

Auckland Property Management Ltd

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MINUTES OF THE EXTRAORDINARY GENERAL MEETING

BODY CORPORATE 169774

2 Albers Avenue, Epsom Auckland 1023

The Extraordinary General Meeting of Body Corporate 169774 was held at Auckland Property Management, 145 Manukau Road, Epsom on Friday, 12 July 2019 commencing at 04:30 PM.

Present:

Lot #	Unit #	Attendance	Owner Name / Representative
1	A	Yes	Ravindra Telang
2	B	Yes	Channa Ajith & Keshi Weerasinghe
7	G	Yes	Sajeev Kuttan & Sheena Gopinath
9	I	Yes	Ming Huey Chang
12	L	Yes	Richard Scott Geary & ASCO Legal Trustees Ltd
13	M	Yes	Dellisse Moleta
15	O	Yes	Hui Yan Cheng
16	P	Yes	Lin Hu & Tianchun Gao
17	Q	Yes	Kenneth & Patricia Graham
18	R	Yes	Phuoc Thanh Trinh

In attendance: Samantha Turnbull, Body Corporate Manager, Auckland Property Management
Chris Davis, Forme-Reclad (left the meeting at 5:15PM)

Minutes:

1 Appointment of Chairperson for Meeting

Resolved: That [Samantha Turnbull](#) be elected Chairperson of the meeting.

MOVED: Richard Geary

SECONDED: Ravi Telang

MOTION CARRIED

2 Proxies and Voting Papers

Resolved: That the proxies and voting forms be received.

MOVED: Channa Ajith

SECONDED: Ravi Telang

MOTION CARRIED

The manager advised the meeting the following Proxies had been received:

Lot #	Unit #	Owner Name / Representative
Lot 5	Unit E	Jiyong (Judy) Duan appointed Lina Hu
Lot 6	Unit F	Jin Zheng appointed Lina Hu
Lot 10	Unit J	Hongyin (Sunny) Ni appointed Mr Ming Huay Cheng
Lot 11	Unit K	Vivien Peng Family Trust, Yiming Peng appointed Lina Hu

3 Building Remediation

3(a) Presentation from Chris Davis of Forme-Reclad in relation to estimate provided.

Chris spoke to the meeting in regards to the Estimate Summary that was provided to the owners with the notice of meeting. This proposal is based on the Hampton Jones drawings.

Key points as follows:

- Project expected to take between 6-9 months.
- Re-roof has been proposed as mono-pitched Colour Steel, which has a 25 year warranty with a new membrane, which will be more cost effective as opposed to the pitched roof included in the Hampton Jones proposal.
- Chris noted that the Resource Consent for the roof has been approved by Council.
- Expense on Hampton Jones proposal noted in regards to the balconies and squaring these off. Chris has proposed glass balustrades as replacements as these are more cost effective and look good, and will remain in the curve shape.
- Residents will be required to vacate the building during the work being undertaken. Council will not allow work to begin with residents on-site.
- Skylights over top floor bathrooms have not been included in the proposal.
- Fire has not been addressed as yet.
- The installation of fire collars in bathrooms also not included in price estimate. Chris will revisit this.
- Sajeev Kuttan (Unit G) queried whether there was scope to address the issue with the leaking and rusting pipes in the garage. Chris noted that this was most likely an issue with the wall-hung toilets in the bathrooms, as all plumbing waste drops down to the garage via the service duct behind the toilets and showers. The main rust issue is from copper touching the galva steel and reacting once water gets involved. It would be up to individual owners to attend to any internal works within their units, but Chris would add a line item to the work scope for the garage work and replacement of toilets (including the wall plumbing).
- A query was raised regarding internal works and owners getting their own contractors in to do this - Chris noted that there were no problems with this.

After discussions, it was agreed that Chris would revise the fee estimate to include the fire requirements, garage works and replacement of toilets (including the piping work in the wall being replaced) and provide the Committee with an updated fee to be circulated to all owners.

Following Chris leaving the meeting, Lina Hu (Unit P) spoke to the meeting regarding concerns of those she was holding proxy votes for. These owners are more interested in restoring the property to its previous condition, rather than, what they believe, is improving the value of the property. The meeting discussed this, and it was agreed to allow two weeks for owners to obtain quotes for targeted repairs, which would be provided to the Body Corporate Manager for circulation to all owners.

3(b) Update from Body Corporate Committee in relation to future relationship with Hampton Jones, and Payment Claim 13.

Ravi Talang addressed the meeting in regards to Payment Claim 13 issued by Hampton Jones, and the subsequent response of the Body Corporate Committee (as per the documents attached to the Notice of Meeting). The Claim has not been accepted by the Body Corporate as there was no confirmation of the variation to the contract.

As at the time of the meeting, no response had been received by Hampton Jones, but potential for them to take legal action. It was agreed that a law firm specialising in contractual law be appointed to review and provide advice to the Body Corporate.

3(c)

Motion put: That Body Corporate 169774 agrees to raise a Building Remediation Legal Fund Special Levy of \$30,000.00 incl GST. Such sum will be levied to all owners on an owner interest basis, with the first instalment of \$15,000.00 incl GST due **15/08/2019**, and the second instalment of \$15,000.00 incl GST due **15/09/2019**. Interest of 10% per annum (accruing on a daily basis from the due date of payment) will be charged on any late or unpaid levy.

MOVED: Richard Geary

SECONDED: Ravi Telang

Amendment to motion put: That "Body Corporate 169774 agrees to raise a Building Remediation Legal Fund Special Levy of \$30,000.00 incl GST" be amended to "Body Corporate 169774 agrees to raise a Building Remediation Legal Fund Special Levy of \$20,000.00 incl GST".

MOVED: Channa Ajith

SECONDED: Ravi Telang

Resolved: That Body Corporate 169774 agrees to raise a Building Remediation Legal Fund Special Levy of \$20,00.00 incl GST. Such sum will be levied to all owners on an owner interest basis, with the first instalment of \$10,00.00 incl GST due **15/08/2019**, and the second instalment of \$10,000.00 incl GST due **15/09/2019**. Interest of 10% per annum (accruing on a daily basis from the due date of payment) will be charged on any late or unpaid levy.

MOVED: Channa Ajith

SECONDED: Ravi Telang

For: 9

Against: 5

Abstain: 0

Meeting Note: *It was agreed that any funds raised and not spent would be transferred to the Administration Fund account if and when required.*

CLOSURE: There being no further business, the chairperson declared the meeting closed at 06:05 PM.



MINUTES OF THE EXTRAORDINARY GENERAL MEETING

BODY CORPORATE 169774

2 Alpers Avenue, Epsom, Auckland

The Extraordinary General Meeting of Body Corporate 169774 was held at Auckland Property Management, 145 Manukau Road, Epsom, Auckland on Tuesday, 17 December 2019 commencing at 04:30 PM.

Present:

Lot #	Unit #	Attendance	Owner Name / Representative
1	A	Yes	Pearl NZ Ltd / Ravindra Telang
2	B	Yes	Channa Ajith & Keshi Weerasinghe - Proxy: Cathy Dew
4	D	Yes	David William Bainbridge & Ming Zhu (Cathy Dew)
5	E	Yes	Jiyang (Judy) Duan
6	F	Yes	Jin Zheng
7	G	Yes	Sajeev Kuttan
8	H	Yes	CTS Trust / Barry and Caroline Northcott
12	L	Yes	Richard Scott Geary & ASCO Legal Trustees Ltd
13	M	Yes	Dellisse Moleta
17	Q	Yes	Kenneth & Patricia Graham
18	R	Yes	Phuoc Thanh Trinh

In attendance: Samantha Turnbull, Body Corporate Manager, Auckland Property Management
Jessica Dellow, Body Corporate Manager, Auckland Property Management
Liza Fry-Irvine, Pidgeon Law
Kenneth Koo, Loo & Koo Barristers, Solicitors and Notary Public (translator)
David Clifton, Commercial Services & Reports (David left the meeting at 5.10pm)
Wayne Houston, Houston Architects (Wayne left the meeting at 5.15pm)

Minutes:

Samantha Turnbull introduced Jessica Dellow from Auckland Property Management and advised that Jessica would be taking over as the new BC Manager following the EGM.

1 Appointment of Chairperson for Meeting

Resolved: That the Manager be elected Chairperson of the meeting.

MOVED: Richard Geary

SECONDED: Cathy Dew

MOTION CARRIED UNANIMOUSLY

2 Proxies and Voting Papers

The Manager advised the meeting that the following Proxies has been received:

Channa Ajith and Keshi Weerasinghe, Unit B (Lot 2) in favour of Cathy Dew

Resolved: That the proxies and voting forms be received.

MOVED: Patricia Graham

SECONDED: Ravi Telang

MOTION CARRIED UNANIMOUSLY

Section 74 Scheme

Liza Fry-Irvine from Pidgeon Law, addressed the meeting in regards to the section 74 scheme:

- Liza referred to her letter of advice dated 7 November 2019, which was circulated with the meeting notice.
- Having a section 74 scheme in place is not mandatory, but highly recommended. It sets out the governance framework to implement the remediation project, what powers and obligations the Body Corporate and all unit owners have, how the remediation costs will be allocated amongst unit owners, and what happens if levies are not paid. The High Court is asked to approve the section 74 scheme which gives all parties involved in the remediation process some protection and comfort that it is legally binding on all owners. If an owner does not pay their remediation levies, the Body Corporate must take levy collection proceedings against the defaulting owner in the usual way, and the Court approved section 74 scheme is presented as evidence that the unpaid levies are payable and enforceable. Banks prefer to see a section 74 scheme in place when asked by owners to lend funds to cover remediation costs.
- David Clifton voiced that he would not allow for the finalised construction contract with Forme-Reclad be signed without a section 74 scheme in place, or alternatively seeing that the Body Corporate had the full funds available at the start of construction, including a contingency.
- Liza noted that there is the potential to not have the court approved scheme in place prior to levies being collected, however any levies raised will need to be done in accordance with the remediation cost allocation method in the proposed scheme.
- Construction can also begin prior to the scheme being approved by the Court, if necessary.
- Liza noted the default position with respect to raising levies to fund the remediation project is to raise them across all unit owners in the complex using utility interests. This is in accordance with the Unit Titles Act 2010 (the Act) and case law. The question was asked what the penalties are if levies for the remediation project are raised in breach of the Act, i.e. they are not raised across all unit owners using utility interests and are raised using some other cost allocation approach? Liza noted that if levies were not raised in accordance with the Act and there was no court approved scheme in place, the cost allocation approach would not comply with the Act and could be unraveled when owners don't pay the levies. The Body Corporate cannot bring levy collection proceedings in the Tribunal or Court against a defaulting owner if the cost allocation approach used to raise the levy breaches the Act. Raising levies in a way that breaches the Act increases the risk of the Body Corporate not being able to recover unpaid remediation cost levies through the debt collection process, as the way the levies were raised would not be binding. Levies raised in breach of the Act are only binding and enforceable if a court approved section 74 scheme is obtained.
- Owners are able to propose alternative ways of sharing the project costs, other than by utility interests, which can be explored and discussed during the scheme preparation process. This would also apply for those owners wishing to have additional works to their units undertaken. If the Body Corporate wishes to share costs in some other way (i.e. not utility interests across all units) then a scheme is needed.
- Liza noted that if the resolution proposed at this EGM to start the scheme process passed, the draft scheme would first be prepared and sent to the Committee for their review and approval. Once the Committee had given feedback and any necessary changes made, a second EGM would be called where the formal motions to adopt the scheme and apply to the High Court for approval would be passed. At that same EGM the Body Corporate would also approve how the remediation costs are to be allocated and levied amongst all unit owners. All owners will be sent the proposed section 74 scheme and cost allocation resolution(s) before the EGM to enable them time to seek independent legal advice if they wish.
- Liza estimates it will take 6-9 months from the drafting of the scheme through to the final approval of the High Court, granted there are no owner objections to the scheme.
- All owners present were given the opportunity to ask questions, including those represented by translator, Mr Koo.
- Owners are encouraged to start discussions with their banks now if they need to loan funds to pay their remediation levies.

