Our Ref: 1090-F-CF/8499

16 November 1999

Akitek Regional
38 Kim Tian Road
#02-02 Kim Tian Plaza
Singapore 169262

CONFIDENTIAL

Attention: Mr Tan Lye Woo

Dear Sirs

PROPOSED CONDOMINIUM DEVELOPMENT COMPRISING OF 12 BLOCKS OF 4-STOREY FLATS (TOTAL 360 UNITS) WITH BASEMENT CARPARK, COMMUNAL FACILITIES AND SWIMMING POOL ON LOT 727PT, 5301PT, 734PT MK NO. 5 AT FABERHEIGHTS FOR FABER-RHINE PROPERTIES PTE LTD
FIRE FIGHTING & ALARM INSTALLATION

We refer to the captioned project.

We forward herewith the following draft letters for the Fire Fighting & Alarm Installation Nominated Sub-Contract for your necessary action:

1) Architect's Letter of Nomination to the Nominated Sub-Contractor;

2) Architect's Nomination Instruction to Main Contractor;

3) Letter of Acceptance to be issued by Main Contractor to the Nominated Sub-Contractor.

Yours faithfully

CHOONG CHOON GUAN
for ALPHA ENGINEERING CONSULTANT

cc Faber-Rhine Properties Pte Ltd - Mr Lim Song King
cc KTP Consultants – Mr Jonathan Ang
cc KPK Quantity Surveyors – Mr Soundararajah – Please check. Your original draft was meant for Nominated Supplier. We have made necessary amendments for your reconfirmation.

enc

JH/kt

DRAFT LETTER OF NOMINATION
(To Be Issued by the Architect)

Ref:

Date of issue:

Sprinkler Engineering Pte Ltd
6 Tagore Drive #02-05
Tagore Industrial Building
Singapore 797623

Dear Sirs

PROPOSED CONDOMINIUM DEVELOPMENT COMPRISING OF 12 BLOCKS OF 4-STOREY FLATS (TOTAL 360 UNITS) WITH BASEMENT CARPARK, COMMUNAL FACILITIES AND SWIMMING POOL ON LOT 727PT, 5301PT, 734PT MK NO. 5 AT FABERHEIGHTS FOR FABER-RHINE PROPERTIES PTE LTD
LETTER OF NOMINATION FOR FIRE FIGHTING & ALARM INSTALLATION

On behalf of the Employer, M/s Faber-Rhine Properties Pte Ltd and in accordance with Clause 29(1) of the Articles and Conditions of Building Contract, we confirm your nomination as Sub-Contractor to the Main Contractor, M/s China Construction IRE JV, with whom you shall enter into a Sub-Contract Agreement based on your *revised* tender for the captioned works subject to the terms and conditions as stipulated in the draft letter of acceptance to be issued by the Main Contractor (See Enclosure).

Please note that the main contractor may include additional terms and conditions which are reasonably necessary for the execution of the work.

Yours faithfully

_____

cc Faber-Rhine Properties Pte Ltd – Mr Lim Song King
KTP Consultants – Mr Jonathan Ang
Alpha Engineering Consultant – Mr C G Choong
KPK Quantity Surveyors – Mr Soundararajah

ARCHITECT'S NOMINATION INSTRUCTION TO MAIN CONTRACTOR

PROPOSED CONDOMINIUM DEVELOPMENT COMPRISING OF 12 BLOCKS OF 4-STOREY FLATS (TOTAL 360 UNITS) WITH BASEMENT CARPARK, COMMUNAL FACILITIES AND SWIMMING POOL ON LOT 727PT, 5301PT, 734PT MK NO. 5 AT FABERHEIGHTS FOR FABER-RHINE PROPERTIES PTE LTD
NOMINATION INSTRUCTION FOR FIRE FIGHTING & ALARM INSTALLATION

We record that you have no objection to the nomination of M/s Sprinkler Engineering Pte Ltd as the Nominated Sub-Contractor for the above works. You are therefore instructed to enter into a Nominated Sub-Contract with M/s Sprinkler Engineering Pte Ltd under the SIA Conditions of Sub-Contract, First Edition 1980 (Reprint April, 1990), in the sum of **SINGAPORE DOLLARS: Four Hundred Fifty Thousand Only** (S$450,000.00), to carry out and complete the Sub-Contract Works.

A draft Letter of Acceptance is enclosed herewith for your issuance to the Nominated Sub-Contractor. Kindly forward the original and 4 copies of the Letter of Acceptance duly completed for the preparation of Sub-Contract Documents.

The Sub-Contract Documents shall be prepared by the Consultants upon receipt of all relevant and necessary information. You shall be notified when the Sub-Contract Documents are ready for execution.

