

ROAD DAMAGE BOND DEED PROCEDURAL GUIDANCE

THIS PAGE DOES NOT FORM PART OF THE DEED

Member Clubs and other organisations wishing to use this Road Damage Bond Deed procedure should follow the process detailed below:

1. Allow a minimum of three to four weeks to establish the bond arrangement.
2. Forward a draft copy of the Letter of Undertaking and Road Damage Bond Deed to the relevant Council or other authority for approval in principle. If the Council or other authority requests amendments, the Member Club should first consult with MotorSport New Zealand Incorporated before preparing formal copies.
3. Prepare a formal copy of the Deed and execute it by two authorised officers of the Member Club signing in accordance with the Club's constitution and, where applicable, the requirements of the Incorporated Societies Act 2022. If the Club's constitution requires execution under common seal, the seal must be affixed. Where no common seal is required or held, execution by two authorised officers is sufficient.
4. Forward the executed copy of the Deed to the office of MotorSport New Zealand Incorporated by email to events@motorsport.org.nz, together with a completed and signed Letter of Undertaking confirming the Club will meet any repair costs arising under the Bond.
5. If MotorSport New Zealand Incorporated is satisfied that all requirements have been met, it will affix its common seal to the Bond, and return an executed copy to the Member Club to onforward to the Council or other authority.
6. The Council or landowner must then provide written confirmation to MotorSport New Zealand Incorporated that the conditions have been satisfied and that the Bond may be released.
7. Where the "Club President" and "Event Organiser" are the same person, a second member of the Organising Committee is to sign as the "Event Organiser" in the Letter of Undertaking.
8. All monetary amounts stated in this Bond are exclusive of GST. Where GST is applicable, it shall be added at the prevailing rate.

Note: MotorSport New Zealand Incorporated must have on file a current copy of a Member Club's Constitution for this deed to be executed.

[Sender's name]
[Sender's postal address]
[Sender's email address]

[Date of letter]

Sporting Manager
MotorSport New Zealand Incorporated
PO Box 133
Paraparaumu 5254
events@motorsport.org.nz

Subject: Road Damage Bond Deed Letter of Undertaking

To the MotorSport New Zealand Sporting Manager,

Please find attached a copy of the Road Damage Bond Deed for execution.

In presenting these documents, we acknowledge that in the event of any claim against this Bond, MotorSport New Zealand Incorporated may settle such claim with the relevant Council or other Authority in the first instance.

The Committee of _____ [Member Club/other organisation] is fully aware of the obligations and implications arising under this Bond and has authorised the undersigned to enter into this Bond arrangement with MotorSport New Zealand Incorporated.

As authorised officers of the Member Club, we hereby undertake that the Club will make full payment to MotorSport New Zealand Incorporated of any and all calls made upon the Bond, up to the Maximum Aggregate Sum specified in the Bond, within ninety calendar days of written demand. This undertaking is given in consideration of MotorSport New Zealand Incorporated executing the Bond. The undersigned confirm that the Committee of the Organiser has formally resolved to enter into this undertaking.

Sincerely,

Member Club President

Event Organiser

Signature: _____

Signature: _____

Name: _____

Name: _____

Date: _____

Date: _____

ROAD DAMAGE BOND DEED

BY THIS BOND we, _____ (Member Club or other organisation, hereinafter called "**the Organiser**") binds itself to _____ (the Council or other authority, hereinafter called "**the Road Owner**") in respect of the obligations set out in this Deed

and **MotorSport New Zealand Incorporated** executes this Bond as guarantor of the Organiser's obligations and agrees that, in the event the Organiser fails to satisfy a valid demand under clause 4 within the time specified, MotorSport New Zealand Incorporated shall, subject to the Maximum Aggregate Sum, satisfy such demand

in respect of the following roads:

	Road name	Amount (NZD) excl. GST
1		
2		
3		
4		
5		
6		
7		
8		
		for a Maximum Aggregate Sum of:

to be paid to the Road Owner as hereinafter provided, for which payment well and truly to be made we bind ourselves, our successors and assigns firmly by this Deed which is governed by the laws of New Zealand.

