

## CONDITIONS OF ENGAGEMENT

IT IS AGREED BETWEEN LAKE ROAD INTERIOR DESIGN (“the designer”)

AND

(“the client”)

### 1 Designer to provide services

The designer shall provide interior design services to satisfy the client’s brief. A specific proposal document outlining all work to be undertaken will be presented to the client (“the works”). In addition, the designer may provide other incidental services as considered necessary for the proper performance of the works, and such other services as may be agreed between the parties.

### 2 Commencement of Services

The designer will commence the works as soon as the specific proposal document has been accepted and signed off by the client.

### 3 Standard of skill, care and diligence

The designer shall perform their services in accordance with the reasonable standard of skill, care and diligence generally exercised by the profession in New Zealand subject to any financial, physical, time or other restraints imposed by the client or necessarily resulting from the nature of the engagement.

### 4 Inspection

Where the designer is required to inspect the works then, unless otherwise agreed in writing, this service shall be limited to periodic visits to assist in interpreting the design and to observe whether the works are being carried out in general accordance with the proposal document.

### 5 Remuneration

The client shall pay the designer remuneration for services on a time basis in accordance with the Schedule set out below:

| Detail  | Charges           |
|---|-------------------|
| Initial consultation  | Free of charge    |
| Hourly rate once engaged – including design time, project management, sourcing of product, meetings, preparation of proposals, quotes and orders, travel time and telephone calls | \$120.00 plus GST |
| Travel costs outside the central Auckland area  | 62 cents/km       |
| Products purchased on behalf of the client  | Retail price      |
| Services procured on behalf of client   | Cost plus 10%     |
|   |                   |
| <b>Payment terms</b>  |                   |
| Fabric orders are to be paid for in full, prior to order being placed   |                   |
| Manufacturing and other costs to be invoiced in accordance with suppliers’ terms of trade   |                   |

### 6 Other costs

The designer may charge for other incidental project-related costs, including sub-contractor costs, and telecommunication, reproduction, and traveling expenses.

### 7 Unpaid fees and project-related costs

The client shall be responsible for payment of all fees and project-related costs and undertakes to indemnify the designer for any unpaid fees or project-related costs.

### 8 Progress payments of fees and project-related costs

The designer shall be entitled to payment of fees in 10 hourly installments, or monthly if sooner. Progress payments for other project-related costs will be invoiced in accordance with the suppliers’ terms of trade. Accounts shall be due on the 7<sup>th</sup> day following presentation. Where payment is not made within 14 days of the due date, the designer shall be entitled to recover interest from the due date at the rate of 3% per month together with collection costs and any associated legal fees.

### 9 Copyright of documents

Copyright of all design work, plans and documents, will remain the property of the designer. The client shall be entitled, on payment of all fees and other project-related costs, to use the documents for the specific purpose for which they were prepared, but for no other purpose.

### 10 Duties of Designer to be accurately described

The client shall not enter into any contract with, nor make any representations to, any third party which describe the designer’s duties and responsibilities in a manner inconsistent with the terms of this agreement.

**11 Liability of Designer limited**

If the designer or any sub-contractor shall be found liable to the client (whether under the express or implied terms of this agreement, in negligence, or otherwise at common law) for any costs, loss or damage suffered by the client, however caused and of whatever nature, arising out of or connected with the performance or failure of performance of services by the designer or any sub-contractor, then the maximum amount of that liability in total for the aggregate for all such claims against the designer and any sub-contractor shall be equal to the total value of the fees.

**12 Mitigation of Designer's liability**

The liability of the designer or a sub-contractor to the client against loss or damage as aforesaid shall be reduced proportionately to the extent that any act or omission of the client (whether amounting to a breach of this agreement or not) has contributed towards any such loss or damage.

**13 "Designer" and "sub-contractor" include their employees**

For the purpose of clauses 11 and 12 of these conditions:

- (a) the expression "designer" shall include all employees of the designer; and
- (b) the expression "sub-contractor" shall include every party engaged by the designer or by any other sub-consultant to perform any part of the services provided for by this engagement, and all employees of any sub-consultant.

The terms of clauses 10, 11 and 12 shall be construed as conferring a benefit on, and being enforceable at the suit of, every person referred to in this clause.

**14 Agreements may be postponed or terminated on notice**

Any agreement between the designer and the client may be postponed or terminated by either party, on the expiration of reasonable notice given in writing.

**15 Action taken by Designer upon receipt of notice**

Upon receipt of such notice from the client, the designer shall take immediate steps to bring the services to a close and to reduce expenditure to a minimum.

**16 Entitlement to payment upon postponement or termination**

Upon postponement of the services or termination of the engagement, the designer shall be entitled to payment of fees and other job costs up to the effective date of postponement or termination and further fees and costs incidental to the orderly termination of the services.

**17 Dispute Resolution**

**17.1** If there is a dispute between the parties arising out of or in connection with this agreement, neither party is to commence any proceedings relating to that dispute until the following procedure has been complied with.

**17.2** The Party claiming a dispute has arisen must give written notice to the other party specifying the nature of the dispute.

**17.3** The Parties will endeavour, in good faith, to resolve the dispute referred to in the notice by using informal dispute resolution techniques.

**17.4** If the Parties do not agree on a dispute resolution technique within fourteen days after the date notice of a dispute was given the dispute is to be mediated according to the standard mediation agreement of LEADR New Zealand Incorporated (Lawyers Engaged in Alternative Dispute Resolution), and the Chair of LEADR (or the Chair's nominee) will select the Mediator and determine the Mediator's remuneration.

**17.5** Pending resolution of the dispute the conditions of engagement will remain in full effect without prejudicing the Parties respective rights and remedies.

Signed for Lake Road Interior Design .....

Date: .....

Signed: .....

Date: .....