Yours faithfully
(Architect)

_____

cc Faber-Rhine Properties Pte Ltd – Mr Lim Song King
KTP Consultants – Mr Jonathan Ang
Alpha Engineering Consultant – Mr C G Choong
KPK Quantity Surveyors – Mr Soundararajah

DRAFT LETTER OF ACCEPTANCE
(To Be Issued by the Main Contractor)

Ref:

Date of issue:

Sprinkler Engineering Pte Ltd
6 Tagore Drive #02-05
Tagore Industrial Building
Singapore 797623

Dear Sirs

PROPOSED CONDOMINIUM DEVELOPMENT COMPRISING OF 12 BLOCKS OF 4-STOREY FLATS (TOTAL 360UNITS) WITH BASEMENT CARPARK, COMMUNAL FACILITIES AND SWIMMING POOL ON LOT 727PT, 5301PT, 734PT MK NO. 5 AT FABERHEIGHTS FOR FABER-RHINE PROPERTIES PTE LTD LETTER OF ACCEPTANCE FOR FIRE FIGHTING & ALARM INSTALLATION

In accordance with the Architect's Nomination Instruction (ref:_____ dated_____), we are pleased to confirm hereby our acceptance of your tender for the Fire Fighting & Alarm Installation for the proposed condominium in accordance with the following terms and conditions:

1.0 SCOPE OF WORKS

The Sub-Contract Works shall comprise of the Fire Fighting & Alarm Installation as shown and/or described in the Sub-Contract Documents.

2.0 NOMINATED SUB-CONTRACT SUM

The Nominated Sub-Contract Sum (excluding Goods and Services Tax) is in the amount of **SINGAPORE DOLLARS: Four Hundred Fifty Thousand Only** (S$450,000.00) for the carrying out of the Sub-Contract Works.

No adjustment will be allowed in respect of the Sub-Contract Sum for any fluctuations in the cost of labour, materials, equipment and services, that may occur during the Sub-Contract Period or during any extended time granted under the terms and conditions of Sub-Contract.

The Sub-Contract Sum including all rates and prices submitted shall exclude all Goods and Services Tax ("GST") payable under the provisions of the Goods and Services Tax Act (Cap 117A). You shall be entitled to be reimbursed by us for any GST charged on the goods, services or works provided.

The Sub-Contract Sum shall, however, include all costs and expenses relating to GST payable by you on the purchase of goods and services necessary for the execution, completion and maintenance of the Sub-Contract Works. Such costs and expenses shall extend to, but not be limited to all administrative cost, penalty charges, interest cost, financial charges and any loss of Input Tax and the like relating to GST.

3.0 NOMINATED SUB-CONTRACT DOCUMENTS

The following folio of documents/correspondences listed hereunder shall form part of the Sub-Contract Documents:

3.1 Tender Documents

a) The complete Tender Documents and Drawings submitted on 8 May 1997.

3.2 Correspondences

a) CC – IRE's Letter of Acceptance to SE ref. FH/LA/009 dated 28 February 1998.

b) SE's letter to SC ref. SE-238/99/FC-017 dated 11 October 1999.

c) SE's letter to AEC ref. SE-238/99/FC-019 dated 29 October 1999.

d) SE's letter to AEC ref. SE-238/99/FC-020 dated 6 November 1999.

e) Letter of Nomination reference ____ dated ____

f) This Letter of Acceptance reference _____

3.3 Conditions of Sub-Contract

a) The SIA Conditions of Sub-Contract, First Edition, 1980 April, which you have agreed to execute.

4.0 CONDITIONS OF NOMINATIONS

You shall execute and complete the Sub-Contract Works so that no breach shall occur in any of our obligations to the Employer under the Main Contract arising out of the Sub-Contract Works and your attention is drawn in particular to Clauses 28, 29 and 30 of the Conditions of Main Contract.

You are also to comply with the following stipulations:-

4.1 Terms of Payment

Progress payment shall be made through us based on monthly interim valuation by the Consultants in accordance with the Conditions of Main Contract. You are required to present your monthly valuation of works completed to us, in time for checking and inclusion in our overall monthly valuation of works completed and in any event not later than the _____ day of each month.

4.2 Period of Interim Certificate

One (1) Month

4 CONDITIONS OF NOMINATION (CONT'D)

4.3 Period of Honouring Payment

14 days after payment or deemed payment to us by the Employer following certification by the Architect.

4.4 Retention

Retention shall be ten (10) percent of the value of materials delivered to site.

4.5 Limit of Retention

Five (5) percent of the Sub-Contract Sum.

4.6 Maintenance Period

Fifteen (15) months from the Completion Date under the Main Contract.

4.7 Release of Retention Monies

Upon issuance of the Main Contract Completion Certificate, one half of the retention monies will be released. The remaining unpaid balance of the retention monies will be released at the end of the Main Contract Maintenance Period or after the issuance of the Main Contract Maintenance Certificate, whichever is the later.

