

DEVELOPMENT AGREEMENT PAY-ON-DEMAND SURETY BOND

BOND NO.: _____

AMOUNT: \$ _____

KNOW ALL PERSONS BY THESE PRESENTS, that

as Principal, hereinafter called the “**Principal**”, and

as Surety, hereinafter called the “**Surety**”,

are held and firmly bound unto The Corporation of the Town of Oakville, as Obligee, hereinafter called “Oakville”, in the amount of (_____) Dollars (\$_____) lawful money of Canada, being the Bond Amount, for the payment of which sum, well and truly to be made, the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents as a primary obligation and for themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, guarantee payment if the Principal defaults, in the sole discretion of Oakville, in performing any obligation stipulation, condition, covenant or term guaranteed by this Bond.

WHEREAS the Principal and Oakville have entered into, or will enter into, an agreement entitled (type of agreement (i.e. subdivision, site plan) and reference number), which agreement is by reference made a part hereof and is hereinafter referred to as the “Development Agreement,” with respect to lands known as (Project File Address) in the Town of Oakville (the “Development Lands”).

NOW THEREFORE, the condition of this primary obligation is such that if the Principal shall, in the sole discretion of Oakville do and perform all of the obligations, stipulations, conditions, covenants and terms of the Development Agreement, then this primary obligation shall be void and of no effect; otherwise, it shall remain in full force and effect,

PROVIDED, however, the foregoing primary obligation is subject to the following:

1. Whenever the Principal shall be declared in writing by Oakville, in its sole discretion to be in default of any obligation, stipulation, condition, covenant or term under the Development Agreement, and Oakville intends to make a claim under this Bond, Oakville shall promptly notify the Principal and the Surety in writing of such default in the form of a Demand, the form of which is attached to this Bond as Schedule “A”.
2. On determination by Oakville, in its sole discretion, that the Principal is in default of any of its obligations stipulations, conditions, covenants and terms guaranteed under the Development Agreement, the Surety and Principal agree that the Surety will make payments to Oakville for amounts demanded by Oakville, up to an aggregate of the Bond Amount, within fifteen (15) business days after the Surety’s receipt of a Demand from Oakville by email to the Surety email noted herein below or by hand delivery or courier delivery to the Surety Address herein noted below.
3. This Bond is irrevocable, unconditional and constitutes a primary obligation. Payment will be made notwithstanding any objection by the Principal. Where a Demand has been delivered to the Surety, it shall be accepted by the Surety as conclusive evidence of its primary obligation to make payment to Oakville, and the Surety will not assert any defence or grounds of any nature or description for not making payments to Oakville, in whole or in part, pursuant to such Demand, including but not limited to any of the following reasons:
 - a. that a default by the Principal has not occurred;
 - b. that the Principal committed any fraud or misrepresentation in its application for the Bond;
 - c. that any payment amount set out in the Demand is not appropriate, warranted, or otherwise not in accordance with the Development Agreement;
 - d. any bankruptcy, reorganization, or insolvency of the Principal or any successor or assignee thereof; or,
 - e. that the Principal is no longer the registered owner of the Development Lands.
4. All payments by the Surety shall be made free and clear without deduction, set-off or withholding. The Surety's principal obligation under this Bond shall not be discharged or released or affected by any of the following:

- a. any arrangements made between Oakville and the Principal respecting the Development Agreement or any alteration, change, addition, modification, or variation of any obligation, stipulation, condition, covenant or term thereunder or respecting the Development Lands;
 - b. any dispute between the Surety and Principal or any dispute between the Principal and Oakville;
 - c. the taking or receiving of security by Oakville from the Principal;
 - d. the exercise by Oakville of any of the rights or remedies reserved to it under the Development Agreement;
 - e. any forbearance by Oakville to exercise any such rights or remedies reserved to Oakville under the Development Agreement whether as to payment, time, performance or otherwise and whether or not any such forbearance is made without the Surety's knowledge or consent.
5. Oakville may make multiple demands under this Bond.
 6. The Bond cannot be amended or terminated without the express approval of Oakville.
 7. The amount of the Bond may be reduced from time to time as advised by notice in writing by Oakville to the Surety.
 8. Each payment made by the Surety under this Bond shall reduce the outstanding amount of this Bond.
 9. In no event shall the Surety be liable for a greater sum than the aggregate amount of this Bond.
 10. No right of action shall accrue upon or by reason hereof to or for the use or benefit of any person other than Oakville.
 11. Upon completion of a portion of the obligations, stipulations, conditions, covenants or terms guaranteed under the Development Agreement, to Oakville's satisfaction, Oakville may allow in its sole discretion a partial reduction in the amount of the Bond. Any such reduction shall not be to any amount lower than that still required in the sole discretion of Oakville to fulfil the still outstanding obligations stipulations, conditions, covenants or terms guaranteed under the Development Agreement.
 12. When the Principal has fulfilled all obligations stipulations, conditions, covenants and terms guaranteed under the Development Agreement, to Oakville's satisfaction, and all maintenance and rectification periods contained within the Development Agreement have expired, and Oakville has finally assumed all works Oakville is to assume under the obligations stipulations, conditions, covenants and terms guaranteed under the Development Agreement, Oakville shall return this Bond to the Surety for termination or advise the Surety in writing that this Bond is terminated.
 13. If the Surety at any time delivers at least ninety (90) days prior written notice by hand, registered mail or courier to Oakville and to the Principal of its intention to terminate this obligation, the Principal shall deliver to Oakville, not less than thirty (30) days prior to the day on which the Surety intends to terminate its obligations under this Bond, a financial security in the amount of this Bond in a form acceptable to Oakville. If the replacement financial security is not provided by the Principal or is not accepted by Oakville, this Bond shall remain in effect.
 14. Nothing in this Bond shall limit the Principal's liability to fulfil for Oakville the obligations stipulations, conditions, covenants and terms guaranteed under the Development Agreement.
 15. This Bond shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable thereto and shall be treated, in all respects, as a contract entered into in the Province of Ontario 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 Ontario.
 16. All notices under this Bond, unless otherwise specified herein, shall be delivered by email to Oakville, the Principal and the Surety, (copying the Principal) at their emails set out below, subject to any change of email in accordance with this Section. A change in any of the emails below may be changed by the Party changing its email by giving notice to the other parties setting out the new email in accordance with this Section.
 17. The Surety hereby indemnifies and saves harmless Oakville from any and all claims related to this Bond and shall hold the Principal responsible for repaying any money paid by the Surety to Oakville or others as a result of this Indemnification and Save Harmless Covenant.

The Surety:	The Principal:	Oakville:
Name	Name	The Corporation of the Town of Oakville (ATTN: Development Finance)
Address	Address	1225 Trafalgar Road. Oakville, ON L6H 0H3
Email	Email	dcforms@oakville.ca
Phone	Phone	905-845-6601

IN TESTIMONY WHEREOF, the Principal, if a corporation, and the Surety have each caused these presents to be sealed with its corporate seal duly attested to by the signature of its authorized signing authority.

If the Principal is an individual(s) then this Bond has been SIGNED AND SEALED by the individual(s) this (Date) day of (Month), 20xx, in the presence of a Witness:

Principal	Surety
Per: Name Title	Per: Name Title

I / We have the authority to bind the Corporation.

_____, Attorney in Fact

Name and Signature (if an Individual) _____

Witness; Name and Signature _____

DEMAND – NOTICE OF DEFAULT

Date:
Surety:
Address:
Attention:
Re: Development Agreement Pay-On-Demand Surety Bond No. [REDACTED] (the "Bond")

Principal: [REDACTED] (the "Principal")

Obligee: [REDACTED] ("Oakville")

Agreement: [REDACTED] (the "Development Agreement")

Dear [REDACTED],

Pursuant to the above referenced Bond, the Town of Oakville hereby declares a default under the Development Agreement.

We hereby demand that the Surety honour it's fifteen (15) day payment obligation as per the terms of the Bond and we hereby certify that we are entitled to draw on the Bond and demand payment of ([REDACTED]) Dollars (\$([REDACTED])) under the terms of the Bond.

Payment Instructions:

Yours truly,