Resolved: That the Body Corporate appoints Pidgeon Law to prepare a scheme under section 74 of the Unit Titles Act 2010, and affidavit(s) in support, for filing in the High Court for the Court's approval under that Act, and that Pidgeon Law may engage a court lawyer to assist.

MOVED: Ravi Telang

SECONDED: Cathy Dew

For: 11 Against: 1 (Unit M) Abstain: 0

MOTION CARRIED

Motion put: That the Body Corporate raise an additional Remediation Levy of \$26,000.00 incl GST to cover the legal costs relating to the preparation of the Section 74 Scheme. Such sum will be levied to all owners on an owner interest basis in TWO (2) instalments due for payment on 27/01/2020 and 27/02/2020. Interest of 10% per annum (accruing on a daily basis from the due date of payment) will be charged on any late or unpaid levy.

Amendment to the motion put: That the wording "owner interest basis" be amended to "owner utility interest basis".

MOVED: Richard Geary

SECONDED: Ravi Telang

For: 11 Against: 1 (Unit M) Abstain: 0

MOTION CARRIED

Resolved: That the Body Corporate raise an additional Remediation Levy of \$26,000.00 incl GST to cover the legal costs relating to the preparation of the Section 74 Scheme. Such sum will be levied to all owners on an owner utility interest basis in TWO (2) instalments due for payment on 27/01/2020 and 27/02/2020. Interest of 10% per annum (accruing on a daily basis from the due date of payment) will be charged on any late or unpaid levy.

MOVED: Ravi Telang

SECONDED: Cathy Dew

For: 11 Against: 1 (Unit M) Abstain: 0

MOTION CARRIED

4 Hampton Jones Update

Hampton Jones have engaged the services of Martelli McKegg to act as their solicitors in regards to the outstanding Claim 13 dispute. A copy of the letter issued to the Body Corporate is attached to this notice.

The Body Corporate Committee have appointed Joanna Pidgeon from Pidgeon Law to attend to this matter on behalf of the Body Corporate.

The Committee to provide an update to all owners as to the current position of this matter.

It was noted that a copy of the response letter to Martelli McKegg from Joanna Pidgeon, on behalf of the Body Corporate, was attached to the notice of meeting, and there had been no developments since this to report on.

5 General Matters

5(a) Update from Wayne Houston, Houston Architects

- Wayne addressed the meeting and noted that he was pleased with how the designs were progressing.
- Consultation has been made in regards to the fire design. A Type 5 fire alarm is required, which is an upgrade to the current system. To comply with Type 5 fire safety, the kitchen extractors need to be vented outside. Wayne initially tried to see if the current recirculating system would be sufficient, but an upgrade is required to comply.
- Eastern walkways - Hampton Jones' initial proposal to widen the walkways was taken into consideration. After consultation it was agreed that they would be able to stay as-is, as they fall under as-is reasonably practical. The walkways are tight but workable in the event of an emergency.

- Windows on North elevations do not comply with current building code but do not require replacing as they fall under as-is reasonably practical.
- Wayne noted there is currently no Mechanical Engineer report for the building, and recommends one be undertaken. Wayne to arrange for Committee approval.
- Issue with fire work in existing ducts into the roof has been identified, and will be required to be re-established.
- Top floor laundries and bathrooms are currently ventilated by skylights. Wayne has proposed not to reinstate these, and replace with mechanical ventilation as a more cost effective option. Unit M voiced disapproval to this as the skylights provide natural light and no consultation had been made. It was agreed that both Wayne and David Clifton would arrange to visit the unit and a proposal would be put together to include the skylight reinstatement to Unit M. It was noted that this may come at an additional costs to any units that want the skylights.

CLOSURE: There being no further business, the chairperson declared the meeting closed at 05:58 PM.



MINUTES OF THE EXTRAORDINARY GENERAL MEETING

BODY CORPORATE 169774

2 Alpers Avenue, Epsom Auckland 1023

The Extraordinary General Meeting of Body Corporate 169774 was held at Auckland Property Management, 145 Manukau Road, Epsom, Auckland on Monday, 26 August 2019 commencing at 04:30 PM.

Present:

Lot #	Unit #	Attendance	Owner Name / Representative
1	A	Yes	Pearl NZ Ltd / Ravi Telang
2	B	Yes	Channa Ajith & Keshi Weerasinghe
4	D	Yes	David William Bainbridge & Ming Zhu
5	E	Yes	Jiyong (Judy) Duan
6	F	Yes	Jin Zheng
7	G	Yes	Sajeev Kuttan & Sheena Gopinath
8	H	Yes	CTS Trust / Barry Northcott
12	L	Yes	Richard Scott Geary & ASCO Legal Trustees Ltd
16	P	Yes	Lin Hu & Tianchun Gao
18	R	Yes	Phuoc Thanh Trinh

In attendance: Samantha Turnbull, Body Corporate Manager, Auckland Property Management Limited

Minutes:

1 Appointment of Chairperson for Meeting

Resolved: That [Samantha Turnbull](#) be elected Chairperson of the meeting.

MOVED: Channa Ajith

SECONDED: Ravi Telang

MOTION CARRIED

2 Proxies and Voting Papers

Resolved: That the proxies and voting forms be received.

MOVED: Ravi Telang

SECONDED: Channa Ajith

MOTION CARRIED

The Manager advised the meeting the following Postal and Proxies had been received:

Postal Votes:

Lot #	Unit #	Owner Name / Representative
10	J	Hongyin (Sunny) Ni
11	K	Vivien Peng Family Trust

Proxy Forms:

Lot #	Unit #	Owner Name / Representative
13	M	Dellisse Moleta appointed Cathy Dew
17	Q	Kenneth & Patricia Graham appointed Richard Geary

3 Appointment of Contractor

The Body Corporate Committee addressed the meeting to reiterate the points made as per the Committee recommendation email that had been circulated prior to the meeting, endorsing Forme-Reclad. Ravi Telang also noted the Committee's disappointment regarding the Forme-Reclad quote being provided to 6 Meter Construction Limited for them to copy and pass off as their own, which was considered unethical and not an independent assessment of the project. Going forward, owners were asked to ensure that any information regarding contracted services being provided to the Body Corporate is kept confidential.

There were no following queries or comments from other owners in attendance.

The Body Corporate Manager clarified for the meeting that there were 14 eligible voters in attendance, and the majority needed to pass the motions was 8.

(a) Resolved: That the Body Corporate engage Forme-Reclad to undertake the remediation project in accordance with the job scope outlined in the attached fee proposal.

MOVED: Ravi Telang

SECONDED: Richard Geary

For: 9 Against: 5 Abstain: 0

MOTION CARRIED

The following units asked for their objection to be noted in the minutes:

Unit E Jiyong (Judy) Duan

Unit F Jin Zheng

Unit P Lin Hu & Tianchun Gao

OR if this motion does not pass, please see 3(b) below.

(b) Motion withdrawn: That the Body Corporate engage 6 Meter Construction Limited to undertake the remediation project in accordance with the attached quote.

4 Appointment of Architect

Resolved: That the Body Corporate engage Wayne Houston from Houston Architects to carry out the architectural services in relation to the remediation project as outlined the attached fee schedule.

MOVED: Barry Northcott

SECONDED: Richard Geary

For: 9 Against: 5 Abstain: 0

MOTION CARRIED

The following units asked for their objection to be noted in the minutes:

Unit E Jiyong (Judy) Duan

Unit F Jin Zheng

Unit P Lin Hu & Tianchun Gao

5 Striking of Special Levy for Architect

(a) Motion put: That the Body Corporate approves that an architecture fee levy of \$180,000.00 incl GST be raised, and such levy be raised according to utility and/or ownership interest in an annual instalment due for payment on the [27th September 2019](#). The Body Corporate Manager shall issue invoices not less than 30 days prior to the due date for each instalment.

MOTION FAILED

OR in the event that this motion does not pass, please see 5(b) below.

(b) Motion put: That the Body Corporate approves that an architecture fee levy of \$180,000.00 incl GST be raised, and such levy be raised according to utility and/or ownership interest in FIVE (5) instalments due for payment on the [27th September 2019](#), [27th October 2019](#), [27th November 2019](#), [27th December 2019](#) and [27th January 2020](#). The Body Corporate Manager shall issue invoices not less than 30 days prior to the due date for each instalment.

MOVED: Ravi Telang

SECONDED: Richard Geary

Amendment to motion put: That "FIVE (5) instalments due for payment on the [27th September 2019](#), [27th October 2019](#), [27th November 2019](#), [27th December 2019](#) and [27th January 2020](#)" be amended to "SEVEN (7) instalments due for payment on the [27th September 2019](#), [27th October 2019](#), [27th November 2019](#), [27th December 2019](#), [27th February 2020](#), [27th March 2020](#) and [27th April 2020](#)".

MOVED: Cathy Dew

SECONDED: Richard Geary

Resolved: That the Body Corporate approves that an architecture fee levy of \$180,000.00 incl GST be raised, and such levy be raised according to utility and/or ownership interest in SEVEN (7) instalments due for payment on the [27th September 2019](#), [27th October 2019](#), [27th November 2019](#), [27th December 2019](#), [27th February 2020](#), [27th March 2020](#) and [27th April 2020](#). The Body Corporate Manager shall issue invoices not less than 30 days prior to the due date for each instalment.

MOVED: Cathy Dew

SECONDED: Richard Geary

For: 9 Against: 5 Abstain: 0

MOTION CARRIED

The following units asked for their objection to be noted in the minutes:

Unit E Jiyong (Judy) Duan

Unit F Jin Zheng

Unit P Lin Hu & Tianchun Gao

Please note: No general business outside the remediation project was discussed at this meeting.

CLOSURE: There being no further business, the chairperson declared the meeting closed at 04:55 PM.