4.8 Performance Bond

You are required to submit a Banker's Guarantee amounting to ten (10) percent of the Sub-Contract sum in an approved format as Performance Bond within 14 days hereof. The Banker's Guarantee is to be issued by a licensed bank having a place of business in Singapore.

The Performance Bond shall be valid up to 180 days after the issuance of the Main Contract Maintenance Certificate. A copy of the Performance Bond is to be extended to the Employer. The original receipts of premium paid shall be submitted to the Architect for inspection.

All charges and expenses in connection with the furnishing of the bond shall be borne by you.

4.9 Programme of Work

The programme for your Sub-Contract Works shall be in accordance with the time schedule as set out in our Main Contract work programme. A copy of the programme for the Main Contract Works is attached for your reference.

The Date of Commencement of your Sub-Contract Works shall be _____ (to be filled by the Main Contractor). The Sub-Contract Period shall be _____ months (to be filled by the Main Contractor) and you are to complete the Sub-Contract Works by _____ (to be filled by the Main Contractor).

4 CONDITIONS OF NOMINATION (CONT'D)

4.9 Programme of Work (cont'd)

In all cases, your work shall be completed within such period that we are able to complete the Main Contract Works within the following stipulated completion dates:

____ Units Mock-Up Showflat : ___(Insert date)____

Overall Completion of the Main Contract Works : ___(Insert date)____

You are to liaise and co-ordinate with us on the timing of the supply and installation of the Fire Fighting & Alarm Installation to the showflats and the remaining units.

4.10 Liquidated Damages

In the event any delay in completion of the Main Contract is due to your default, we shall recover under clause 11.5 of the Sub-Contract such damages as incurred by us arising from such delay.

4.11 Compliance with Specifications & Drawings

You confirm that your works will be carried out in full conformity with the Sub-contract Documents and that all terms, conditions, qualifications and technical deviations previously submitted by you have been withdrawn, except where specifically set out in this Letter of Acceptance.

Notwithstanding any information and technical particulars submitted during tender stage, all materials, equipment and installations shall comply, in quality and performance, with the Nominated Sub-Contract Specification and Drawings unless otherwise agreed by the Architect. All materials, equipment and installations offered shall be acceptable to the relevant Authorities concerned.

4.12 Insurance

You are to note that the Contractors' All Risks Insurance and Workmen's Compensation Insurance for this project have been taken up by us with the Employer's, ours and your interests endorsed therein. Copies of the said Insurance will be available for inspection at our office upon request.

You are advised to review these policies and to take up any additional insurances which you may deem necessary to cover for any risk and liabilities which have either been excluded from or inadequately covered by the said policies. You shall also be responsible for paying any excesses attributable to you under the aforementioned policies.

4 CONDITIONS OF NOMINATION (CONT'D)

4.13 Technical Staff

You shall nominate a suitably qualified and competent technical staff who shall be solely responsible for co-ordination and liaison with us and be in charge of the whole Sub-Contract Works and to attend site meetings.

4.15 Submittals

You shall comply fully with all the required submittals under this Sub-Contract.

4.16 Subletting

The subletting of any of your work shall be subject to approval by us in writing after your submission of the details of the proposed sub-contractor. Your sub-contractor, if approved, shall be engaged on the condition that any further subletting shall be subject to similar approval by us in writing. Excessive subletting will not be permitted.

The Architect shall have power to disapprove any subletting or expel any disapproved sub-contractors from site.

Six (6) copies of this letter are enclosed herewith. You are to return the original and four (4) copies duly signed and witnessed where indicated and retain the other copy for your own records. This Letter of Acceptance together with the Documents listed as Sub-Contract Documents shall constitute a legal and binding contract between us.

Yours faithfully

_____

cc Faber-Rhine Properties Pte Ltd- Mr Lim Song King
Akitek Regional – Mr Tan Lye Woo
KTP Consultants – Mr Jonathan Ang
Alpha Engineering Consultant – Mr C G Choong
KPK Quantity Surveyor – Mr Soundararajah

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LETTER OF ACCEPTANCE

CONFIRMATION

I/We, the undersigned, hereby acknowledge receipt of the Letter of Acceptance Ref. dated _____, and confirm hereby that the terms and conditions of the said Letter of Acceptance are fully agreed to by us.

NOMINATED SUB-CONTRACTOR	WITNESS TO NOMINATED SUB-CONTRACTOR
_____	_____
AUTHORISED SIGNATURE	SIGNATURE
_____	_____
NAME OF AUTHORISED SIGNATORY	NAME OF WITNESS
_____	
DESIGNATION	
ADDRESS:	ADDRESS:
_____	_____
_____	_____
_____	_____
_____	_____
DATE:	DATE:

COMPANY STAMP:

_____