25a Sheffield Crescent	SHF	ADB	--	--	4,400.04	2,265.7900	6	125,167.21	55.2400	0.00																							
SUNDREY 078		Temple Courts	303 Durham St,	TPR	ADB	--	--	4,749.96	253.7000	6	128,451.00	506.3100	0.00																							
WINDML 080		Shops 1 - 5, Windmill Centre	184 Clarence Street	HIG	ADB	--	--	3,900.00	315.9900	4	95,366.00	301.8000	0.00																							
<table border="0" style="width:100%"> <tr> <td style="text-align:right">32,800.32</td> <td style="text-align:right">8,646.4400</td> <td style="text-align:right">68</td> <td style="text-align:right">3,169,014.21</td> <td style="text-align:right">Average Rent per Sq M.:</td> <td style="text-align:right">210.7944</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align:right">Rent <= \$1000</td> <td style="text-align:right">4</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align:right">Rent > \$1000</td> <td style="text-align:right">23</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align:right">27</td> </tr> </table>													32,800.32	8,646.4400	68	3,169,014.21	Average Rent per Sq M.:	210.7944					Rent <= \$1000	4					Rent > \$1000	23						27
32,800.32	8,646.4400	68	3,169,014.21	Average Rent per Sq M.:	210.7944																															
				Rent <= \$1000	4																															
				Rent > \$1000	23																															
					27																															



PROPERTY MANAGEMENT AGREEMENT

Ref: AGT1

REAL ESTATE AGENTS
REGISTERED VALUERS
PROPERTY MANAGERS

THIS AGREEMENT is made the 21ST day of August 2008

BETWEEN **Natural Blessings Ltd (or nominee)**
(the "Owner") of the first part

AND **Simes Limited at Christchurch**
(the "Agent") of the second part

WHEREAS:

- A. The Owner is the registered proprietor of the Properties referred to in Item 1 of the Schedule.
- B. The Owner has ~~agreed to appoint~~ and the Agent has agreed to accept such appointment as agent of the Owner to manage the Properties on behalf of the Owner in the manner hereinafter provided.

NOW THIS AGREEMENT WITNESSES

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

"Agent" means Simes Limited and its officers, servants and employees.

"Accounting Period" means a period of time as determined from time to time by the Agent but not in excess of 31 days and such that there shall be at least one such period concluded in every calendar month throughout the Term.

"Agreement" means this agreement as the same may be amended in writing from time to time by the parties ~~hereto~~.

"Arbitration Fee" means the amount or amounts in dollars referred to, or calculated in the manner referred to, in Item 9 of the Schedule or such other amounts or amounts as agreed between the parties in writing from time to time.

"Commencement Date" means the date referred to in Item 2 of the Schedule.

"Expiry Date" means the date referred to in Item 3 of the Schedule or such later date as agreed in writing between the parties.

"Financial Year" means the date notified to the Agent by the Owner.

"Gross Revenue" shall mean the total rents received and operating expenses paid including GST in each year during which this agreement remains in force without any deductions whatsoever.

"Management" means all acts, matters or things done or to be done by the Agent in or incidental to the business of the Agent in managing the Properties.

"Management Fee" means the amount or amounts in dollars referred to, or calculated in the manner referred to, in Item 4 of the Schedule or such other amount or amounts as agreed between the parties in writing from time to time.

"Officers" means the directors, secretary and principal executive officer of the Agent or the Owner, as the case may be, and any persons for the time being acting in any such office.

"Owner" means together with its successors and assigns, agents (other than the Agent), officers, servants and employees.

"Properties" means all of the land, buildings, structures and other fixtures and chattels referred to in Item 1 of the Schedule and any alterations, additions, accretions or other improvements made thereto or to any part thereof from time to time.

"Payment Period" means the period of time referred to in item 5 of the Schedule and the first Payment Period shall commence from the Commencement Date and every successive Payment Period shall commence on the day immediately following the last day of the previous Payment Period.

"Rent Review Fee" means the amount or amounts in dollars referred to or calculated in the manner referred to, in Item 6 of the Schedule or such other amount or amounts as agreed between the parties in writing from time to time.

"Tenant" includes any person occupying any lettable part of the Properties as lessee, tenant licensee, sub-lessee, sub-tenant or sub-licensee.

"Tenancy Agreement" means any agreement for lease, lease, tenancy agreement or licence whether registered or unregistered in respect of any lettable part of the Properties.

"Tenancy Agreement Commission" means the amount or amounts in dollars referred to, or calculated in the manner referred to, in Item 7 of the Schedule.

"Tenancy Agreement Renewal" includes the exercise by a Tenant of any option to renew a Tenancy Agreement contained in the relevant Tenancy Agreement.

"Tenancy Agreement Renewal Fee" means the amount or amounts in dollars referred to, or calculated in the manner referred to, in Item 8 of the Schedule or such other amount or amounts as agreed between the parties in writing from time to time.

"Term" means the period of time starting on and inclusive of the Commencement Date.

"Trust Account" means the trust account referred to in Item 14 of the Schedule.