ESTIMATE SUMMARY



CONTRACT: BodyCorp 169774 co/ Richard Geary

LOCATION: 2 Alpers Avenue Newmarket

13/06/2019

TENDER FOR: Reclad and new roof to the existing apartment structure

Work Item	Cost
1 GENERAL	
1.1 Preliminary and General , allows for full time Site and Project management and consumables. We arrange all site inspections with council during the construction process and we apply for your code of compliance certificate upon practical completion.	\$ 102,400.00
1.2 Scaffold: Scaffolding required to access all sides of the home as required to complete the contract works.	\$ 297,757.90
1.3 Shrink-wrap as required to exterior walls. We will protect your exterior walls during construction so as to keep rain and moisture from damaging your home.	\$ 37,200.00
1.4 Internal protection , we cover and protect all floor coverings , both hard and soft with plastic and bubble wrap , the stair handrail will be fully wrapped as well as the kitchen and bathroom cabinetry to ensure that no damage will come to your possessions.	\$ 8,208.00
2 SITE	
2.1 Demolition of existing cladding including building wrap. All Cladding will be stripped off and disposed of leaving your property clean and clear of construction rubbish and debris.	\$ 80,864.00
2.2 Temporarily disconnect and store the existing Downpipes.	\$ 1,856.00
2.3 Remove and dispose of all existing wall insulation.	\$ 8,512.00
2.4 Remove all existing windows and set aside for removal..	\$ 25,345.00
3 STRUCTURE	
3.1 Coat existing external framing with Protim frame saver timber preservative. All existing framing gets treated so as to be compliant with the current building code.	\$ 30,856.00
3.2 Supply and install all new R2.2 wall insulation as required by the building code.	\$ 32,984.00
3.2a Supply and install all new R3.2 Roof insulation as required by the building code.	\$ 34,185.00
3.3 Supply and install Designer Series light weight cladding over a 20mm drained cavity over thermakraft building wrap, with new scribes sealed against all windows.	\$ 351,120.00
3.4 Supply and install new Ecoply bracing rigid air barrier to all external wall areas.	\$ 63,840.00
3.5 Window Installation: Fit all relevant sill tapes to each opening in the cladding, then fit each window and door into position allowing for the required negative pressure gap surrounding each unit, then fit perforated rod packing and expanding foam to close off the gap. Supply and fit new 60mm single bevel architraves to the internal surrounds.	\$ 134,260.00
3.6 Supply all new double glazed joinery units to replace the existing.	\$ 264,616.00
3.7 Form 3.6m of concrete nibs to front entrance in order to gain an adequate ground clearance. This work is required to all deck thresholds, it walls to decks and walls beside the garage doors.	\$ 137,500.00

FORME-RECLAD

3.8	Install new proprietary channel drains and associated cesspit, connecting into the existing storm water below the front door.	\$ 45,350.00
3.9	Supply and fit new Axon panel cladding over new Hardies Rab board over the lift shaft to all floors. Construct a new concrete nib under the existing framing to allow the new waterproof membranes to lap up the wall under the new cladding.	\$ 47,500.00
4	FRONT DECK WORK	
4.1	Remove and dispose of all existing deck tiles , membrane, substrate and screeds to all deck areas. Supply and fit new screeds to fall with new overflows and deck wastes connected to the existing plumbing system. Supply and fit new waterproof membranes over.	\$ 137,010.00
4.2	Construct a new aluminium floating deck frame over the new deck areas with new composite timber deck planking over. This is the OUTDURE resort deck system	\$ 63,000.00
4.3	Supply and fit a new Unex proprietary deck handrail system with Aluminium uprights and top rail and frosted glass inserts.	\$ 65,600.00
4.4	Deck It walls. Construct new concrete nibs and new wall framing over, with Rab board over and a 20 mm drained cavity and James hardies Axon panel over to create the fire rated gap between the deck areas.	\$ 31,760.00
	REAR WALKWAYS	
4.5	Apply new waterproofing membrane over the existing tiles, 100mm up the adjoining walkway walls, lift walls and entry door walls to each apartment. Supply and lay new tiles over the membranes with a paint finish over the up stand membranes.	\$ 88,950.00
5	ROOF WORKS	
5.1	Remove and dispose of all existing roof membrane , substrate and furring's to the membrane roof, Supply and fit new mono pitch roof trusses to the existing roof frame with new purlins and 300mm eaves to all elevations.	\$ 170,429.00
5.2	Supply and fit new color steel roofing , flashings and roof underlay to the new areas.	\$ 79,500.00
5.3	Supply and fit all new Colorsteel Gutters and Downpipes to the new roof area.	\$ 10,900.00
5	FINISHES	
5.1	New paint system either Dulux X10 or the Resene equivalent to the new fascia's and soffits. All existing plaster to all other elevations will be water blasted and repainted during the reclad process. Also painted is the garage door surrounds and the faces of the concrete nibs.	\$ 123,684.00
6	CONTRACTORS MARGIN	
6.1	Margin on contract works items	\$ 230,000.00
	Sub total Contract sums	\$ 2,705,186.90
	Gst	\$ 405,778.04

8 OTHER LIKELY COSTS (Provisional sums)

8.1	Disconnection and re connection of existing electrical and plumbing units to the exterior cladding.	\$	8,000.00
8.2	Remediation of decayed framing, this is a completely unknown figure which we can not estimated.	\$	45,000.00
8.3	Internal re decoration to remediated wall areas, i.e. Gib and Paint work	\$	45,000.00
8.4	Building surveyor, required by council to determine the extent of the remediation required to the existing framing.	\$	8,000.00
8.5	Disconnection and re connection of electrical, alarm and TV Aerials to external areas.	\$	5,600.00
8.6	Remedial Landscaping	\$	2,500.00
8.7	Concrete repairs to the basement ceilings, including the remedial wase pipe replacement.	\$	45,000.00
Total:			\$ 159,100.00

9 TAGS AND ITEMS NOT ALLOWED FOR

- 9.1 Our margin on the project is based on 10% for all contact items and will also be charged at 10% for any variations.
- 9.2 We require the use of one toilet for the duration of works; we will keep this toilet clean and sanitary
- 9.3 All apartments will need to be vacated for the duration of the contract works
- 9.4 We require a full set of consented drawings prior to confirming our price.
- 9.5 All remedial works to any timber framing, Gib supply fitting and stopping or any painting will be charged using our standard remediation rates as shown on our attached remedial work sheets.
- 9.6 No allowance has been made for the removal and reinstatement of internal curtains and blinds, client to arrange for this prior to works starting.
- 9.7 No allowance has been made for any internal painting to walls or ceilings. Please see remedial sheets for painting rates
- 9.8 Any bracing upgrades will be charged on a charge-up basis or on the rates provided within the attached remedial rates schedule.
- 9.9 No allowances have been made for colour ranges outside any manufactures standard range, including all onsite and pre painted materials, powder coated or otherwise.
- 9.10 Unless otherwise instructed, all old joinery, not reused , shall be dealt with as builders rubbish.
- 9.11 Please note that the use of shrink-wrap must be noted on the contract works insurance policy as covered under the policy with no exclusions added.



NZIA Agreement For Architects Services

AAS 2016 3rd Edition Standard Form

Between	The Client	Body Corporaate 169774 for Residents of 2 Alpers Avenue Epsom Auckland 1023 c/- Auckland Property Management
And	The Architect	Houston Architects Ltd.
For	Project	Re roof and recladding work to 2 Alpers Avenue
At	Location	2 Alpers Avenue Epsom Auckland 1023

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- B4 Developed Design
- B5 Detailed Design and Documentation
- B6 Contractor Procurement
- B7 Contract Administration and observation
- B8 Additional Services

Part C – Fees

- C1 Fee Summary
- C2 Consultants

Part D – General Conditions

- D1 Parties Obligations
- D2 Brief
- D3 Authority
- D4 Stages of Service
- D5 Confidentiality
- D6 Separate Consultants
- D7 Fees and Payments
- D8 Intellectual Property Rights
- D9 Promotional Credits
- D10 The Architects Liability
- D11 Insurance
- D12 Disputes
- D13 Notice of Defects
- D14 Health and Safety
- D15 Variations
- D16 Assignment/Termination
- D17 New Zealand Law
- D18 Definitions

A1 Contract Agreement

This agreement is for

Project: **Re roof and recladding work to 2 Alpers Avenue**
2 Alpers Avenue Epsom Auckland 1023

Between

Client

Architect

Name:	Body Corporaate 169774 for Residents of 2 Alpers Avenue Epsom Auckland 1023	Houston Architects Limited
Street Address:	2 Alpers Avenue Epsom Auckland 1023	G02 Zone 23 Edwin Street Mount Eden Auckland 1032
Postal Address:	c/- Samantha.Turnbull@aucklandproperty.net	PO Box 8558 Symonds Street Auckland 1150
Telephone"	09 638 2595	623 44 00
Represented by:	Samantha Turnbull	Wayne Houston
Email:	Samantha.Turnbull@aucklandproperty.net	wayne@Houstonarchitects.co.nz
Mobile:	021 569 356	0274 959 373
Signed:		
Date:		• 5 July 2019

For the Fee as described in Part C of this Agreement, the Architect will perform the services identified in Part B of this Agreement on the terms stated in Part D General Conditions. The Client agrees to the obligations on the Client stated in Part D.

This Agreement will replace any previous agreement reached between the parties in relation to the Project including any oral or partly oral agreement. No amendment to this Agreement will be binding unless agreed by both parties in writing.

Attention is drawn to Part D clause 15.2, which provides that the Architect is entitled to additional fees if the Client instructs the Architect to make changes to the delivery of the Agreed Services.

The following Parts form this Agreement

Part A	Contract
Part B	Scope of Services
Part C	Fees

Site

2 Alpers Avenue Epsom

Proposed Building Scope of Work

A four storey building with 18 apartments over three levels above the ground floor level garages. The main structure is concrete with some timber walls that require repair and recladding, Decks requiring waterproofing and tiles. Detail deck membrane, waste, overflow, parapets, saddle flashings. The roof requires new trusses and new roof over the existing DHS purlins.

Note, this fee proposal has been prepared to assist moving forward, but has been based on a description from the existing limited plans and has not, as yet, included a site visit. A site inspection is important before finalising the scope of works.

The attached Schedule of Proposed Drawings defines the scope of work included in our fee allowance, should additional drawings be required these may be charged at \$2,500 + GST per sheet.

Budget – At the time of this Agreement, the Construction Budget is not finalised, but to be estimated as around \$3.3m

Programme – At the time of this Fee proposal, the anticipated timing is to begin documentation immediately the contract is signed. Anticipated time required for Building Consent application is Fifteen to twenty weeks, depending on the quality of existing documentation supplied for us to begin with.

Limitations of Liability – **If the Client is in trade**, the Client’s attention is drawn to the liability limitations in Part D clauses 10.2 to 10.5, including clause 10.4 which provides that the maximum liability of the Architect is \$250,000. If a greater limit of liability is required, a specific clause in the Special Conditions of the Agreement is required.

Definitions – Any word or expression that is defined in Part D18 as having a particular meaning, will have that meaning everywhere it appears in this Agreement.

A2 Special Conditions of Agreement

Special Conditions

1. Houston Architects are not responsible for work outside of the herein described scope of works. The scope may be amended in writing and an appropriate fee allocated for the scope required.
2. We are retained to produce the architectural consent drawings and obtain a building consent for architectural only.

EXCLUSIONS:

- Civil Works, site drainage, road details etc.
- Structural slab plans, retaining, detail references, bracing, beam and structural detailing.
- Acoustic Design and documentation.
- Fire report design and documentation.
- Landscape and hard landscape.
- Plumbing and Drainage, Electrical design and layout. These to be designed by others if required.

3. It is noted that there exist current Cad files for this project, paid for by the client. If these can be provided for our use in a format to suit ArchiCad 22 then the fee proposal can be reduced by \$20,000.00 + GST on a pro-rata basis across the Developed Design and Detailed Design stages of Documentation. The minimum drawings required would be all Plans, Sections and Elevations, plus the Door and Window Schedules. These would be used without any risk to the author of the drawings.

Additional Documents

Drawings of the consultants engaged to date have been partly handed over in hard copy. Hampton Jones drawings G1000, G1001, AE101 to AE 105, AE201 and AE 202 only. More information will be required.

Preliminary Fire Engineering Design Information dated 1/6/18 by Hampton Jones. This is noted as: *'subject to change during detailed design when more detailed analysis has to be carried out'*.

Stage B4 Developed Design

The approved Preliminary Design is further developed to provide a set of documents (drawings and outline specification) that identifies and coordinates all of the elements of the building, including structural elements, building services, materials and finishes and net/gross building areas.

At the end of this stage an Elemental Estimate of Cost, can be established by a quantity surveyor and a resource consent (if required) may be applied for.

