CONSTRUCTION BOND

THIS AGREEMENT is made on day of 20

PARTIES:

1. **Peninsula Village Limited and Wanaka Bay Limited** ("Peninsula Bay")

2. **The Lot Owner** ("Owner")

3 **House Builder** ("Builder")

BACKGROUND:

A. The Owner is seeking to have a dwelling ("Building") constructed on Lot number _____ ("Lot") in Peninsula Bay in accordance with plans specifications, covenants and design guidelines requiring approval by Peninsula Bay ("Building Approval").

B. The Owner has or will appoint the Builder to commence, construct and complete the proposed building work on the Lot in accordance with the plans specifications, covenants and design guidelines constituting Building Approval by Peninsula Bay.

C Following Building Approval being given, (if given) and Peninsula Bay allowing the Owner and Builder access to the Lot for the purpose of undertaking the Building work, the Owner and the Builder agree to carry out all Building work on the Lot fully in accordance with the Building Approval and to the process and standards required by Peninsula Bay and the Peninsula Bay Building Construction & Lot Development Covenants, to maintain a consistent high quality in the standard of the building work and to fully co-operate and liaise with Peninsula Bay and others in carrying out the building work in a reasonable and responsible manner.

AGREEMENT:

1. The Owner and Builder agree to comply and complete construction in accordance with the Building Approval and the Plans specifications, covenants and design guidelines approved by Peninsula Bay.

2. The Owner and Builder acknowledge and accept that prior to any construction works the Lot shall be fully fenced, a single construction access point shall be established and a pre-start induction meeting arranged and concluded with the appropriate Peninsula Bay representatives.

3. The Owner or Builder shall as a condition of receiving Building Approval pay a cash sum of Two Thousand Dollars ($2000.00) ("Bond") as a fund to provide for remedial or reinstatement works that may be needed as a result of the Builders construction activities, (including any subcontractors or other parties working at the Lot or on any adjacent property). The amount of the Bond is payable to *Peninsula Bay Joint Venture*. The Bond will be repayable when the building work is fully complete as approved by Peninsula Bay and Peninsula Bay has confirmed in writing that the Builder has complied with the Building Approval and repaired or reinstated any damage occurring through building activities approved by Peninsula Bay.

4. If the Owner or Builder does not comply with the Building Approval or with any related requirements arising at any time as set out in written notice by Peninsula Bay to the Owner or Builder within the time limits stated in that notice (which must be reasonable in all the circumstances), then Peninsula Bay may utilise the Bond to meet or remedy those defaults. Any costs in excess of the Bond incurred by Peninsula Bay in remedying any consequence of non compliance with the Building Approval Plans specifications, covenants and design guidelines or damage occurring through building activities will be recoverable by Peninsula Bay against the Lot Owner or Builder in summary judgement as a liquidated debt on the basis of invoicing provided for costs involved.

5. The property may not be occupied or used as a residence unless the buildings on the property and the landscaping applicable to the property have been completed in accordance with the Land Covenants, Building Construction & Lot Development Requirements and any Local Authority Building Consent requirements. This requirement includes completion of all remedial tidy up works to the property to a standard reasonably required by Peninsula Bay. Compliance with these requirements is a pre-requisite to the refund of bond monies.

6. Any dispute with respect to any matters relating to this Agreement shall be referred to an Expert for final determination (and not to Arbitration). Such Expert will be appointed by the President for the time being of the Master Builders' Association and the Expert's costs will be paid by the party or parties that the Expert directs. The parties agree to be bound by the Experts decision or decisions.

SIGNED by the Lot Owner	**SIGNED** for & on behalf of Peninsula Village Limited and Wanaka Bay Limited	**SIGNED** by the House Builder
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