1.2 Interpretation

In the interpretation and implementation of this Agreement except to the extent the context otherwise requires:

- (a) words importing the singular number include the plural and vice versa, words importing any gender include the other genders;
- (b) references to persons shall include natural persons, bodies corporate, corporations sole, government authorities and all other entities at law;

- (c) references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to and all regulations, rules, by-laws, proclamations, orders and other authorities pursuant thereto;
- (d) references to "writing" includes all means of reproducing words in a tangible permanently visible form and in the English language and "written" has a corresponding meaning;
- (e) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments thereto or changes therein entered into in accordance with their respective terms but only to the extent to which such amendments or changes are expressly or impliedly permitted by the terms of this Agreement;
- (f) where any word or phrase is given a defined meaning in this Agreement, any other grammatical form or that word or part of speech shall have a corresponding meaning;
- (g) references to any of the parties hereto include references to their respective successors and permitted assigns;
- (h) references to clauses, sub clauses, sub-sub clauses, paragraphs, subparagraphs and Schedules shall, unless otherwise indicated, refer to clauses, sub clauses, paragraphs, subparagraphs and any Schedules to or of this Agreement;
- (i) headings in this Agreement are included for reference only and shall not be used in the construction or interpretation of this Agreement.

1.3 Schedule

The Schedule shall form part of this Agreement.

2. **APPOINTMENT**

- 2.1 The Owner hereby appoints the Agent and the Agent hereby accepts such appointment to be the sole and exclusive agent of the Owner for the Management of the Properties during the Term for the purposes and upon and subject to the terms, conditions and provisions hereinafter provided.
- 2.2 The owner authorises the Agent to act for it in its name and on its behalf at the Owner's expense:
 - 2.2.1 to do any act, matter or thing referred to in Clause 4, and
 - 2.2.2 generally to do any act, matter or thing which is necessary or incidental to the Management of the Properties.
- 2.3 The Agent shall be the agent of the Owner and shall at all times be responsible only to the Owner and shall have no responsibility of any kind whatsoever to any Tenant or person other than the Owner.
- 2.4 The Owner shall not appoint any other person or persons for the Management of the Properties during the Term nor shall it vest in any person or persons any of the authorities, powers or rights vested in the Agent pursuant to this Agreement provided

that the Owner reserves the right to and may appoint any other person, whether in addition to the Agent or not, as agent of the Owner for the purpose of leasing or letting any vacant lettable parts of the Properties.

- 2.5. The Owner upon giving written notice to the Agent reserves the right to require the Agent to cease any specific duties.

3. OWNER'S OBLIGATIONS

3.1 Ratification

The Owner agrees to ratify all acts, matters or things done or to be done by the Agent in connection with and arising out of the Agent's appointment hereunder including, without limiting the generality of the foregoing, any act, matter or thing done or to be done by the Agent in the Management of the Properties provided that the Agent has acted in accordance with his powers under this Agreement.

3.2 Expenses

The owner agrees subject to the provisions of this Agreement to pay and be responsible for the payment to the Agent upon demand of all reasonable charges, costs, expenses and other disbursements payable or incurred by the Agent in the Management of the Properties.

3.3 Payment of Management Fee

3.3.1 The owner shall pay two months fee in advance on execution of this document such credit to remain during the term of the contract.

3.3.2 The Owner shall thereafter pay the Agent the Management Fee on the last day of each Payment Period.

3.3.3 A review of the Management Fee shall take place annually PROVIDED THAT either party may cancel this agreement should the review be considered unsatisfactory.

3.3.4 Where in respect of a Tenancy Agreement a rent review, lease renewal or tenancy agreement renewal occurs the Owner shall in addition to any other fees or commissions payable hereunder pay to the agent a Rent Review Fee or Tenancy Agreement Renewal Fee at the rate specified in Item 6 or Item 8 of the Schedule.

3.3.5 Costs and disbursements in respect of reviews and renewals including valuation fees and arbitration fees shall be payable by the Owner.

3.4 Indemnity

3.4.1 Except in the case of negligence on the part of the Agent, its servants or agents, the Owner agrees to indemnify and save harmless the Agent from any and all liability and for all claims and demands arising out of damage or injuries to persons or property, and the Agent will defend at the expense of the Owner all suits which may be rendered against the Agent on account thereof; provided that nothing in this sub-paragraph shall release the Agent from any liability to the Owner in respect of any breach of the Agent's covenants herein contained.

3.5 Information and Instructions

3.5.1 The Agent shall be entitled to request the Owner to deliver up to the Agent, within a reasonable time of any such request, any information which the Agent in its reasonable opinion considers necessary to enable the performance by the Agent of its duties and obligations hereunder.

3.5.2 The Agent shall be entitled to request instructions from the Owner on any matter related to, but outside or beyond the initial scope of the Agent's authority hereunder, and the Owner shall if in agreement instruct the Agent in writing as soon as possible following such request.

3.6 Assist Agent

The Owner shall do all acts, matters and things reasonably necessary to enable the Agent to fully and effectively manage the Properties in accordance with the provisions of this Agreement.

3.7 Not Liable for Tenants' Breaches

The Agent shall not be liable to the Owner for any default in payment of rent or otherwise on the part of any Tenant or for any damage done by, or any unsatisfactory conduct on the part of any Tenant.

3.8 Signage

The Agent may place such signage as the Owner approves on the property to inform the public, tenants, and contractors of the role of the Agent as manager of the property. Such signage shall be at the Agent's cost and shall be removed at the Agent's expense at the termination of the Agreement.