Inputs		Architect	Client	Separate Consultant	Architect Assist	NA
Approval to proceed at this stage			•			

Tasks		Architect	Client	Separate Consultant	Architect Assist	NA
4.1	Brief: Review with Client. Update to incorporate all up-to-date requirements and information.		•			
4.2	Design meetings: Meetings for design coordination	•	•			
4.3	Territorial/building consent authority:					
	Resource Consent – Exists		•			
	Urban Design Panel – Not included					•
	Building Code – Check Design for compliance	•				
4.4	Consultants: Obtain developed design input			•		
	From other consultants – Review and evaluate against architectural design			•	•	
	Consultant documentation – Coordinate and integrate with architectural design	•		•		
	Cost advice – To be supplied by Forme - Reclad			•		
4.5	Details: Sketches of typical and critical construction details – Prepare from review of plans, elevations and sections	•		•		
4.6	Developed Design drawings: Prepare drawings. Review with Client for approval and forward to Forme - Reclad for review/estimate.	•	•	•		
4.7	Outline specification: Including schedule of materials and finishes, review with Client and forward to Forme - Reclad for review/estimate	•	•	•		
4.8	Territorial/building consent authority:					
	Arrange and attend Pre Application meeting with Council	•		•		
4.9	Additional services: See B8					

Deliverables		Architect	Client	Separate Consultant	Architect Assist	NA
D4.1	Design Brief: Given		•		•	
D4.2	Programme: Confirmed			•		
D4.3	Resource consent: Exists					•
D4.4	Cost estimate: Update by Forme - Reclad provided				•	
D4.5	Developed Design drawings: Provided	•				
D4.6	Outline specification: Provided	•				
D4.8	Sign-off: On deliverables		•			

Stage B5 Detailed Design and Documentation

The Approved Developed Design is further refined to produce detailed drawings and specifications that will allow a building consent to be applied for, and for the negotiation of a building contract to be undertaken.

At the end of this stage an Estimate of Cost will be provided by Forme – Reclad.

Inputs		Architect	Client	Separate Consultant	Architect Assist	NA
Approval to proceed at this stage			•			
Deliverables from previous stage					•	

Tasks		Architect	Client	Separate Consultant	Architect Assist	NA
5.1	Brief: Review with Client. Update to incorporate all up-to-date requirements and information.	•	•			
5.2	Programme: Update overall work programme			•		
5.3	Design meetings: Meetings for design coordination			•		
5.4	Territorial/building consent authority: Consult regarding building specific issues	•		•		
	Resource Consent conditions – Check Design for compliance	•				
	New Zealand Building Code and relevant NZ standards – Check design for compliance	•				
	Building Consent – Prepare and lodge application	•				
5.5	Consultants: Obtain final input			•	•	
	From other consultants – Review and evaluate against architectural design			•	•	
	Consultant documentation – Coordinate and integrate, including performance specifications, with architectural design			•		
5.6	Detailed Design drawings: Prepare based on approved developed design, including sufficient detail to enable an application for Building Consent to be made, Pricing and negotiation of a building contract to be undertaken and construction work to commence.	•		•		
5.7	Specifications: Prepare Preliminaries and General Sections – with input from client and other Consultants	•				
	Prepare and coordinate all trade sections – with input from other consultants			•	•	
5.8	Additional services: See B8					

Deliverables		Architect	Client	Separate Consultant	Architect Assist	NA
D5.1	Programme: Confirmed			•	•	
D5.2	Drawings: Completed as per document register	•				
D5.3	Specification: Completed	•				
D5.4	Performance specifications: Completed for any works involving Constructor design			•	•	
D5.5	Building Consent: Application lodged	•				
D5.6	Cost Estimate: Estimate of Cost by Forme - Reclad provided			•		
D5.7	Conditions of Contract format: Confirmed			•	•	
D5.8	Sign-off: On deliverables		•			

Stage B7 Contract Administration and Observation

The project is constructed through to a stage of Practical Completion that allows the Client to occupy and use the facility. Administration of the construction contract is undertaken by the Architect and this usually includes Observation of the Contract Works to verify that the construction is generally in accordance with the Architects documents.

Observation is a **critical** part of the Architects service, and is required to complement site supervision undertaken on a continuous basis by the Contractor.

		Inputs				
		Architect	Client	Separate Consultant	Architect Assist	NA
Approval to proceed at this stage			•			
Deliverables from previous stage		•		•		

		Tasks				
		Architect	Client	Separate Consultant	Architect Assist	NA
7.1	“For Construction” documents: Issue	•				
7.2	General Administration:					
	To be run by a Project Manager			•		
	Architect to attend site as and when required. Produce documents for minor variations on a time basis	•				
7.3	Observation: Undertake as per definition Clause D18			•	•	
	Materials – Review for general compliance with materials listed			•		
	Work – Review for general compliance with Architect’s documents			•		
7.4	Payments:					
	By Project manager			•		
7.5	Time:					
	Contractors progress – Monitor by Project Manager			•		
	Extensions of Time – Assess claims/issue approval by Project Manager			•		
7.6	Completion:					
	Practical Completion – Assess/issue Practical Completion Certificate			•		
	Defects – Assess/issue defects notices			•	•	
	Corrected defects – Assess/issue Defects Liability Certificate			•		
	Warranties/Guarantees – Receive/review			•		
	As-built documents/O & M manuals – Receive/review			•	•	
7.7	Consent Compliance:					
	Resource Consent conditions – Monitor compliance with			•		
	Building Consent conditions – Monitor compliance with			•		
	Building Consent conditions – Amendments – Apply for approval			•		
	Code Compliance Certificate/Certificate for Public Use – assemble documents			•		
	Code Compliance Certificate/Certificate for Public Use – Make application			•		

Part B Scope of Services

Stage B7 Contract Administration and Observation (cont.)

		Architect	Client	Separate Consultant	Architect Assist	NA
7.8	Additional services: See B8					•

		Architect	Client	Separate Consultant	Architect Assist	NA
D7.1	Contract meeting minutes: Provided			•		
D7.2	Contract directions: Provided			•	•	
D7.3	Payment certificates/schedules: Provided			•		
D7.4	Practical Completion certificate: Completed			•	•	
D7.5	Defect Liability certificate: Completed			•		
D7.6	Contractor provided documentation: Reviewed			•	•	
D7.7	Final account: Provided			•		

Stage B8 Additional Services

Describe any additional services that are referenced in the bottom line of any previous stage of this Scope of Services.

C1 Architect

1. Architect's Fees

Fee types are defined in Part D General Conditions. All fees are exclusive of GST, Territorial and Building Consent Authority fees and attendance at Resource Consent hearings and are based on a Budget of \$<Project budget> and an estimated programme for design and documentation of <# of months> months to lodgement for Building Consent, with no unforeseen complications.

Stage	Lump Sum (Fixed)	Time Charge (Estimated)	Percentage (Calculated)	Estimate
B4 Developed Design				\$12,000.00
B5 Detailed Design and Documentation				\$127,000.00
B6 Contractor Procurement				\$2000.00
B7 Contract Administration and Observation		9,000.00		\$
B8 Additional Services	TBA			\$
Architects Fee Estimate Subtotal A				\$141,000.00

2. Disbursements

Disbursements for all fee types will be billed at the rates below for the Architect's related administration costs. They are exclusive of GST and include but are not limited to:

B&W Prints		Travelling Expenses	
A4	\$ included	Travelling Time	No charge
A3	\$0.50/copy	Vehicle	Hourly rate
A2	\$2.00/copy	Fares	\$50.00 /visit
A1	\$4.50/copy		At cost
Disbursement Fee Estimate Subtotal B			\$2,000.00

3. Hourly Rates

Any Agreed Services provided on a Time Charge basis and any additional work outside of the Agreed Services will be charged at the following rates, which are exclusive of GST. These rates will be adjusted each year in line with movements in the Consumer Price Index.

Director Architect	\$210.00 /hr	Senior CAD Technician	\$90.00 /hr
		Administration Assistant	\$50.00 /hr

4. Fee Summary

Architects Fee Estimate Subtotal A	\$141,000.00
Disbursement Fee Estimate Subtotal B	\$2000.00
Sub-consultants Fee Estimate (from Part C2) Subtotal C	\$TBA
Architects Fee Estimate Total (A+B)	\$143,000.00

C2 Consultants

The following consultants as selected are required to provide services to the project.

The NZIA recommends that all required Consultants are engaged as Separate Consultants. Only consultants identified below as Sub-consultants will be engaged by the Architect.

Separate consultants required, will be engaged by the Client. Their fees should not be included in this schedule. All fees are exclusive of GST.

	Separate Consultant	Sub-consultant	Not Required	Fee
Acoustics Engineer				\$
Arborist				\$
Civil Engineer				\$
Communications Engineer				\$
Electrical Engineer				\$
Environmental Engineer				\$
Facades Engineer				\$
Fire Engineer	Yes			\$
Geotechnical Engineer				\$
Hydrological Engineer	Yes			\$
Land Surveyor				\$
Landscape Architect				\$
Mechanical Engineer				\$
Plumbing and Drainage Engineer				\$
Quantity Surveyor				\$
Structural Engineer	Yes			\$
Sustainability Expert				\$
Town Planner				\$
Traffic/Transportation Engineer				\$
Vertical Transportation Engineer				\$
Other:				\$
Other:				\$
Sub-consultants Fee Estimate Subtotal C				\$

D1. Parties Obligations

- 1.1 **Agreed Services:** The Architect must perform the Agreed Services exercising the degree of skill, care and diligence normally expected of a competent architect.
- 1.2 **Payment:** The Client must pay the Architect for the Agreed Services in accordance with Part C and Section D7.

D2. Brief

- 2.1 **The Client agrees** to provide the Architect with a Brief and a Budget, which clearly defines:
 - a) the Client's requirements, preferences and priorities for the Project;
 - b) the purpose for the structure, and the types of activities and tasks likely or intended to be carried out on the Site and in relation to the structure;
 - c) the safety requirements and objectives for the Project; and
 - d) all information reasonably available to the Client that relates to the Site and is reasonably necessary for the Architect to perform the Agreed Services in accordance with this Agreement.
- 2.2 **The Client acknowledges** that the Budget excludes GST, Territorial Authority charges, the Architect's Fee and Separate Consultants' fees, hard/soft fit-out, or items supplied by others that are not part of the Architect's design.
- 2.3 **The Architect will** use reasonable endeavours to design within the Budget to Concept Design stage. The Architect will not be responsible for the costings of later design stages nor for the Project being able to be constructed within the Budget.

D3. Authority

- 3.1 **Prior to any Agreed Services** starting:
 - a) The Client agrees to appoint an individual who has authority to give instructions to the Architect on the Client's behalf.
 - b) The Architect agrees to appoint an individual who has authority to take instructions from the Client and act on behalf of the Architect for the performance of the Agreed Services.

D4. Stages of Service

- 4.1 **Written approval** to proceed with each stage must be provided by the Client before the Architect is obliged to commence work on that stage.
- 4.2 **Material change to the Architect's Services Materials** will not be made by the Client without the Architect's prior written consent.
- 4.3 **Unless Administration and/or Observation** are included in the Agreed Services, the Architect has no obligation to answer any questions or make site visits during/following construction. If the Architect subsequently agrees to carry out such work, the work will be subject to all the conditions of this Agreement, and will be invoiced at the hourly rates specified in Part C.

D5. Confidentiality

- 5.1 **Confidentiality** of all information shall be maintained by both the Architect and Client for the duration of the Project, except as is required for the reasonable needs of the Project.

D6. Separate Consultants

- 6.1 **Separate Consultants** (and their scope of services) must be disclosed to the Architect before their appointment, and their conditions of engagement must include that:
 - a) The Architect is responsible only for coordinating their services, and
 - b) The Client must give all instructions to the Separate Consultants through the Architect.

- 6.2 **The Architect** is entitled to rely on any information from, or services or work done by the Client, or for the Client, and has no responsibility to the Client or any other person in relation to that information, service or work.