DATED this _____ (day) of _____ (month) _____ (year)

EXECUTION

This document is executed and delivered as a Deed by authorised officers of _____ (**the Organiser**) in accordance with their constitution (and under common seal if required by the constitution):

Signature: _____ Signature: _____

Name: _____ Name: _____

Date: _____ Date: _____

This document is executed and delivered as a Deed by authorised officers of **MotorSport New Zealand Incorporated** in accordance with their constitution (and under common seal if required by the constitution):

Signature: _____ Signature: _____

Name: _____ Name: _____

Date: _____ Date: _____

RECITALS

- A. The Organiser has requested that the Road Owner permit the use of the road(s) or parts of roads listed in the table above for the purposes of conducting the _____ (Event Name), proposed to be held on _____ (day) _____ (month) _____ (year).
- B. The use of the road(s) listed above for competition purposes is for the purposes of this Bond referred to as the "Event". The Event commences at the date and time stated in the sanctioning Event Permit issued by MotorSport New Zealand and concludes at the completion of official pack-down activities on the final permitted day of the Event. This period includes all activities authorised by the Organiser relating to the competition, including reconnaissance, setup, competition, and pack-down.
- C. The Road Owner has agreed to permit the use of the said roads for the Event subject to the Organiser and MotorSport New Zealand Incorporated entering into this Bond and complying with the obligations recorded in the Schedule below.
- D. The total liability of the Organiser and MotorSport New Zealand Incorporated under this Bond shall not exceed the Maximum Aggregate Sum specified above (exclusive of GST), regardless of the number of roads listed or claims made. The Organiser indemnifies MotorSport New Zealand Incorporated against any amount properly paid by MotorSport New Zealand Incorporated to the Road Owner pursuant to a valid demand under clause 4 of the Schedule, provided that such amount does not exceed the Maximum Aggregate Sum. The Organiser shall reimburse MotorSport New Zealand Incorporated within ninety calendar days of written demand, together with GST where applicable.
- E. Now therefore, if the Organiser performs its obligations as set out in the Schedule, the obligations created by this Bond shall become void and of no further effect but otherwise shall remain in full force and effect.
- F. The Letter of Undertaking which accompanies this Bond Deed, executed by the Organiser's authorised officers and provided to MotorSport New Zealand Incorporated, forms part of the basis upon which MotorSport New Zealand Incorporated has agreed to execute this Bond, and the obligations contained therein are binding on the Organiser.

SCHEDULE

1. Pre-Event Inspection

Prior to the Event, the Organiser and Road Owner shall jointly inspect and record the condition of the relevant roads, including shared photographic records and written inspection notes signed and dated by a representative of each party. This record shall form the baseline against which Permitted Event Damage is assessed.

If the Road Owner fails to participate in a pre-event inspection having been given reasonable notice by the Organiser, where reasonable notice is no less than five working days, the Road Owner shall not be entitled to make a claim under this Bond in respect of any damage that cannot be evidenced as having occurred after the commencement of the Event.

If the Organiser fails to participate in a pre-event inspection having been given reasonable notice by the Road Owner, where reasonable notice is no less than five working days, the Organiser shall not be entitled to dispute the Road Owner's assessment of the condition of the roads immediately prior to the commencement of the Event.

2. Post-Event Inspection

At a time reasonably convenient to the Road Owner and agreed with the Organiser, but no later than seven calendar days after the permitted Event, representatives of the Road Owner and the Organiser will jointly inspect all relevant road(s) or parts of roads.

The purpose of the inspection is to assess "Permitted Event Damage" meaning material physical damage to the road surface or associated road infrastructure directly attributable to vehicles participating in, or authorised by the Organiser for the purposes of the Event, and which exceeds normal road wear and tear.

3. Repairs

At such inspection as aforesaid the Road Owner shall advise on the repairs, if any, to be carried out. Such repairs are to be carried out by the Road Owner at a time convenient to the Road Owner at the expense of the Organiser. Repairs shall be commenced within 30 calendar days of the post-event

inspection, and completed within 90 calendar days of that inspection, unless the parties agree otherwise in writing. Time limits may be extended by mutual written agreement, but any such extension shall not affect the validity of a subsequent demand under clause 4.

Emergency Repairs: If, following the Event, road damage assessed as Permitted Event Damage poses an immediate risk to public safety and the Road Owner is required to carry out reasonably necessary emergency repairs, limited to restoring safe public use, and not permanent reconstruction works, before the post-event inspection has taken place or before the 30 calendar day period under this clause has elapsed, the Road Owner shall notify the Organiser in writing as soon as reasonably practicable, and shall document the nature and cost of such repairs. The Road Owner shall take reasonable steps to record the condition of the road prior to undertaking emergency repairs, including time-stamped photographs or written notes where practicable. Emergency repair costs that are properly attributable to Permitted Event Damage shall be recoverable under this Bond.