4. AGENT'S OBLIGATIONS

Unless instructed otherwise in writing by the Owner the Agent shall during the term do all acts, matters and things reasonably necessary to manage the Properties on behalf of and in the interests of the Owner in a diligent and businesslike manner but without restriction to the generality of the foregoing and in particular shall during the Term perform each of the following:

4.1 Collect Rent and Recoveries

4.1.1 Calculate and charge the Tenants for all amounts properly chargeable in the terms of their Tenancy Agreements.

4.1.2 Make reasonable efforts to collect all rents, bonds, charges and any other moneys due and payable to the Owner by the Tenants on the dates they fall due for payment and to issue receipts on behalf of the Owner for all such moneys collected.

4.1.3 In the case of any moneys due and payable to the Owner by the Tenants being in arrears provide a recommendation to the Owner of any legal or other action that should be implemented to recover such moneys and comply with any reasonable written instructions of the Owner to implement or cause to be implemented such action.

4.2 Disbursements

Pay, on behalf of the Owner, and from funds to the credit of the Owner in the Trust Account or from funds to be provided by the Owner all the rates, taxes, levies and other charges and expenses to the extent that they relate to any part of the Properties and are specified in Item 10 of the Schedule or are specified in a budget which has been submitted to and approved by the Owner or have otherwise been approved by the Owner in writing.

4.3 Vacancies

In the event of any lettable part of the Properties becoming vacant:

- 4.3.1 notify the Owner in writing of the vacancy within five (5) working days after the vacancy coming to the notice of the Agent;
- 4.3.2 advertise the lettable part of the Properties for letting in such manner and on such terms as the Agent in the Agent's absolute discretion considers appropriate including the placing of a sign or signs on any part of the Properties provided that the Agent shall only be entitled to incur on behalf of the Owner advertising costs, charges and expenses in respect of each vacancy to the extent of the amount referred to in Item 12 of the Schedule;
- 4.3.3 interview prospective Tenants and notify the Owner in writing of such interviews requesting the Owner's instructions as to choice of a Tenant or Tenants;
- 4.3.4 if instructed by the Owner negotiate terms and conditions of Tenancy Agreements with prospective Tenants upon such terms and conditions as are acceptable to the Owner;
- 4.3.5 if instructed by the Owner prepare or cause to be prepared by solicitors acceptable to the Owner Tenancy Agreements for letting of the lettable part of the Properties; and
- 4.3.6 do any act, matter or thing reasonably necessary to ensure valid execution of such Tenancy Agreements by prospective Tenants.

4.4 Negotiating Rent Reviews

- 4.4.1 Negotiate rent reviews with Tenants as and when the same shall fall due in accordance with the relevant Tenancy Agreements and in accordance with the written instructions of the Owner, which instructions shall be required from time to time by the Agent.(See Item 6 of Schedule)
- 4.4.2 Cause to be prepared by solicitors acceptable to the Owner all necessary Deeds of Rent Review.

4.5 Tenancy Agreement Renewals

- 4.5.1 Negotiate terms and conditions for Tenancy Agreement Renewals as and when the same shall fall due and in accordance with the terms and conditions of any subsisting Tenancy Agreement and the written instructions of the Owner, which instructions shall be requested by the Agent prior to such negotiations being commenced.(See Item 8 of Schedule)
- 4.5.2 Prepare or cause to be prepared by solicitors acceptable to the Owner Tenancy Agreements for Tenancy Agreement Renewals.

4.6 Dealing with Tenants

- 4.6.1 Notify the Owner in writing of all applications received from Tenants for consent to the carrying out of any alterations or works to any lettable part of the Properties, for assignment or subletting of any Tenancy Agreement or to change the use or otherwise vary the terms of any Tenancy Agreement in respect of any lettable part of the Properties and of the fact that such may have Resource Consent/Building Act and other implications and that legal advice should be sought.
 - 4.6.2 Regularly inspect the Properties and require compliance by Tenants with the terms of their Tenancy Agreements.
 - 4.6.3 Notify the Owner in writing of any material breach of any Tenancy Agreements within five (5) working days after the breach coming to the actual notice of the Agent.
 - 4.6.4 Immediately notify the Owner of the arising of and endeavour to resolve in the manner and within the guidelines directed by the Owner, any dispute.
- 4.7 Cleaning
- 4.7.1 When necessary prepare and submit to the Owner cleaning specifications in respect of the Properties, call for tenders for the cleaning of the Properties or any part thereof, report to the Owner, recommend to the Owner for the Owner's written acceptance a nominated tenderer and on behalf of the Owner appoint the cleaning contractor or contractors.
 - 4.7.2 Notify the Owner in writing of the appointment and of the terms and conditions of any cleaning contractor or contractors.
 - 4.7.3 Regularly inspect the Properties and the work carried out by the relevant cleaning contractors enforcing where necessary the terms and conditions of any agreements so as to ensure the work carried out by the relevant cleaning contractors is substantially in accordance with such agreements and the relevant cleaning specifications.
 - 4.7.4 Do any act, matter or thing necessary to give effect to any reasonable written instructions of the Owner in relation to the cleaning of the Properties.
- 4.8 Security
- 4.8.1 When necessary prepare and submit to the Owner security specifications in respect of the Properties, call for tenders for the security of the Properties or any part thereof, report to the Owner, recommend to the Owner for the Owner's written acceptance a nominated tenderer and on behalf of the Owner appoint the security contractor or contractors.
 - 4.8.2 Regularly inspect the Properties and the work performed and services provided by the relevant security contractor or contractors enforcing the terms and conditions of any relevant agreements so as to ensure the work performed and services provided by the contractor or contractors is substantially in accordance with the relevant agreements.
 - 4.8.3 When instructed in writing by the Owner do all acts, matters or things reasonably necessary to procure the installation of any security systems or other similar equipment in accordance with the written instructions of the Owner.