D7. Fees and Payments

- 7.1 **Accounts for fees** can be rendered monthly by the Architect or otherwise periodically. The Client must pay the account within 10 Working Days of the account or 20th of the month, whichever is later, without deduction or set off.
- 7.2 **A Client's agent** (or any person purporting to be an agent) who enters into this Agreement on behalf of the Client will be jointly and severally liable with the Client for the payment of all fees due to the Architect under this Agreement.
- 7.3 **In the event that the Client has not paid an account** within 10 Working Days of the due date, the Architect will be entitled to suspend performance of the Agreed Services on 2 Working Days' notice in writing and to withhold Services Materials until payment (including any reasonable costs incurred in relation to the suspension) is received in full. The Architect will not be liable to the Client or any other person for any losses arising from suspension of the Agreed Services or the withholding of Services Materials.
- 7.4 **Interest will be paid by the Client** at the rate of 1.5% per month compounded monthly on all overdue accounts and the Client will also pay any debt recovery costs in full including legal costs on a solicitor/client basis.
- 7.5 **If a dispute over fees arises** but there is no associated claim by the Client alleging loss due to the Architect's breach of clause 1.1, then notwithstanding Section 12 (Disputes), the dispute will be referred immediately to an Expert for determination. If the parties cannot agree upon an Expert within 2 Working Days of a dispute being raised, then the President of the Arbitrators and Mediators Institute of New Zealand will appoint the Expert. The Expert will deliver within 15 Working Days of appointment a determination that will be binding on the parties. Without limitation, the Expert is entitled to award costs against either party, including but not limited to the costs of the Expert.
- 7.6 **In the event of a fees dispute**, including where covered by clause 7.5 or the adjudication provisions of the Construction Contracts Act 2002, the Client cannot use any of the Services Materials to which the disputed fees in any way relate until the dispute is resolved. The Architect will not be liable to the Client or any other person for any losses arising from the Client's inability to use the Services Materials.
- 7.7 **Where this Agreement is a construction contract** as defined in the Construction Contracts Act 2002 ("the Act"):
- The Architect may, at its discretion, render its accounts in the form of payment claims in which event Part 2 Subpart 3 (making and responding to payment claims) and Subpart 4 (suspension of work) of the Act will apply. To avoid doubt, the Architect's rights in clause 7.3 to withhold Services Materials in the event of any non-payment of an account will continue to apply.
 - The dispute resolution procedures in this Agreement will be in addition to, and not in substitution for, those provided in the Act.

D8. Intellectual Property Rights

- 8.1 **All rights including copyright** in the Services Materials belong to the Architect.
- 8.2 **The Architect** grants the Client, a non-exclusive licence (which cannot be assigned) to use the Services Materials solely for purposes relating to the Project and for no other purpose ("the License").
- 8.3 **The License is conditional** upon the Client complying with all of the Client's obligations under this Agreement, including the payment of all fees and disbursements due.
- 8.4 If this Agreement ends before completion of the Agreed Services, the Licence will still apply but to the completed Services Materials only. Partially completed Services Materials cannot be used by the Client without the Architect's prior written consent. Such consent will not be unreasonably withheld.

- 8.5 Future work on the Project using any part of the Services Materials for any alterations or extensions, without the Architect being appointed to provide related services, will require the Client to obtain the Architect's prior written consent. Such consent will not be unreasonably withheld.
- 8.6 Re-using the Architect's Service Materials is permitted only with the prior written consent of the Architect who is entitled to receive a royalty at an agreed rate for each re-use. Such consent will not be unreasonably withheld.
- 8.7 On completion of the Agreed Services or the early termination of this Agreement the Client is entitled to retain one copy of the completed Services Materials in printed or passive electronic form such as PDF. The Architect will not be required to provide any of the Services Materials in any active electronic form.

D9. Promotional Credits

- 9.1 **The Architect must be credited** by the Client or their representatives in any Project related brochure, or promotional material.
- 9.2 **The Architect can:**
- Display an appropriate promotional sign on the Site or in a clearly visible place nearby; and
 - Use the designs, drawings and photographs of the Project for the Architect's own promotional and professional purposes (including appropriate awards), but only with the Client's written consent, which shall not be unreasonably withheld.

D10. The Architects Liability

- 10.1 **Where the Agreed Services are "consumer services" as defined in the Consumer Guarantees Act 1993 and the Client is not in trade**, nothing in this Agreement will exclude or limit the Client's rights or remedies under that Act, and in particular clauses 10.2, 10.3 and 10.4 of this Agreement will not apply.
- 10.2 **Where the Client is in trade, the Agreed Services are acquired in trade** and it is fair and reasonable that the parties be bound by this clause 10.2, the provisions of the Consumer Guarantees Act 1993 will not apply to this Agreement nor will the following provisions of the Fair Trading 1986 apply to either parties' conduct or representations if unintentional: section 9 (misleading conduct), section 12A (unsubstantiated representations) or section 13 (false or misleading representations).
- 10.3 **If the Architect breaches** this Agreement, the Architect will only be liable to the Client, whether in contract, tort or on any other legal basis, for the reasonable costs of remedying any defective building work (including any reasonable professional fees) and/or any reasonable wasted costs caused by the Architect's breach, provided the costs are reasonably foreseeable. The Architect will not be liable for any other loss, damage or expense.
- 10.4 **The maximum aggregate amount of either party's liability to the other**, whether in contract, tort or on any other legal basis, in relation to claims, liabilities, damages, losses or expenses, other than in respect of any breach of intellectual property rights, is limited to \$250,000.
- 10.5 **If either party is found liable to the other** (whether in contract, tort or on any other legal basis) and the claiming party and/or any other person has contributed to the loss, damage or expense, then the amount of the liability of the liable party will be limited to the proportional extent of its own contribution to that loss, damage or expense and irrespective of the legal basis for the contribution by others (including by the claiming party) or whether any recovery is obtainable from any contributory third party.
- 10.6 **Any claim** (whether in contract, tort or on any other legal basis) must be filed in Court, or any Tribunal which has jurisdiction to determine such a claim, within six years of the date of this Agreement or within six years of the date of the act or omission giving rise to the claim, whichever is the earlier, otherwise the parties will have no liability to each other. This clause will not adversely affect any time limitation defence available to a party under a statute.

- 10.7 **Where the Agreed Services are reduced**, limited or varied by later agreement, or this Agreement is ended prior to the completion of the Agreed Services, the Architect's liability will attach only to the services actually performed, and then only to the extent that the reduction of that part of the Agreed Services has not compromised or denied the Architect the opportunity to correct the performed services or to otherwise mitigate the Client's loss.
- 10.8 **If any change is made by the Client** or any other person to the Services Materials or to the Contract Works or to the Project's resource consent or building consent, without the Architect's prior written approval, the Architect will not be liable for any loss, damage or expense incurred by the Client as a consequence of any such change.
- 10.9 **The parties will only be liable to each other** and disclaim responsibility in tort or on any other legal basis for any liability, loss, damage or expense suffered or incurred by any other person. Without limiting the scope of this disclaimer, if the Project to which the Architect's Agreed Services relate is leased, transferred, sold, or otherwise disposed of in part or whole to any other person, then the Architect accepts no responsibility in law to that other person.
- 10.10 **The Architect's employees**, directors, officers and agents are acknowledged by the Client to have no personal liability to the Client in connection with this Agreement or the performance of the Agreed Services as it would be unreasonable of the Client to rely on them personally. The Client acknowledges it has relied, and/or will rely, only on the corporate conduct of the Architect.
- 10.11 **The limitations of liability** referred to in this Section D10 will confer to any extent relevant a benefit on any Sub-consultants of the Architect.

D11. Insurance

- 11.1 **The Architect holds Professional Indemnity Insurance** for a sum not less than \$250,000, subject to the various terms, exclusions and limitations of the policy. The Architect will use its reasonable endeavours to obtain insurance on similar terms for 6 years from the date of expiry of its insurance cover.
- 11.2 **If a greater amount of insurance indemnity** is required by the Client, the cost of the additional amount will be at the Client's expense. Such increase in indemnity will increase the Architect's maximum aggregate liability to the Client under clause 10.4 to the new indemnity amount.
- 11.3 **Separate Consultant's Professional Indemnity Insurance** will have similar terms and conditions to that of the Architect, including an obligation to use reasonable endeavours to obtain insurance for 6 years from the expiry date of its existing insurance cover. It will be the Client's obligation to use reasonable endeavours to ensure that the Separate Consultants comply with this clause.

D12. Disputes

- 12.1 **Resolution of disputes** must be attempted in good faith between the Client and the Architect within 10 Working Days of the dispute arising. Failing resolution within that period, either party may require the dispute to be referred to mediation. This clause 12.1 is not applicable to a fees dispute to which clause 7.5 applies.
- 12.2 **If mediation has not occurred or settlement is not achieved** within 30 Working Days of the notice requiring mediation, then the Client and the Architect may agree to refer the dispute to Arbitration or failing agreement, either party may refer the dispute to the Courts for resolution.
- 12.3 **In the event of a dispute**, other than a fees dispute to which clauses 7.5 applies, the Architect may on expiry of the 10 Working Day resolution period stated in clause 12.1 and on 2 Working Days' notice in writing to the Client suspend its obligations under this Agreement. In that event the Architect will not be liable to the Client or any other person for any losses arising from such suspension.
- 12.4 **Should a dispute arise for any reason**, the Client cannot use any Services Materials to which the dispute may in any way relate until the dispute is resolved. The Architect will

not be liable to the Client or any other person for any losses arising from the Client's inability to use the Services Materials.

- 12.5 **Where this Agreement is a construction contract** as defined in the Construction Contracts Act 2002, the dispute resolution procedures in this Agreement will be in addition to, and not in substitution for, those provided in that Act.

D13. Notice of Defects

- 13.1 Problems in design or any fault or defect that the Client becomes aware of will be notified to the Architect in writing not later than 30 Working Days after the Client becomes aware of it. If the Client does not do this, any liability of the Architect (in contract, tort or on any other legal basis) in relation to the problem, fault or defect will be reduced (or extinguished) to the extent of any prejudice to the Architect due to the Client's failure to comply with this clause.

D14. Health and Safety

- 14.1 **The Architect will ensure, so far as is reasonably practicable**, that it, and that each person it engages in relation to the Contract Works, is aware of and complies with its obligations under health and safety-related Law.
- 14.2 **The Client will ensure that each person who is provided with the design** for the purpose of giving effect to it receives the health and safety information advised from time to time by the Architect to the Client ("H&S Information").
- 14.3 **The Architect will make reasonable efforts to give current information** on the H&S Information to any person who carries out an Activity in respect of the structure, if the Architect is requested to do so by the Client. The Architect may invoice the Client for complying with the request at the Architect's then hourly rates, unless agreed otherwise in writing.
- 14.4 **Each party agrees to co-operate, consult and co-ordinate**, so far as is reasonably practicable, with each PCBU who has a duty in relation to the Project and the Workplace, to enable each of them to comply with their respective obligations under health and safety-related Law. That obligation does not limit the Client's or Architect's other obligations in this clause.
- 14.5 **The Client and the Architect agree** that, for the purpose of health and safety-related Law, the Architect will not at any time have management or control of the Workplace.

D15. Variations

- 15.1 **Any variations to this Agreement**, including to the scope and nature of the Agreed Services, must be in writing and will be subject to all the terms and conditions of this Agreement.
- 15.2 **Variations to the Agreed Services** may be requested by the Client. In the event the Architect agrees to undertake the variations then the Architect will be entitled to charge on a time and cost basis at an hourly rate as stated in Part C.
- 15.3 **If the Agreed Services** need to be delayed or accelerated because of changes in the Client's instructions or requirements, or due to any reasons beyond the Architect's reasonable control, then irrespective of the manner in which fees are being charged, the Architect shall be entitled to additional fees on a time and cost basis.

