



Development Bond

Bond No. _____ Bond Amount \$ _____

The parties hereto agree that:

(the "Principal")

AND

(the "Surety")

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, are held and firmly bound unto the City of Edmonton, a municipal corporation, as Obligee (the "Obligee"), in the amount of _____ dollars (\$ _____) Canadian funds (hereinafter called "Bond Amount"), for payment of which sum the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally in accordance with this Bond.

WHEREAS, the Principal has or will be entering into a servicing agreement with the Obligee as a condition of their subdivision approval, being agreement 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 in accordance with the terms thereof.

On determination by 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 payment(s) 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 for payment from the Obligee, delivered by hand or courier to the Surety's address noted herein and substantially in the form of the Notice of Default, the form of which is attached to this Bond as Schedule "A" (the "Notice of Default").

The Surety and the Principal hereby expressly waive any defence that the Principal is not in default of its obligations under the Agreement.

The Notice of Default delivered to the Surety shall be accepted by the Surety and Principal as conclusive evidence that the amount demanded within the Notice of Default is payable to the Obligee. All payments made by the Surety to the Obligee under this bond shall be made free and clear without deduction, set-off, or withholding, unless and to the extent required by law.

The Obligee may provide multiple Notices of Default under this Bond.

Any amounts paid by the Surety to the Obligee under this bond shall reduce the Bond Amount by the amount of each such payment. In no event shall the liability of the Surety under this bond exceed the Bond Amount. The Bond Amount is not and shall not be deemed to be cumulative from year to year.

If the Surety at any time delivers at least ninety (90) days prior written notice to the Obligee and to the Principal of its intention to terminate this obligation, the Principal shall deliver to the Obligee, not less than thirty (30) days prior to termination of this bond, financial security in the amount of this bond in a form acceptable to the Obligee to replace this bond. If the replacement financial security is not so provided by the Principal or is not accepted by the Obligee, this bond shall remain in effect.

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 in 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 demand, suit or action under this Bond must be commenced prior to the expiration of the last Final Acceptance Certificate required under the Agreement, and this condition is acknowledged by the Obligee.

Upon the performance of all of the Principal's obligations to the Obligee under the Agreement, as determined by the Obligee, the Surety shall be relieved of all obligations under this Bond.

Any notice hereunder is to be given:

In the case of the Obligee, to:

General Supervisor, Development Servicing Agreements
Urban Planning and Economy
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")

Servicing Agreement: _____ (the "Agreement")

Dear Sir:

Pursuant to the above referenced Bond, The City of Edmonton hereby declares that:

- (a) the Principal is in default under the Agreement; and
- (b) the Obligee is entitled under the Agreement to be paid the amount hereby demanded.

We hereby demand that the Surety make payment to the City of Edmonton pursuant to the bond in the amount of _____ Canadian dollars (\$ _____ [insert amount in numbers]) within seven (7) business days and deliver the payment to:

[insert delivery instructions here] _____

Yours truly,
THE CITY OF EDMONTON

By: _____

Name: _____
[Insert Authorized Name - Obligee]

Title: _____
[Insert Authorized Title - Obligee]