- 4.8.4 When instructed in writing by the Owner regularly inspect or cause to be inspected the security systems or other similar equipment on the Properties and carry out work and repair on the systems or equipment in accordance with the written instructions of the Owner.

4.9 Plant and Equipment

- 4.9.1 When necessary prepare and submit to the Owner maintenance of plant and equipment specifications in respect of the Properties, call for tenders for the maintenance of plant and equipment of the Properties or any part thereof, report to the Owner, recommend to the Owner for the Owner's written acceptance a nominated tenderer and on behalf of the Owner appoint the maintenance of plant and equipment contractor or contractors.

- 4.9.2 Regularly inspect the Properties and the plant and equipment thereof and the work of the contractor or contractors responsible for maintaining the same and enforce any of the terms and conditions of any relevant agreements so as to ensure the work performed and services provided by the contractor or contractors is substantially in accordance with the relevant agreements.

- 4.9.3 Do any act, matter or thing necessary to give effect to any reasonable written instructions of the Owner in respect of the maintenance of the plant and equipment of the Properties.

4.10 Inspection and Maintenance

- 4.10.1 Regularly inspect the Properties and report to the Owner in writing on the state of repair and condition of the Properties.

- 4.10.2 Notify the Owner in writing of any major damage to the Properties or any part thereof or of any major accident occurring therein or thereon within five (5) working days after the same having come to the notice of the Agent.

- 4.10.3 Effect or cause to be effected any and all such repairs, maintenance and alterations to the Properties or any part thereof as are:

(a) in the reasonably held opinion of the Agent necessary to protect the interests of the Owner provided that where the cost of any such item of repair, alteration or maintenance exceeds the amount specified in Item 13 of the Schedule, the Agent will obtain the prior written approval of the Owner, or

(b) in the reasonably held opinion of the Agent, necessary to protect the interests of the Owner but the circumstances giving rise to the need for such repair, alteration or maintenance are such that it is not reasonably practicable to seek and obtain the prior written approval of the Owner.

4.11 Emergency Evacuation Procedures

- 4.11 Ensure compliance with the Emergency Evacuation Procedures Fire Services Act 1975, Fire Safety Evacuation of Buildings Regulations 1992, Health and Safety in Employment Act 1992 and every other applicable statute, regulation lawn and/or ordinance relating to emergency evacuation procedures including but without restriction to the generality of the foregoing:-

(a) Ascertaining whether or not the Properties require a Fire Safety Evacuation Scheme.

- (b) If the Properties do not require a Fire Safety Evacuation Scheme obtaining Fire Service confirmation that the Properties are excused.
- (c) If the Properties do require a Fire Safety Evacuation Scheme ensure that:-
 - (i) This is an approved form.
 - (ii) This is kept operational and all tenants and their employees are aware of their obligations (including the appointment of Properties and floor wardens, regular fire drills and checking means of escape).
- (d) Ensure all hazards are identified, notified to the Owner, eliminated or where elimination is not possible, adequately signposted.

4.12 Building Act 1991 Compliance

- 4.12.1 Ensure compliance with the Building Act 1991, Disabled Persons Community Welfare Act 1975, Fire Services Act 1975, Resource Management Act 1991 and other applicable laws, regulations and/or ordinances as shall in any manner whatsoever, howsoever directly or indirectly control, regulate, govern and/or otherwise impose requirements and/or obligations upon the Owner in relation to the maintenance, repair, safety of, integrity of, sanitariness of, operation and/or use of the Properties and or any part thereof and/or service contained therein PROVIDED THAT nothing herein shall be deemed or construed so as to impose upon the Agent or obligations to satisfy any duty imposed upon the Owner in relation to any land, asset, wealth, and/or income tax.
- 4.12.2 Ensure compliance by the Owner with the Unit Title Act 1972, and if so directed act as Body Corporate Secretary.

4.13 Compliance Cost Recovery

The Agent is authorised to pay from the Trust Account the costs incurred in complying with the various Regulations and statutory requirements.

4.14 Refurbishment or Fitout work

With the written consent of the Owner manage or supervise refurbishment or fitout work on behalf of the Owner. (See Item 11 of Schedule)

4.15 Financial Planning and Control

- 4.15.1 Unless instructed in writing by the Owner to the contrary, prepare and submit to the Owner annual income and expenditure budgets (the "budgets"):
- (a) for the period starting from the Commencement Date to the end of the financial year, within sixty (60) days after the Commencement Date; and
 - (b) for each subsequent financial year prior to the commencement of such financial year.
- 4.15.2 Deposit all moneys received by the Agent on behalf of the Owner from or in respect of the Properties into the Trust Account and from such moneys held in the Trust Account to the credit of the Owner shall be withdrawn and paid any

moneys authorised to be paid by the Agent on behalf of the Owner pursuant to this Agreement.