D16 Assignment/Termination

- 16.1 **This Agreement cannot be assigned** or transferred without the prior written consent of both parties, such consent not to be unreasonably withheld.
- 16.2 **The Client or the Architect may terminate** this Agreement by notice in writing to the other at their last known address. This Agreement will end 20 Working Days after the notice is sent.
- 16.3 **In the event the Client terminates** this Agreement for any reason other than the default of the Architect, the Client will pay the Architect any loss of profits resulting from the

Agreement's non-completion and any expenses and costs that the Architect reasonably incurred relating to ending the Agreement where such payment is fair and reasonable.

D17. New Zealand Law

17.1 **The laws of New Zealand** will govern this Agreement and the New Zealand Courts will have exclusive jurisdiction in respect of this Agreement.

D18. Definitions

Activity includes manufacture, assembly, use of the structure for the purpose advised under clause 2.1(b) in Part D, construction, handling, inspection, cleaning, maintenance, repair, decommissioning, dismantling, demolition and/or disposal.

Adjusted Cost of the Contract Works: Final all inclusive cost of the Contract Works.

Administration: the management by the Architect of the construction contract between the Client and the Contractor, on behalf of the Client, including issuing instructions and variations as required.

Arbitration: has the meaning defined by the Arbitration Act 1996, as may be amended or substituted.

Architect: the company named as the Architect in Part A of this Agreement.

Architect's Fee: the amount or amounts stated in Part C of this Agreement as being payable by the Client to the Architect for the Agreed Services.

Agreed Services: the services to be provided by the Architect to the Client as identified in Part B of this Agreement.

Agreement: the agreement between the Client and the Architect consisting of this document and all attachments listed in Part A of this Agreement.

Brief: the written statement by the Client summarising their expressed requirements, preferences and priorities, in sufficient detail for the Architect to carry out the Agreed Services.

Budget: the target Cost of the Contract Works as nominated by the Client and stated in Part A of this Agreement.

Client: the person named as the Client in Part A of this Agreement.

Contractor: the Person engaged by the Client to undertake the whole or part of the Contract Works for the Project. This term includes any sub-contractor engaged by the Contractor.

Contract Price: the amount agreed in the construction contract between the Client and the Contractor for the cost of the Contract Works.

Contract Works: everything to be carried out by the Contractor to complete the Project, including goods, services, materials and equipment supplied by the Client.

Cost of Contract Works: the cost of the Contract Works as provided by the quantity surveyor's written estimate from time to time or the Contract Price once agreed by the Client and the Contractor. Such cost is exclusive of GST, all Territorial Authority charges, Architect's Fee and Separate Consultants' fees.

Disbursements: reimbursement costs to be paid by the Client to the Architect for incidental items over and above the hourly charge out rate and/or fee that are required to complete the task.

Elemental Estimate of Cost: a detailed estimate of the likely Cost of Contract Works based on developed design documents.

GST: means the goods and services tax payable under the Goods and Services Act 1985, as may be amended or substituted. All dollar amounts in this Agreement exclude GST.

Law: means any Act of Parliament, regulation, by-law, order, code, licence, permit, approval, regulatory instrument or any other subordinate instrument, or any other legally binding direction or requirement, as each of those may be amended,

Lump Sum Fees: fees calculated by assessing the quantum of work to be undertaken by the Architect at any stage of service.

Observation: the process of visiting the site at intervals agreed with the Client, to observe that the Contract Works have generally been built in accordance with the Architect's documents.

PCBU: has the meaning given in the Health and Safety at Work Act 2015, as may be amended from time to time.

Percentage Fees: fees calculated by multiplying the percentage fee rate agreed between the Architect and the Client and the Adjusted Cost of Contract Works or if that is not available, the Budget. For the purposes of fee calculation, the cost of old materials are calculated as if these materials were new, and the cost of goods and services provided by the Client are calculated as if provided by the Contractor.

Person or person: an individual, partnership, body of persons, firm, company or organisation whether corporate or not.

Practical Completion: means that the Contract Works or a separate section of them have generally been built in accordance with the construction contract and are able to be used for their intended purpose without material inconvenience at the date of issue of certificate of Practical Completion.

Preliminary Estimate of Cost: an estimate of the likely Cost of the Contract Works based on preliminary design documents.

Pre-tender Estimate: an update of the Elemental Estimate of Cost based on detailed design and documentation documents. This estimate may be accompanied by a schedule of quantities.

Procurement: the means by which the Contractor is selected and engaged to undertake the Contract Works.

Project: the Project identified in Part A of this Agreement.

Programme: the continuous sequence for each stage of the Agreed Services and for the Contract Works.

Rough Order of Cost: an estimate of the likely Cost of Contract Works based on concept design documents.

Separate Consultants: the consultants contracted by and paid by the Client and listed as Separate Consultants in Part C (or later appointed).

Services Materials: any and all drawings and other documents or materials of any nature, including in electronic form, prepared by the Architect and/or Sub-consultants in carrying out the Agreed Services.

Sub-consultants: the consultants contracted by and paid by the Architect and listed as Sub-consultants in Part C (or later appointed).

Site: the land, building and other places made available by the Client, where the Contract Works are to be carried out.

Time Charge Fees: fees calculated by multiplying the hours of service provided by the agreed hourly time charge rate for each service provider.

Working Day: any calendar day other than a Saturday, Sunday or a public holiday, or any day falling within the period from 24 December to 05 January, both inclusive.

Workplace: means a place where work is being carried out, or is customarily carried out, under or in relation to this Agreement and includes the Site.

Purpose

NZIA AAS 2016 has been prepared by the New Zealand Institute of Architects to provide a balanced and insurable agreement between the Client who requires architectural services and the Architect who provides such services.

This agreement is part of a suite of documents aimed at clearly defining the scope of the Client's project, confirming the range of services that the Architect can provide to the Client, and reaching an understanding as to a fair remuneration for these services.

NZIA AAS 2016 defines the responsibilities of the Client and the Architect. It provides a framework for the implementation and delivery of a successful project.

The Client is encouraged to seek independent advice about anything that is not immediately clear, and to use the checklists provided so that everything relevant to the agreement is properly considered.

Acknowledgements

The NZIA acknowledges the work of its members John Albert, Melanie Bourke, Malcolm Bowes, Guy Cleverley, Malcolm Deighton, Richard Goldie, Norrie Johnson, Mark Sayegh, Simon Woodall.

We also acknowledge the significant involvement of John Bierre and Rob Hay, Partners in the law firm, Morgan Coakle.

For further information

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MINUTES OF THE EXTRAORDINARY GENERAL MEETING

BODY CORPORATE 169774

2 Alpers Avenue, Epsom, Auckland

The Extraordinary General Meeting of Body Corporate 169774 was held at APM, Gillies Room, 145 Manukau Road, Epsom, Auckland on Thursday, 28 January 2021 commencing at 05:30 PM.

Present:

Lot #	Unit #	Attendance	Owner Name/Representative
1	A	Yes	Ravindra Telang
2	B	Yes	Channa Weerasinghe
4	D	Yes	David Bainbridge & Cathy Dew
5	E	Yes	Jiying Duan - Postal Voting Form
6	F	Yes	Jin Zheng - Postal Votal Form
7	G	Yes	Sajeev Kuttan
8	H	Yes	Barry Northcott
9	I	Yes	Ming Huey Chang
10	J	Yes	Hongyin Ni - Postal Voting Form
11	K	Yes	Yiming Peng - Postal Voting Form
12	L	Yes	Richard Geary - via Zoom
13	M	Yes	Dellisse Moleta - via Zoom
14	N	Yes	Kuang-Yueh Cheng - Proxy: Douglas Pope & Yoshiko Isshiki
15	O	Yes	Hui Yan Cheng
16	P	Yes	Lin Hu (present) - Postal Voting Form
17	Q	Yes	Kenneth & Patricia Graham
18	R	Yes	Phuoc Thanh Trinh

In attendance: Jessica Dellow, Body Corporate Manager, APM Ltd
David Clifton, Project Manager, CS&R Ltd

Minutes:

- Appointment of Chairperson for Meeting**
RESOLVED THAT Jessica Dellow be elected Chairperson of the meeting.
MOVED: Ravi Telang
SECONDED: Yoshiko Isshiki
MOTION CARRIED UNANIMOUSLY
- Proxies and Voting Papers**
Proxies were received as follows:
Unit N, Kuang-Yueh Cheng in favour of Douglas Pope & Yoshiko Isshiki

Postal voting forms were received from:
Units, E, F, J, K & P

RESOLVED THAT the proxies and voting forms be received.
MOVED: Ravi Telang
SECONDED: Cathy Dew
FOR: 16 AGAINST: 0 ABSTAIN: 1 (Unit M)
MOTION CARRIED UNANIMOUSLY

3 Building Remediation Update

It was noted that the majority of owners attended the onsite (2 Alpers Ave) walk through prior to the EGM. This enabled owners to see the extent of damage caused by the defects.

David Clifton, Project Manager from CS&R went through the:

- EGM Progress Report (copy attached). The report details the additional defects and costs discussed. Please refer to the report for full details.
- Post Demolition Construction EGM Budget & Cashflow (copy attached).

RESOLVED BY ORDINARY RESOLUTION THAT Body Corporate 169774 approve to raise a further Building Remediation levy of \$1,729,000.00 including GST for additional remedial costs. Such sum shall be levied on a utility interest basis to all owners in one instalment due for payment on 01/05/21. Interest of 10% per annum (accruing on a daily basis from the due date for payment) will be charged on any late or unpaid levy.

MOVED: Ravi Telang

SECONDED: Channa Weerasinghe

FOR: 10 AGAINST: 3 (Units J, K & P) ABSTAIN: 4 (Units I, M, N & O)

MOTION CARRIED

Meeting note: Unit M advised the meeting that they were not voting for, against or abstaining. For clarity this has been noted as an abstain in the above votes.

David Clifton left the meeting.

4 Hampton Jones Dispute Update

The BC Committee advised the owners that an agreed settlement figure had not yet been reached with Hampton Jones. For full details on the claim to date please refer to the email that was circulated to all owners 22/12/20. Since this update, Christmas closures had put a halt on proceedings however discussions were continuing with Hampton Jones to try and resolve the dispute with a settlement agreeable by both parties.

RESOLVED BY ORDINARY RESOLUTION THAT Body Corporate 169774 give the Body Corporate Committee the mandate to negotiate and approve a full and final settlement with Hampton Jones, on behalf of all owners, with the assistance of Mark Colthart, Barrister.

MOVED: Richard Geary

SECONDED: Ravi Telang

FOR: 12 AGAINST: 2 (Units J & M) ABSTAIN: 3 (Units K, N & P)

MOTION CARRIED

RESOLVED BY ORDINARY RESOLUTION THAT Body Corporate 169774 approve to raise a further Building Refurbishment levy of \$80,000.00 including GST to cover additional costs including legal fees and settlement costs. Such sum shall be levied on a utility interest basis to all owners in one instalment due for payment on 01/03/21. Interest of 10% per annum (accruing on a daily basis from the due date for payment) will be charged on any late or unpaid levy.

MOVED: Cathy Dew

SECONDED: Ravi Telang

Amendment to Motion Put: That the wording '\$80,000.00' be amended to '\$40,000.00'.

MOVED: Ravi Telang

SECONDED: Richard Geary

FOR: 14 AGAINST: 0 ABSTAIN: 3 (Units J, K & P)

MOTION CARRIED UNANIMOUSLY

RESOLVED BY ORDINARY RESOLUTION THAT Body Corporate 169774 approve to raise a further Building Refurbishment levy of \$40,000.00 including GST to cover additional costs including legal fees and settlement costs. Such sum shall be levied on a utility interest basis to all owners in one instalment due for payment on 01/03/21. Interest of 10% per annum (accruing on a daily basis from the due date for payment) will be charged on any late or unpaid levy.

