Development Bond

Bond No. ________________________________             Bond Amount $ ________________________

KNOW ALL PERSONS BY THESE PRESENTS THAT

_____________________________________________________________________________________________

(the “Principal”)  

AND

_____________________________________________________________________________________________,

a corporation created and existing under the laws of Canada, and duly authorized to transact the business of suretyship in the Province of Alberta as Surety (the “Surety”), are held and firmly bound unto the City of Edmonton, a municipal corporation, as Obligee (the “Obligee”), in the amount of

_____________________________________________________________________________________________, dollars ($ ________).

lawful money of Canada (hereinafter called “Bond Amount”), for payment of which sum, well and truly to be made, the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally by these presents.

WHEREAS, the Principal has or will be entering into a servicing agreement with the Obligee to develop their subdivision approval number SA_________ for _______________ (Neighbourhood Name) Stage ____ including the submitted engineering drawings, hereinafter referred to as “the Agreement”.

_____________________________________________________________________________________________
NOW, THE CONDITION OF THIS BOND IS SUCH THAT, if the Principal shall, in the sole and absolute
determination of the Obligee, promptly and faithfully performs all its obligations under the Agreement, then this Bond
is null and void; but otherwise shall remain in force and effect to the terms thereof.

On determination of the Obligee, in its sole and absolute discretion, that the Principal is in default of its obligations
under the Agreement, the Surety and Principal agree that the Surety will make payments to the Obligee for amounts
demanded by the Obligee, up to an aggregate of the Bond amount, within seven (7) business days after the Surety's
receipt of a demand from the Obligee at the address noted herein by hand or courier and the form of a Statement of
Claim, the form of which is attached to this Bond as Schedule “A”.

The Surety and the Principal expressly waive and defence that the Principal is not in default of its obligations under
the Agreement following the delivery of a Statement of Claim to the Surety as defined in this Bond. The Statement of
Claim delivered to the Surety shall be accepted by the Surety and Principal as conclusive evidence that the amount
demanded within the Statement of Claim is payable to the Obligee; and all payments shall be made free and clear
without deduction, set-off, or withholding.

If the Surety, at any time, gives ninety (90) days notice by registered letter to both the Principal and Obligee of its
intention to terminate this Bond, then this Bond and all accruing responsibility thereunder shall form and after the last
day of such ninety (90) days aforesaid terminate only if the Principal has provided financial security to the Obligee in
at least the same amount as this Bond in a form acceptable to the Obligee. If the Principal does not provide such
financial security to replace this Bond, then the Surety shall, at its sole discretion, either immediately pay the full Bond
Amount to the Obligee within seven (7) business days, or confirm to the Obligee in writing that this Bond will remain
in full force.

The Surety shall not be liable for a greater sum than the Bond Amount.

This Bond shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of
Canada applicable thereto and shall be treated, in all respects, as a contract entered into the Province of Alberta
without regard to conflict of laws principles. The Principal and Surety hereby irrevocably and unconditionally attorn to
the jurisdiction of the courts of the Province of Alberta.

It is a condition of this Bond that any suit or action under this Bond must be commenced the expiration of one (1) year
from the date of the last Final Acceptance Certificate required under the Agreement is acknowledged by the Obligee.
Any notice hereunder is to be given:

In the case of the Obligee, to:
General Supervisor, Development Servicing Agreements
Urban Form and Corporate Strategic Development
2nd Floor, 10111 – 104 Avenue NW
Edmonton, AB  T5J 0J4

in the case of the Principal, to:
____________________________________________________________________________________

(name and address)

in the case of the Surety, to:
____________________________________________________________________________________

(name and address)

IN WITNESS WHEREOF, this bond is duly signed, sealed and delivered this ________ day of ___________, 20_____.

The Principal:

_________________________________________  ______________________________________
Name of Person signing        Signature    (Affix Seal)

The Surety:

_________________________________________  ______________________________________
Name of Person Signing     Signature  (Affix Seal)
Schedule A

Notice of Default

Date: __________________

Surety: _____________________________________________________________________________

Address: ____________________________________________________________________________

Attention: ___________________________________________________________________________

Re: Servicing Agreement Bond No.: _____________________________________ (the “Bond”)

Principal:  _________________________________________________________ (“The Principal”)

Obligee:  _________________________________________________________ (“The Obligee”)

Agreement: ___________________________________________ (“The Servicing Agreement”)

Dear Sir:

Pursuant to the above referenced Bond, The City of Edmonton hereby declares a default under the Servicing Agreement.

We hereby demand that the Surety honour its seven (7) day payment obligation as per the terms of the Bond and we hereby certify that we are entitled to draw on the Bond pursuant to the terms of the Servicing Agreement and demand payment of $ _______________ under the terms of the Bond.

Payment Instructions:

Yours truly,

THE CITY OF EDMONTON