4.16 Accounting and Reporting

4.16.1 Prepare and deliver to the Owner within seven (7) days after the end of each Accounting Period itemised statements disclosing:

- (a) income from the Properties received during that Accounting Period broken down into categories corresponding with the categories in the budgets for that Accounting Period;
- (b) expenditure incurred in relation to the Management of the Properties during that Accounting Period broken down into categories corresponding with the categories in the budgets for that Accounting Period;
- (c) a comparison of actual income and expenditure against the budgeted income and expenditure for that Accounting Period indicating any differences, which in the reasonable opinion of the Agent are material, between budgeted and actual amounts and a reasonable explanation for such differences;
- (d) details of new Tenancy Agreements entered into during that Accounting Period; and
- (e) details of any lettable parts of the Properties vacant at the end of that Accounting Period.

4.16.2 Deliver to the Owner at the same time as the statements referred to in sub-sub clause 4.16.1 are delivered a cheque in the amount of the net income from the Properties for the preceding Accounting Period after deducting any expenses incurred and paid by the Agent on the Owner's behalf from the Agent's own funds during the preceding Accounting Period and any interim payments made by the Agent to the Owner during the preceding Accounting Period in respect of such net income and any amounts which in the Agent's reasonable opinion will be necessary to meet any future expenses, costs or disbursements to be incurred in the Management of the Properties.

4.16.3 Prepare and deliver up to the Owner within fourteen (14) days after the end of each Accounting Period a list of arrears of moneys owing by the Tenants at the end of that Accounting Period.

4.16.4 Maintain in an up to date and orderly fashion, allowing reasonable access to the Owner of the following:

- (a) tenancy schedules for each of the Tenants disclosing the name of the Tenant, location of demised premises within the Properties, the area of the demised premises, the rental rate applicable thereto, car parking entitlements of the Tenant (if any) and a summary of Tenancy Agreement details in respect of the Tenant;
- (b) a history register disclosing details of either a temporary or permanent nature, which in the reasonable opinion of the Agent are necessary to facilitate the Management of the Properties;
- (c) a register containing copies of all Tenancy Agreements; and
- (d) a permanent diary in respect of each year specifying the Tenancy Agreement Renewal dates, rent review dates, expiry dates of service

contracts and adjustment and recovery of reimbursable outgoings in relation to the properties.

- (e) All invoices and receipts relating to the Properties.

4.16.5 Following the end of each financial year, the Agent shall submit a comprehensive report to the Owner covering the following areas:

- (a) Any ongoing matters previously covered in monthly reports and a general review of matters of significance, which occurred during the period under report;
- (b) A statement of income and expenditure for the relevant period including a report on items of expenditure which have been recovered from Tenants and also those of an unrecoverable nature;
- (c) A commentary on any significant structural repairs and maintenance carried out during the period; and
- (d) Any other information of interest and relevant to the Properties.

4.17 Supervision

Supervise all persons performing any work or providing any services on behalf of the Owner on the Properties.

4.18 General Duties

Advise on town planning matters including valuations, compulsory purchases and resumptions in relation to the Properties and when instructed in writing by the Owner conduct negotiations with the relevant statutory or local authorities provided that the Owner shall pay the Agent a reasonable fee in consideration for such advice and negotiations upon demand.

4.19 Proceedings

Not commence, participate in, defend or answer any legal proceedings on behalf of the Owner in relation to the Management of the Properties or otherwise in relation to the Properties or the Owner without prior written instructions from the Owner approving such action.

4.20 Liaison with Other Consultants

Subject to the written instructions of the Owner consult with and instruct from time to time other consultants such as valuers, solicitors, engineers and architects on the Owner's behalf which are, in the reasonable opinion of the Agent, necessary to be consulted in respect of the Management of the Properties.

4.21 Conduct

4.21.1 Obey and carry out any instructions in writing from the Owner to the extent that such instructions and the carrying out thereof are reasonable and incidental to the Management of the Properties by the Agent.

4.21.2 The Agent shall:

- (a) Carry out on behalf of the Owner the duties and functions set out herein when the same are required:-
- (i) In a good and professional manner.
- (ii) To the reasonable satisfaction of the Owner.

- (b) At all times use all reasonable endeavours and act in:
 - (i) Good faith.
 - (ii) Compliance with the law.in fulfilling its obligations under this clause.
- (c) Promptly and without demand, deduction and/or set off pay every sum payable by the Agent to the Owner hereunder.
- (d) Not describe itself as Agent or Representative of the Owner except as expressly authorised by this agreement.
- (e) Not pledge or extend the credit of the Owner in any way.
- (f) Not make any profit either directly or indirectly from its management of the Properties other than as expressly contemplated hereunder.
- (g) On entering into this or any other agreement or transaction with or for and on behalf of the Owner make full disclosure of any material circumstances and of everything known to it respecting the subject matter thereof which would be likely to influence the conduct of the Owner including in particular disclosure of other agencies or interests in or relating thereto held by the Agent.
- (h) Promptly and fully pay all its separate debts and liabilities.
- (i) Not engage in any conduct prejudicial to the Owner and/or the letting of the Properties.
- (j) Not at any time during or after the term contemplated herein divulge or allow to be divulged to any person or information relating to the Properties, letting thereof or affairs of the Owner.
- (k) Not to delegate any duties or obligations arising under this agreement otherwise than as may be expressly permitted under its terms.
- (l) Utilise such standard form of agreement to lease and/or other documentation as shall be laid down by the Owner from time to time applicable in relation to any aspect of the management of the Properties.