MOVED: Cathy Dew

SECONDED: Ravi Telang

FOR: 14

AGAINST: 3 (Units J, K & P)

ABSTAIN: 0

MOTION CARRIED

CLOSURE: There being no further business, the chairperson declared the meeting closed at 07:15 PM.

5. Overview of Programme

The programme completion date was 4th June 2021. At this stage the contractor is currently projecting a 4-6weeks delay to the programme due to extent of unforeseen matters, anticipated council consent requirements and multiple design inputs required to define solutions.

However, we envisage that this will move to 6-8 weeks behind programme due to the need to obtain council approval of the design changes/solutions. This would put the projected completion date (subject to approval of time extensions) to be 30th July 2021, but we must highlight that this is subject to the key factors:

- Completion of solution designs
- Review of buildability and costs effectiveness
- Council review and approval to proceed with solutions / additional work
- Ability to obtain labour force and contractor resource for additional works
- Time impact and critical programme path impact of additional work.

6. Current Requests for information / Council Approval Process

Requests for information (RFI) is a question about a matter related to the works from the contractor that needs to be provided consultant advice / instruction. This can be as simple as a paint colour, but can also deal with one of the following key items:

- the format of the existing building differs from design/records
- additional detail of how a consented material junction works
- ability to substitute materials / products
- extent of damage to existing materials (e.g., timber or steel frame) and need for specialist inspection and assessment

The majority of the time the responding solution or response from the design team will require Council approval to proceed with the works. This is where Council check they are happy the solution will comply with the Building Code. This is a mini-Building Consent process that occurs during the time the project is under construction.

Over the period of 3-4 weeks post demo the contractor has presented 26 RFIs. Many of these have a series of questions and require a coordinated response from the consultant team, for example architectural design / detailing combine with fire and structural engineering design. Most of the solutions are bespoke due to the shape or nature of the building and also need material supplier's discussion / approval to use the specified product in a particular way. In response to the 26 RFIs the current reported response position is as follows

- RFI's
 - Issued by contractor: 26
 - In design process: 17 (majority require multiple consultant input)
 - In council process: 4
 - Closed off instruction issued: 5

7. Overview of Key Cost Matters

Attached to this report is the projected budget and cashflow. At this stage we recommend a \$1.729m levy due to the items highlighted on the sheet attached. This sheet will be reviewed in detail at the meeting to enable everyone to understand the content and nature of the cost increases. Below we have provided an overview of the key elements of cost that have impacted the projected budget of the budget. In this report we have focused on items over \$40,000.

- 1) Bathroom Leak – \$674,600

The extent of leaking to bathrooms is extensive. We have opened up two units to establish the cause and underlying damage. The leaking is failure of the shower and plumbing elements within the units. There is extensive decay, mould and plasterboard fire rating damage. We have reviewed if this can be ring fenced and excluded from the Consented scope of works. It is the view of the project team that these works cannot be excluded and must be carried out due to the impact on building, that council are not likely to issue CCC for the works with this extensive damage in place and there is a significant risk of continued damage to units and the building. New works include replacement of both bathrooms and laundry including repairs to all walls, floors, tiles and fittings.
- 2) Additional Contingency – \$151,774

Due to the extent of issues and lack of alignment of the building discovered we recommend provision of an additional general contingency to provide further cover to owners on detailing complications and the need for bespoke works.
- 3) Roof Structure Design Changes – \$125,000

The existing roof structure was understood, from the record drawings, to be metal. On opening up of the roof it was found to be timber framed and poorly formed. This causes a number of challenges with the proposed roof structure load bear points and the perimeter timber frame detailing is not to code. The combination of these matters has resulted in the need to adjusted the parapet configuration (rebuild the top 300-600mm of wall) to allow roof truss placement. The costs for these elements are subject to final design and are under review for possible scope reduction.
- 4) Consultancy Team Costs - \$128,071

The cost of the consultant team is projected to increase due to three key factors, firstly the additional anticipated 2 months project timeline period and the need to retain the consultants for this additional time period. The second factor is the extensive design work to resolve the issues found with the building and the third factor is the need for additional consultants to resolve the matters found on site. The additional consultants have included a Passive Fire Engineer (specialist in passive material specification), a Lift Engineer to re-certify the lift hanging beam (which the lift is hung from with chains while work is undertaken underneath) and an Asbestos Consultant.
- 5) Design Changes During Consent - \$104,307

The project was costed by Forme prior to the Council Building Consent approval. As part of the drawings been consented there were a series of modification to the design. The key elements (over 30k impact) of the design changes that have contributed to cost increases are as follows:

 - a) Glass balustrade substitution due to council rejected of specified test data. +\$43k
 - b) Provision of new handrail to walkway walls due to lack of height compliance. +50k
 - c) Provision of stairwell handrail post removal of middle wall. 32K
 - d) Items below 30k plus and minus resulting in \$104k.

- 6) Steel Frames and Corrosion Damage - \$93,566

This cost is made of three parts. First part is that there are large areas of the building that are show to be concrete block and were found to be steel framed with timber infills. These were then clad with multiple base layers and extra stucco (up to 40mm in places). The best example of these was the deck IT walls. This is resulted in these areas needed to be reframed and cladding installed rather than just painted. This items' cost alone is \$28.4k.

Once the steel was exposed, we found extensive corrosion. The structural engineer was called in to do a primary assessment due to the extent of corrosion. This was not possible and a fully shot blast of the exposed steel was required to enable the extent of damage and need for repair. The shot blasting and protection of the steel was carried out and the repairs are currently under review with an allowance set aside for local steel frame replacement / repair. This process and repair allowance is projected to be \$52.4k.

The final part of the steel frame issue is that the steel frames are a primary structure of the building and must be fire rated. This is currently in the process of design and cost review but it is expected that the cost of the fire rating of the steel will be \$12.6k.

- 7) Timber Framing Replacement and Treatment - \$89,947
See attached markup drawings showing the extent of timber replacement (highlighted red area). The provisional sum of \$70k is expected to be fully allocated to timber replacement. This item is currently under cost review with the contractor. In addition, as the existing roof framing is timber this has to be treated with FrameSaver with a cost of \$19.9k.
- 8) Roof Line IT Wall - \$60,000
The Inter-tenancy walls in roof space need to have a fire rated solution to allow for protection between units from the spread of fire. The extent of this is still in discussion with council and the design team. This solution will also need to consider the steel frame in top of IT walls and this is resulting in a reasonably bespoke system.
- 9) Building Alignment - \$42,328
The existing walls not aligned (in places +/-20mm). This results in a significant number of issues. Some are visual in that the cladding would have to step in or out from floor to floor or unit to unit on the horizontal, but the underlying and most important issue is that the cladding could not be installed on a wall face that is this far out or plumb. This is resulting in a requirement to straighten the wall faces to allow cladding installation to occur and to enable a full warranty. The outside walls which are not straight are in the process of been packing up to 20-40mm. This process and repair allowance is projected to be \$33.8k.

In addition, the historic connections between the steel frame and timber infills is mostly reliant on nails shot in to the steel. This is not compliant and most have corrosion to the nails, thus where timber walls are retained, they need to be reconnected to the existing steel frame. This process of reconnecting is projected to be \$8.5k.

- 10) Lift Shaft Wall Replacement - \$40,304
Due to the extent of decay to the timber walls this has resulted in lift shaft wall works expanding. We looked at timber frame and cladding options, but cost appears to be prohibitive. A blockwall solution was put in place to enclose lift shaft and its steel frame. This reduced scope provided a saving of \$120k against the timber frame replacement, internal fire rated plasterboard lining and cladding alternative.
- 11) Extension of Time Cost Impact - \$38,000 - \$68,000
With the above major matters and the need to undertake extensive additional work the contractor can claim for an Extension of Time (EOT). The EOT effectively provides the contractor more time to undertake the additional works and replaces time lost waiting for the design solutions and council approvals required. The contractor must put a formal claim EOT across to CS&R for assessment showing the delay and its impact on programme. At this stage we recommend holding the full EOT contingency until the above matters are resolved and all delay impacts are assessed and awarded. We would note there is an obligation on the contractor and the consultancy team to try and mitigate any delays by re-programming the works.

8. Example Photos



Example of decay and mould in walls to bathrooms



Example of decay and wall damage to walls to bathrooms



Example of decay to external walls



Example of decay to external walls



Example of decay and corrosion to external walls



Example of corrosion to steel frames

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Proposed Levy Schedule to apply from 01/02/2020



Alpers Ave - BC 169774

2 Alpers Avenue, Epsom Auckland 1023

Building Remediation

Quarterly levy instalments that would apply to each lot if proposed budgets are accepted by the general meeting:

Lot	Unit	Unit Entitlement	Admin Fund	Long Term MF Fund	Quarterly Total	Annual Total
1	A0	533.00	23,038.93	0.00	23,038.93	92,155.72
2	B0	517.00	22,347.32	0.00	22,347.32	89,389.28
3	C0	514.00	22,217.65	0.00	22,217.65	88,870.60
4	D0	531.00	22,952.48	0.00	22,952.48	91,809.92
5	E0	538.00	23,255.05	0.00	23,255.05	93,020.20
6	F0	544.00	23,514.40	0.00	23,514.40	94,057.60
7	G0	544.00	23,514.40	0.00	23,514.40	94,057.60
8	H0	544.00	23,514.40	0.00	23,514.40	94,057.60
9	I0	544.00	23,514.40	0.00	23,514.40	94,057.60
10	J0	549.00	23,730.53	0.00	23,730.53	94,922.12
11	K0	549.00	23,730.53	0.00	23,730.53	94,922.12
12	L0	583.00	25,200.17	0.00	25,200.17	100,800.68
13	M0	574.00	24,811.15	0.00	24,811.15	99,244.60
14	N0	574.00	24,811.15	0.00	24,811.15	99,244.60
15	O0	580.00	25,070.50	0.00	25,070.50	100,282.00
16	P0	590.00	25,502.75	0.00	25,502.75	102,011.00
17	Q0	590.00	25,502.75	0.00	25,502.75	102,011.00
18	R0	602.00	26,021.45	0.00	26,021.45	104,085.80
		10,000.00	\$432,250.01	\$0.00	\$432,250.01	\$1,729,000.04

