



Bond
cc-1
17/109/100 (3)

Sample of
retention bond

Retention Bond

MC provide this bond
to E

RETENTION BOND No. LG680056

BY THIS BOND we Credit Commercial de France Hong Kong a (bank) incorporated in and in accordance with the laws of Hong Kong, whose registered office is situated at 39/F., Jardine House, Central, Hong Kong ("the Bondsman"), is irrevocably and unconditionally bound to AIRLINE TRAINING PROPERTY LIMITED, a company incorporated in and in accordance with the laws of Hong Kong, whose registered office is at 35/F Two Pacific Place, 88 Queensway, Hong Kong ("the Employer") in the sum up to a maximum of Hong Kong Dollars Ten Million Seven Hundred And Sixty-Seven Thousand Five Hundred Only (HK\$10,767,500.00) (the "Bonded Sum") for the payment of which sum the Bondsman irrevocably and unconditionally binds itself, its successors and assigns by these presents.

WHEREAS:

- (A) By a contract in writing ("the Main Contract") awarded by a ~~reference of Ref. FT7.10/L143/1197/REC/VC~~ dated 18th November, 1997, confirmed by a ~~letter of award~~ Ref. CLHC/cv61900(1)51.0/Z38122 dated 10th December, 1997 between the Employer of the one part and DRAGAGES ET TRAVAUX PUBLICS (H.K.) LTD., a company incorporated in and in accordance with the laws of Hong Kong, whose registered office is situated at 11th Floor, Island Place, 510 King's Road, North Point, Hong Kong ("the Main Contractor") of the other part, the Main Contractor agreed to carry out the construction of the FLIGHT TRAINING CENTRE at Chek Lap Kok ("the Works") as more particularly described in the Main Contract for a consideration of Hong Kong Dollars Three Hundred Twenty Nine Million Five Hundred Seventy Three Thousand Three Hundred Forty-Four and Cents Twelve Only (HK\$29,573,344.12).

(B) Pursuant to the terms of the Main Contract, the Employer has agreed to pay the balance of retention monies held in the sum of Hong Kong Dollars Ten Million Seven Hundred And Sixty-Seven Thousand Five Hundred Only (HK\$10,767,500.00) to the Main Contractor, at any time after the issue of the Certificate of Practical Completion for the Works and prior to the date on which such sum retained by the Employer would be certified for payment, and in return, the Main Contractor has agreed to procure a Bond in favour of the Employer.

- (C) At the request of the Main Contractor and for the account of the Employer, the Bondsman has agreed to provide this Bond.

NOW THE CONDITIONS OF THIS BOND ARE:

1. The Bondsman hereby irrevocably and unconditionally undertakes to pay to the Employer up to the Bonded Sum upon receipt from the Employer of a written demand or demand.

time to
Release bond

Retention &
Would be
paid at
payment,
in return,
MC to provide
this bond
as on-
demand
bond

CREDIT COMMERCIAL DE FRANCE

100, JARDINE STREET, HONG KONG
TELE: 2142 2146 0200 TELEX: 61069 HKCCF HK FAX 2142 2868 1420
Incorporated in France with limited liability

(8)
452



(3)

2. demand & default

on demand

on default

on default bond

In the event that the Main Contractor ~~fails to perform any of its obligations~~ under the Main Contract and upon demands in writing made by the Employer upon the Bondsman, the Bondsman shall satisfy and discharge any claims, actions, damages, losses, charges, costs or expenses sustained thereby by the Employer under clause 15(8) of the Main Contract up to an aggregate of the Bonded Sum, provided that the Employer gives to the Main Contractor and Bondsman seven (7) days prior written notice of its intention to call the Bond with an explanation as to the Main Contractor's default *→ proof of default*

Liability of Surety

3. The liability of the Bondsman hereunder shall remain in full force and effect and shall not be affected or discharged in any way by (and the Bondsman hereby waives notice of):-

- (i) any modification, amendment or variation in or to any of the conditions, or provisions of the Main Contract of the Works;
- (ii) any adjustment to the amount payable to the Main Contractor under the Main Contract, or any concession or waiver by the Employer in respect of the Main Contractor's obligations under the Main Contract;
- (iii) the termination of the Main Contract or of the employment of the Main Contractor under the Main Contract, provided that such termination is solely as a result of default by the Main Contractor under the Main Contract;
- (iv) any forbearance or waiver of any right of action or remedy the Employer may have against the Main Contractor or negligence by the Employer in enforcing any such right of action or remedy;
- (v) any other bond, security or guarantee held or obtained by the Employer of any of the obligations of the Main Contractor under the Main Contract or any release or waiver thereof; and
- (vi) any act or omission of the Main Contractor pursuant to any other arrangement with the Bondsman.

To release Surety bond to Employer bond release

Covering period =

Execution date

Final Cert.

or PC + 18 months

or payment via bond in full

4. The liability of the Bondsman under this Bond shall commence on the date of execution of this Bond and shall cease and terminate on whichever of the following events first occur:

- (i) Payment by the Bondsman of this Bond in full
- (ii) Issue of the Final Certificate to be issued by the Architect in accordance with the Main Contract.
- (iii) In any event, no later than after the expiry of 18 (eighteen) months from the date of issue of the Certificate of Practical Completion.

CREDIT COMMERCIAL DE FRANCE

HONG KONG BRANCH
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 (Incorporated in France with limited liability)

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