5. RIGHT TO DEDUCT MONEYS OWING

The Agent shall be entitled to deduct from moneys collected by the Agent pursuant to sub clause 4.1 and any other moneys deposited in the Trust Account to the credit of the Owner, the Management Fee and any Rent Review Valuation Fees, Tenancy Agreement Renewal Fees, Tenancy Agreement Commissions and Arbitration Fees and any other commissions, fees, reimbursements or other moneys owing to the Agent by the Owner and any other expenses incurred and paid by the Agent on the Owner's behalf pursuant to this Agreement forthwith upon the same becoming due and payable.

6. INSURANCE

6.1 Owner Responsible

Unless the Agent receives written instructions from the Owner, the Owner shall be solely responsible for the effecting and maintaining of all types of insurance in relation to all of the Properties.

6.2 Agent to Assist with Annual Reviews

If requested, the Agent shall assist the Owner with annual reviews of all insurances relating to the Properties and shall provide the Owner's brokers with all necessary information to ensure satisfactory insurance cover is effected. Where insurance claims occur and if requested, the Agent shall handle such claims on the Owner's behalf through the Owner's broker provided that the Owner shall pay the Agent a reasonable fee in consideration for such assistance upon demand made to the Owner.

7. APPOINTMENT AS LEASING AGENT**7.1 Appointment**

The Owner hereby appoints the Agent to act as the Owner's agent during the Term, to lease or let any lettable parts of the Properties as and when the same become vacant and the Agent hereby accepts such appointment and undertakes to use the Agent's best endeavours in consultation with the Owner to lease or let any lettable parts of the Properties using such other firms of real estate agents as it thinks fit and, subject to sub-sub clause 4.3.2, at the cost of the owner.

7.2 The Agent shall be deemed to have concluded a Tenancy Agreement in respect of a lettable part of the Properties if:

7.2.1 the Tenant is introduced to the Owner by or through the Agent or the Agent otherwise procures for the benefit of the Owner the Tenant; and

7.2.2 during the Term or if this Agreement shall be otherwise terminated then prior to such termination the Tenant enters into a Tenancy Agreement effected by the Agent in respect of any lettable part of the Properties or takes possession of any lettable part of the Properties.

7.2.3 The Agent's commission payable pursuant to this Clause 7, shall become due and payable upon the date the Tenant executes a Tenancy Agreement concluded by the Agent or upon the date that the Tenant takes possession of any lettable part of the Properties whichever is the first to occur and shall remain due and payable notwithstanding the subsequent termination or breach of the Tenancy Agreement or the surrender of possession by the Tenant of the lettable part of the Properties.

7.2.4 The Agent shall use its best endeavours to ascertain the credit worthiness and financial status of any Tenant introduced to the Owner by or through the Agent and shall provide the Owner with such particulars as the Owner shall request in respect of such Tenant and as the Agent is able to ascertain and generally assist the Owner in making any reasonable enquiries which the Owner may request in relation thereto with all external costs incurred by the Agent pursuant to this sub-sub clause 7.2.4 to be reimbursed by the Owner upon demand.

8. COMPLIANCE WITH TENANCY AGREEMENTS

Subject to the terms of this Agreement and any written instructions from the Owner from time to time, the Agent in the exercise of its rights and the performance of its duties and obligations hereunder shall have no authority whatsoever to commit a breach of any Tenancy Agreement, determine or otherwise terminate any Tenancy Agreement or to do any act, matter or thing which may or could damage or injure the Owner in any way whatsoever.

9. DELEGATION

The Agent shall not transfer, assign or otherwise dispose of its rights or interest under this Agreement without the prior written consent of the Owner and subject to the terms of this Agreement shall not delegate any duties or obligations arising under this Agreement without the prior written consent of the Owner.

10. DEFAULT AND TERMINATION

- 10.1 Subject to the terms of sub clause 10.2 this Agreement shall terminate on the Expiry Date or in the event where the Owner enters into an agreement for the sale of the property, the Owner may terminate this Agreement on the agreement for the sale of the property becoming unconditional or on settlement date.
- 10.2 If either party fails to comply with any of the terms and conditions of this Agreement to the reasonable satisfaction of the other party, within fourteen (14) days after receipt of written notice of such failure from the other party then the other party shall be entitled to terminate this Agreement by fourteen (14) days notice in writing to that party.
- 10.3 In the event this agreement is for any reason terminated then the Management Fee shall be apportioned down to termination date.
- 10.4 The Owner shall be able to terminate this agreement by giving written notice immediately upon the Agent:
- 10.4.1 Making or entering into or endeavouring to make or enter into any composition, assignment or other arrangement with or for the benefit of the Agent's creditors.
 - 10.4.2 Being insolvent, put into liquidation and/or having a receiver appointed to run its affairs.
 - 10.4.3 Suffering distress or execution to issue against the Agent's property goods or effects under any judgement against the Agent in any Court for a sum in excess of \$50,000.00.
 - 10.4.4 Has its real estate licence revoked or suspended for any reason.
 - 10.4.5 Transfers, assigns or otherwise in any manner whatsoever disposes of or attempts to dispose of its interest or part thereof hereunder.
 - 10.4.6 Suffers a change in directorship, shareholding and/or otherwise in control such that the owner shall determine (which for the avoidance of doubt shall be at the Owners sole discretion), that it is no longer in the Owners best interests to be associated with the Agent.
 - 10.4.7 Engages in any act or omission, which in the opinion of the Owner is prejudicial to its interests.