2 Alpers Avenue

Report Type: Post Demo Construction/ EGM Budget

Issue Date: 11th January 2021

Works Data Set: Based Post Demo Site Review

Consultant & Professional Data Set: Update



	Pre Construction (August 2020)	Updated Budget (Jan 2021)	Key Notes / Comments
PROFESSIONAL COSTS			
BC Sec Admin fees (Provisional Allowance)	10,000	20,000	Estimated additional services
S74 Legal Fees (subject to requirements)	22,609	30,609	
CS&R (Including out of scope EGM and S74 work)	39,900	56,595	Additional time on site
CS&R Timber Mark-up and Reporting for CCC (Provisional Allowance)	4,500	4,500	
Architect Design Services	143,000	143,000	Additional design requirements
Architect (Including Observation per month) (Re-Design Allowance)	47,173	75,673	Additional time & design on site
Structural Engineer (Including Observation \$500 per month)	14,000	28,000	Additional time & design on site
Fire Engineer - Consent Passive Design (Including Observation \$2,200)	8,233	10,233	Additional time on site
Fire Engineer - Additional Passive Design		15,000	New requirements of building design
Fire Engineer - Fire Code Design Report (Including Observation \$4,000)	5,985	7,985	New requirements of building design
Electrical Consultant	1,830	1,830	
Lift Engineer		5,000	Lift shaft certification requirement
Asbestos Consultant		5,876	Suspected asbestos noted on site
Building Consent / Council (Inspection Allowance)	25,000	35,000	Additional consenting requirements
Contract Works Insurance	20,000	28,000	Additional time on site
Site Power	4,500	7,500	Additional time on site
TOTAL PROFESSIONAL COSTS	346,729	474,799	Increase in cost = 128,071
CONSTRUCTION COSTS:			
1. General	445,566	445,566	
2. Site	116,577	116,577	
3. Structure	1,113,910	1,113,910	
4. Front Deck Work	316,430	316,430	
5. Rear Walkways	142,792	142,792	
6. Roof Works	310,109	310,109	
7. Finishes	123,684	123,684	
8. Site Drainage	9,860	9,860	
9. Margin 10%	230,000	230,000	
SUB-TOTAL	2,808,928	2,808,928	Increase in cost = Nil
PROVISIONAL SUMS:			
Electrical & Plumbing units - Disconnect / Reconnect	8,000	8,000	Still to be expended
Framing remediation	70,000	-	
VPS - 8 Roof FrameSaver		19,947	New requirement as timber not metal framed
VPS - 11 External wall and IT wall decay strip and removal		70,000	Under review / pricing
Internal redecoration - Painting / Gib	45,000	67,500	Scope expected to be increased
VPS - 16 Additional GIB removal due to cladding removal		1,655	Demo requirement impact on interior finishes
Remediation of electrical & plumbing - internal	30,000	30,000	Still to be expended
VPS - ? Bathroom - Allowance for 9 cylinders due to age (Owners Direct Cost - See below)		-	Owners to be billed direct for costs
Exterior electrical, alarm & TV Aerials - Disconnect / Reconnect	5,600	5,600	Still to be expended
Remedial Landscaping	2,500	2,500	Still to be expended
Basement ceiling concrete repairs, Inc remedial waste pipe replacement	45,000	5,000	Reduced scope due to bathroom leaking matter
New fire collars and intumescent sealant to slab in Bathrooms and carpark	25,000	25,000	Still to be expended
Proprietary channel drains and associated cesspit & connections	45,350	10,000	Plan to reduce scope of works, LTMP soakhole
Supply and fit new Kitchen extract systems & bulkheads	40,608	40,608	Still to be expended
Type 5 Smoke and Heat detection system & Patch Panel	66,995	66,995	Still to be expended
Roof access hatch and ladder, roof cable access (PC sum)	9,900	9,900	Still to be expended
Roof stack vent fans (PC Sum)	24,000	24,000	Still to be expended
SUB-TOTAL	417,953	386,706	Decrease in cost = 31,247
VO ITEMS:			
VPS - 01 Internal protection increase due to timber floors (Owners Direct Cost - See below)		-	Owners to be billed direct for costs
VPS - 02 Design changes during consent		104,307	See cover letter for extent of changes
VPS - 03 Lift shaft base - VOID		-	N/A
VPS - 04 GIB RAB to replace FC RAB due to need to fire rate steel frame		12,612	New requirement due to extent of steel frame found in building
VPS - 05 Deck IT walls not concrete, timber & steel frame, rebuild and clad		28,455	New requirement walls not as design dwgs
VPS - 06 Xypex to walkways (and plaster repairs)		15,528	Prevention of leaking, prevent tile replacement. Reduced scope saving 150k on new membrane ad tiles alternative.
VPS - 07 Steel strip corrosion and prime & associated timber / prep & steel repairs		52,499	Extensive steel frame corrosion found, treated and protected. Repairs TBC by engineer.
VPS - 09 Wall packing due to poor building alignment (Inc extra sum to columns)		33,828	Existing walls not aligned, required to straighten to allow cladding installation. Pricing underway.
VPS - 12 Block wall to lift shaft (including credit for cladding allowance) plus lift hanging and temp equipment work		40,304	Decay to walls resulted in lift shaft wall works, blockwall solution put in place to enclose lift. Reduced scope saving 120k on timber frame replacement and cladding alternative. Lift hanging beam re-certification TBC / under review.
VPS - 13 Gas line protection		1,111	Exposed gas line protection

2 Alpers Avenue

Report Type: Post Demo Construction/ EGM Budget

Issue Date: 11th January 2021

Works Data Set: Based Post Demo Site Review

Consultant & Professional Data Set: Update



	Pre Construction (August 2020)	Updated Budget (Jan 2021)	Key Notes / Comments
VPS - 14 Roof structure adjustment for new trusses (Inc height)		125,000	Roof structure not metal as design drawings, perimeter detailing not to code / needs to be adjusted to allow roof truss placement. Costs under review and TBC with design solution.
VPS - ?? Roof line IT wall extent modification / spec change		60,000	IT wall in roof space need to have a fire rated solution to allow for protection between units and consider steel frame in top of IT wall. New requirement from design stage.
VPS - 16 Additional GIB removal due to cladding removal		1,655	Demo requirement impact on interior finishes
RISK / RFI ITEMS UNDER REVIEW:			
Structural connections of timber frame to steel frame		8,500	Poor connection between discovered steel and retained timber elements. Improved connections / fixing required.
Nib thickening due to exposed steel frame to walkways		22,000	Wall thickness due to steel frames, additional stucco and material layers not as record drawings resulting in need to thicken some nibs where timber frame retained.
Cut away concrete deck walls to corner units		6,000	Concrete walls found to corner decks that were to be timber framed and removed. Additional demo and detailing works.
Steel post removal / alterations to bay windows		6,000	Steel post found to bay windows may need to be removed subject to design.
Upper floor lintel replacement / alterations		18,000	Upper timber lintels under review due to roof loading risk and lack of connection to building frame. Engineer reviewing.
Soffit replacement to BM office due to decay		3,500	Water damage to soffit and timber frame needs to be resolved.
Concrete window rebates (detail change due to lack of rebate)		24,000	Windows to concrete block no provided expected rebate as code required. Design solution under review.
BATHROOM LEAKS (All Owners Cost):			
VPS - 10 Bathroom - Removal and Replacement		674,600	Extent of leaking to bathrooms extensive, decay, mould and fire rating damage very significant and can not be excluded from scope of works due to impact on building. New works replace both bathrooms and laundry including repairs to all walls, floors, tiles and fittings.
SUB-TOTAL	0	1,237,897	Increase in cost = 1,237,897
TOTAL CONSTRUCTION COSTS	3,226,881	4,433,531	
EOT CONTINGENCY	268,021	268,021	
GENERAL CONTINGENCY	-	151,774	Additional risk allowance
TOTAL CONTINGENCY COST	268,021	419,795	
TOTAL CONSTRUCTION COST (INC CONSTRUCTION, PROVISIONAL & CONTINGENCY)	3,494,902	4,853,326	
TOTAL COST (INC PROFESSIONAL & CONSTRUCTION)	3,841,630	5,328,125	
GST	576,245	799,219	
PROJECTED TOTAL INCL GST	4,417,875	6,127,344	
PROJECTED TOTAL CHANGE INCL GST		1,709,469	
Total Funds Raised To Date	206,000	4,398,095	
FUNDS REQUIRED (Inc GST)	4,211,875	1,729,249	
OWNERS DIRECT COST MATTERS:			
VPS - 01 Internal protection increase due to timber floors		2,774	
VPS - 10 Bathroom - Allowance for 9 cylinders due to age		16,390	
SUB-TOTAL		19,163	

2 Alpers Avenue

Report Type: Pre Construction/ EGM Cashflow

Issue Date: 11th January 2021

Works Data Set: Based Post Demo Site Review
 Consultant & Professional Data Set: Update



As at 21 Dec

Ownership Interest	Updated Budget (Jan 2021)	Spend To Date	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Check
PROFESSIONAL COSTS													
BC Sec Admin fees (Provisional Allowance)	20,000	5,550	1,000	1,000	2,950	1,000	1,000	2,950	1,000	1,000	1,000	1,550	20,000
S74 Legal Fees (subject to requirements)	30,609	4,797	17,812	3,850	3,850	3,850	3,850	3,850	3,850	3,850	3,850	8,000	30,609
CS&R (Including out of scope EGM and S74 work)	56,595	15,275	4,750	2,000	1,000	1,000	3,850	3,850	3,850	3,850	3,850	5,770	56,595
CS&R Timber Mark-up and Reporting for CCC (Provisional Allowance)	4,500											1,500	4,500
Architect Design Services	143,000	143,000											143,000
Architect (Including Observation per month) (Re-Design Allowance)	75,673	13,401	13,000	13,000	13,000	5,000	5,000	3,500	3,500	2,000	2,000	2,272	75,673
Structural Engineer (Including Observation \$500 per month)	28,000	8,222	2,778	5,000	5,000	3,000	1,000	500	500	900		2,000	28,000
Fire Engineer - Consent Passive Design (Including Observation \$2,200)	10,233	5,233	1,000	1,000	1,000	550	550						10,233
Fire Engineer - Additional Passive Design	15,000		1,430	5,000	5,000	3,100						470	15,000
Fire Engineer - Fire Code Design Report (Including Observation \$4,000)	7,985	2,105	1,500	500	500	500	500					1,380	7,985
Electrical Consultant	1,830	1,830											1,830
Lift Engineer	5,000	311	3,500	1,190									5,000
Asbestos Consultant	5,876	2,108	1,000	2,000	2,000	800	800			1,168		11,083	5,876
Building Consent / Council (Inspection Allowance)	35,000	17,917	2,000	2,000	2,000								35,000
Contract Works Insurance	28,000	13,451							14,549				28,000
Site Power	7,500	2,500	500	500	500	500	500	500	500	500	500	500	7,500
TOTAL PROFESSIONAL COSTS	474,799	235,698	50,270	35,040	34,800	18,300	13,200	11,800	24,399	9,418	7,350	34,525	474,799
CONSTRUCTION COSTS													
CONSTRUCTION COSTS	2,808,928	324,905	236,014	430,290	430,290	430,290	430,290	430,290	430,290	430,290	430,290	430,290	4,433,531
PROVISIONAL SUMS	386,706												0
VO ITEMS	1,237,897												0
TOTAL CONSTRUCTION COSTS	4,433,531	324,905	236,014	430,290	430,290	430,290	430,290	430,290	430,290	430,290	430,290	430,290	4,433,531
EOT CONTINGENCY	268,021			50,000	50,000	50,000	50,000	50,000	18,021				268,021
GENERAL CONTINGENCY	151,774								50,000	50,000	50,000	1,774	151,774
TOTAL CONTINGENCY COST	419,795	0	0	50,000	50,000	50,000	50,000	50,000	68,021	50,000	50,000	1,774	419,795
TOTAL CONSTRUCTION COST (INC CONSTRUCTION, PROVISIONAL & CONTINGENCY)	4,853,326	324,905	236,014	480,290	480,290	480,290	480,290	480,290	498,311	480,290	480,290	432,064	4,853,326
TOTAL COST (INC PROFESSIONAL & CONSTRUCTION)	5,328,125	560,603	286,283	515,330	515,090	498,590	493,490	492,090	522,710	489,708	487,640	466,589	5,328,125
GST	799,219	84,090	42,943	77,299	77,264	74,789	74,024	73,814	78,407	73,456	73,146	69,988	799,219
PROJECTED TOTAL INCL GST / MONTHLY SPEND	6,127,344	644,693	329,226	592,629	592,354	573,379	567,514	565,904	601,117	563,164	560,786	536,578	6,127,344
PROJECTED CUMULATIVE TOTAL SPEND	6,127,344	644,693	973,919	1,566,548	2,158,902	2,732,281	3,299,795	3,865,698	4,466,815	5,029,980	5,590,766	6,127,344	

1st February
50% Drawdown

1st May
Top Up Drawdown