Rate Verification: Upon written request from the Organiser made within 14 calendar days of receipt of a demand under clause 4, the Road Owner shall provide supporting documentation for costs claimed, including relevant invoices or, where work is carried out by the Road Owner's own staff or plant, the Road Owner's published schedule of rates applicable at the time the work was performed.

Dispute Resolution: If any dispute arises between the parties in connection with this Bond, including any dispute as to whether damage was caused by the Event, the nature or cost of repairs required, or the obligation to make payment, the parties shall first attempt to resolve the matter in good faith within 14 calendar days of written notice of the dispute. Failing resolution, the dispute shall be referred to an independent expert agreed by the parties within a further seven calendar days, or if the parties cannot agree, appointed by the Chief Executive Officers of MotorSport New Zealand and the Road Owner jointly. The determination of the independent expert shall be final and binding on the parties, and the costs of the expert shall be borne equally unless the expert determines otherwise.

All repairs under this Bond Deed shall be limited to the reasonable and proportionate restoration of the affected section of road to its pre-event condition and shall not include upgrades, betterment, deferred maintenance, or unrelated maintenance works.

The Organiser shall not be liable for deterioration or damage caused by weather events, natural erosion, or third-party road use occurring after the Event unless such damage or deterioration is directly attributable to Permitted Event Damage arising from the Event.

4. Payment of Repair Costs

The Organiser shall, upon written demand, pay to the Road Owner the reasonable costs incurred in repairing the Permitted Event Damage, where "reasonable costs" means actual invoiced costs (exclusive of GST) or, where work is carried out by the Road Owner's own staff or plant, the Road Owner's published schedule of rates for such work (exclusive of GST). GST, where applicable, shall be payable in addition to the stated amount.

Such demand must be made no later than 60 calendar days after the date on which repairs were completed, or if repairs have not been completed, no later than 120 calendar days after the post-event inspection, whichever occurs first. For the purposes of this clause, emergency repairs carried out under clause 3 shall be treated as repairs completed on the date the emergency work was finished. Any demand made after these periods shall be of no effect and the Bond shall be released.

Payment shall be made within 30 calendar days of receipt of a valid demand, unless the Organiser has given written notice of a dispute in accordance with clause 3.

5. Release of Bond

The Road Owner shall provide written confirmation to MotorSport New Zealand Incorporated that this Bond may be released upon the earlier of:

- a. confirmation in writing that no repairs are required following the post-event inspection;
- b. full payment by the Organiser of all costs agreed or determined under this Bond; or
- c. the expiry of the demand period set out in clause 4 without a valid demand having been made.

The Road Owner shall provide such written confirmation within 14 calendar days of the relevant event occurring. If the Road Owner fails to provide confirmation within that period, MotorSport New Zealand Incorporated may treat the Bond as released, provided that the Road Owner has not notified MotorSport New Zealand in writing of any outstanding claim or inspection requirement.

6. Expiry

If the Event does not proceed, or if no post-event inspection is requested in writing by the Road Owner within 14 calendar days of the conclusion of the Event as specified in the MotorSport New Zealand-

issued Event Permit, this Bond shall automatically expire six months from the final permitted day of the Event as stated in the MotorSport New Zealand Event Permit, and MotorSport New Zealand Incorporated shall be discharged from all obligations hereunder. For the avoidance of doubt, this clause applies to the automatic expiry of the Bond only and does not limit any separate obligations of the Organiser to the Road Owner arising under any other agreement.

7. GST

All amounts referred to in this Bond are exclusive of Goods and Services Tax (GST). Where any party makes a taxable supply under this Bond, GST shall be payable by the recipient of that supply at the prevailing rate, in addition to the stated amount, upon receipt of a valid GST invoice.

8. Governing Law and Jurisdiction

This Bond is governed by the laws of New Zealand and the parties submit to the non-exclusive jurisdiction of the New Zealand courts. For the avoidance of doubt, the independent expert dispute resolution process in clause 3 is not a court proceeding and does not affect the jurisdiction of the New Zealand courts to hear any matter arising under or in connection with this Bond.

End of Document.