11. TERMINATION CONSEQUENCES

- 11.1 Upon expiration or other termination of this Agreement the Agent shall cease carrying on the Management of the Properties and its appointment as agent of the Owner for the purpose of the Management of the Properties and to lease or let any lettable parts of the Properties shall cease.
- 11.2 Upon or prior to the last day of the Term or within five (5) working days after any other termination of this Agreement the Agent shall furnish to the Owner the reports and statements referred to in sub clause 4.16 completed up till the last day of the Term or the date of any other termination as the case may be and not later than five (5) working days after such date pay to the Owner any sums remaining in the Trust Account to the Credit of the owner after deducting all reasonable amounts for payment of or reimbursement for previously paid expenses incurred in or incidental to the Management of the Properties provided that the Agent shall be entitled to keep copies of all such reports and statements delivered up to the Owner as aforesaid. The Agent shall also furnish to the Owner all leases, maintenance contracts, building reports and other documents held.
- 11.3 The Agent shall be entitled to Management Fees, Rent Review Fees, Tenancy Agreement Renewal Fees, Tenancy Agreement Commissions, Arbitration Fees and any other fees, commissions or remuneration payable pursuant to this Agreement in respect of the Management of the Properties, Tenancy Agreement Renewals negotiated, rent reviews effected and Tenancy Agreements concluded by the Agent up to the date of termination and to reimbursement for any other expenses incurred and paid for by the Agent on the Owner's behalf prior to the date of termination and for these purposes shall be entitled to deduct such moneys from any payment to be made to the Owner pursuant to Clause 11.2
- 11.4 The expiry or termination of this Agreement shall be without prejudice to any rights, remedies or privileges, which have already accrued to either of the parties under this Agreement.

12. INTEREST

All sums of money due and payable from either of the parties to the other, which are not paid on the due date, shall (without prejudice to the rights of the Owner or the Agent under this Agreement) bear interest at the annual rate specified in Item 15 of the Schedule.

13. NOTICES

- 13.1 Any demand, notice, consent, request, instruction or other communication to be made or given under this Agreement shall be in writing and signed by the party giving it and shall be delivered or sent by Email, facsimile, cable or registered post to the other party at its address set out in Item 16 of the Schedule or such other addresses as may be notified in writing by one party to the other from time to time.
- 13.2 If posted, a demand, notice, consent, request, instruction or other communication shall be deemed to have been received by the addressee at the expiration of forty-eight (48) hours after it shall have been posted or if sent by telex shall be deemed served upon receipt of the appropriate answer-back code or if sent by facsimile shall be deemed served when sent.

14. PAYMENTS

Any payment or payments to be made to the Owner by the Agent hereunder shall be by deposit or telegraphic transfer to the account referred to in Item 17 of the Schedule or by delivery of a cheque made payable to the Owner or the account referred to in Item 17 of the Schedule and any payment or payments to be made by the Owner to the Agent hereunder shall be made by deposit or telegraphic transfer to the account referred to in Item 18 of the Schedule or by delivery of a cheque made payable to the Agent or the account referred to in Item 18 of the Schedule.

15. WHOLE AGREEMENT

The Agent and the Owner both acknowledge and agree that this Agreement contains the whole agreement between the parties and that the Agent and the Owner has not relied upon any oral or written representations made to it by the other party and has made its own independent investigations into all matters relevant to this Agreement.

16. SUPERSEDES PRIOR AGREEMENTS

This Agreement supersedes any prior agreement between the parties whether oral or written and any such prior agreements are cancelled as at the Commencement Date but without prejudice to any rights which have already accrued to any of the parties.

17. WAIVER

No waiver of any breach of this Agreement or any of the terms of this Agreement shall be effective unless that waiver is in writing and signed by the party against whom the waiver is claimed. No waiver of any breach shall operate as a waiver of any other breach or subsequent breach.

18. NO PARTNERSHIP

The parties acknowledge that they are not partners or joint ventures and nor is the Agent able to act as agent of the Owner save as authorised by this Agreement.

19. GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of New Zealand.

20. JURISDICTION

Each of the parties hereto irrevocably consents and agrees that any legal action or proceeding arising out of or in any way connected with or in respect of this Agreement may be instituted in a Court of competent jurisdiction in New Zealand.

21. AMENDMENT

This Agreement may only be amended by an instrument in writing signed by each of the parties hereto or by their duly authorised agents or attorneys.

22. COSTS AND STAMP DUTY

Subject to the terms of this Agreement each party shall bear its own costs of and incidental to the preparation and execution of this Agreement and all matters arising there out and the Owner shall bear any stamp duty, if applicable, in relation to this Agreement.

23. ARBITRATION

In the event of any dispute arising between the parties to this Agreement and/or in respect of or in connection with this Agreement (including the validity, breach or termination of it) the parties shall, without prejudice to an other right or entitlement they may have pursuant to this Agreement or otherwise, immediately explore in good faith whether the dispute can be resolved by agreement between them using informal dispute resolution techniques such as negotiation, mediation, independent expert appraisal or any other alternative dispute resolution technique. The rules governing any such technique adopted shall be as agreed between the parties or if no such agreement is reached within seven days as selected by the Chairperson for the time being of the New Zealand Chapter of LEADR. Both parties agree to use their best endeavours to achieve resolution in this way and further agree that neither party will initiate arbitration without first pursuing such informal dispute resolution techniques.

In the event the dispute is not resolved by such agreement with 21 days of written notice by one party to the other of the dispute (or such further period agreed in writing between the parties), either party may refer the dispute to arbitration by a single arbitrator pursuant to the procedure set out in the Arbitration Act 1907 before its repeal which procedure shall be deemed implied herein as though the same were expressly set forth in full mutatis mutandis. The arbitrator shall be agreed between the parties within 10 days of written notice of the referral by the referring party to the other or failing agreement appointed by the President of the Canterbury District Law Society. In either case the arbitrator shall not be a person who has participated in an informal dispute resolution procedure in respect of the dispute. The arbitrator so appointed shall be obliged to proceed with the maximum expedition to deliver an award within two months of appointment, the parties agreeing to co-operate fully in this respect. The parties hereby agree that the arbitral award shall be final and binding and hereby waive any right to appeal against the award or seek judicial review of it in any Court.

SCHEDULE

- ITEM 1 Properties (Clause 1.1)**
- The properties situated at:
- 471 Colombo St
40 Cass St
55 Sandyford St
177 St Asaph St
736 Colombo St
738 Colombo St Christchurch
- ITEM 2 Commencement Date (Clause 1.1)**
- 18 / 08 / 2008
- ITEM 3 Expiry Date (Clause 1.1)**
- 17 / 08 / 2010
- ITEM 4 Management Fee (Clause 1.1)**
- (\$13,500) plus G.S.T per annum)
- (Subject to annual review - Clause 3.3.2)
- ITEM 5 Payment Period (Clause 1.1)**
- Monthly.
- ITEM 6 Rent Review Fee (Clause 1.1 and 4.4)**
- Ten (10%) percent of the annual increase obtained including any car parking or signage/naming rights.
- The fee is due for payment by the owner on the signing of the accepted rent review document.
- ITEM 7 Tenancy Agreement Commission (Clause 1.1 and 7.2.3)**
- The rates of commission appropriate for leasing agents as determined and published by Simes Limited from time to time.
If leasing is carried out by a company other than Simes Limited a Master agency fee of 30% of the agency commission is payable.

- ITEM 8 Tenancy Agreement Renewal Fee (Clause 1.1 and 4.5)**
- For lease renewals, including options to extend, 30% of the standard leasing commission charged by Simes Limited is payable based on gross rental and any car parking, signage/naming rights.
- For new leases carried out by Simes Limited Property Management Division, 100% of the standard agency commission is payable.
- ITEM 9 Arbitration Fee (Clause 1.1)**
- One Hundred Dollars (\$100.00) per hour plus GST
- ITEM 10 Disbursements Payable on Behalf of Owner (Clause 4.2)**
- Rates, building services charges, maintenance expenses, insurance premiums, and electricity charges.
- ITEM 11 Refurbishment or Fitout Fee (Clause 4.14)**
- To be agreed at the time.
- ITEM 12 Costs Incurred on Advertising Vacancy (Clause 4.3.2)**
- Five Hundred Dollars (\$500.00) plus GST.
- ITEM 13 Repairs Alterations and Maintenance (Clause 4.10.3)**
- One Thousand Five Hundred Dollars (\$1500.00) plus GST.
- ITEM 14 Trust Account (Clause 1.1)**
- A Trust Account maintained and operated by the Agent
- ITEM 15 Default Interest Rate (Clause 12)**
- Two percent per annum (2.00% pa) above BNZ Bank prime lending rate
- ITEM 16 Address for Notices (Clause 13)**
- | | |
|---|--|
| <p><u>The Owner:</u></p> <p>Christchurch
New Zealand</p> <p>Telephone (03)</p> | <p><u>The Agent</u></p> <p>First Floor
227 Cambridge Terrace
P O Box 13-341
Christchurch
New Zealand</p> <p>Telephone (03) 377-1460</p> |
|---|--|

Facsimile (03)

Facsimile (03) 366-2972

ITEM 17 **Account for Payment to Owner (Clause 14)**

As advised by the Owner from time to time

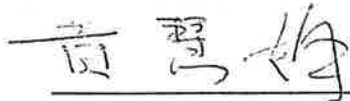
ITEM 18 **Account for Payment to Agent (Clause 14)**

As advised by the Agent from time to time.

IN WITNESS WHEREOF the parties hereto have executed these presents.

SIGNED BY

NATURAL BLESSINGS LTD OR NOMINEE)

) 

) _____

) _____

as Owners

SIGNED BY

FOR SIMES LIMITED

) 

) **A. Bell**
Director Property Management.

as Agent

SIMES LIMITED

DATED 21-08 2008

BETWEEN

Natural Blessings Ltd (or nominee)

"Owner" 賈 翠 娟

AND

SIMES LIMITED

"Agent"

PROPERTY MANAGEMENT
AGREEMENT
