

Development Agreement Pay-On-Demand Surety Bond

City of Mississauga
300 City Centre Drive
Mississauga, ON L5B 3C1



To be completed, signed, and sealed by the listed Principal and Surety or an Authorized Broker on behalf of the listed Surety. No amendments will be accepted to this form. Insurance Company must meet requirements of O.Reg. 461/24. Surety Bonds, made pursuant to the *Planning Act*, R.S.O. 1990, c. P. 13. Fully executed Pay-on-Demand Surety Bonds must be forwarded to the City's Treasury Section.

Bond Number

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 City of Mississauga, as Obligee, hereinafter called the "**Obligee**", in the amount of

 Dollars

(\$) lawful money of Canada, 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.

WHEREAS the Principal and the Obligee have entered into, or will enter into, an agreement under file number , for [Type of security eg. Site works]

<Drop down>

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 Site Address]

in the City of Mississauga (the "**Development Lands**"),

AND WHEREAS the Principal and the Surety confirm that the Surety meets the requirements of O.Reg. 461/24 - Surety Bonds, made pursuant to the *Planning Act*, R.S.O. 1990, c. P. 13,

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

PROVIDED, however, the foregoing obligation is subject to the following terms and conditions:

1. Whenever the Principal shall be declared in writing by the Obligee to be in default under the Development Agreement, and the Obligee intends to make a claim under this Bond, the Obligee 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 the Obligee, in its sole and absolute discretion, that the Principal is in default of its obligations under the Development 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 fifteen (15) business days after

the Surety's receipt of a Demand from the Obligee at the address noted herein by hand or courier.

3. Subject to the terms and conditions contained herein, this Bond is irrevocable, unconditional and constitutes a primary obligation and guarantee. Payment will be made notwithstanding any objection by the Principal. Where a Demand in the prescribed form has been delivered to the Surety, it shall be accepted by the Surety as conclusive evidence of its obligation to make payment to the Obligee, and the Surety shall not assert any defence or grounds of any nature or description for not making payment to the Obligee, in whole or in part, pursuant to such Demand, including but not limited to any of the following reasons:

- a. that a Default has not occurred;
- b. that the Principal committed any fraud or misrepresentation in its application for the Bond;
- c. that the 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. The Surety's liability under this Bond shall not be discharged or released or affected by any arrangements made between the Obligee and the Principal or by any dispute between the Surety and Principal, or the taking or receiving of security by the Obligee from the Principal, or by any alteration, change, addition, modification, or variation in the Principal's obligation under the Development Agreement, or by the exercise of the Obligee of any of the rights or remedies reserved to it under the Development Agreement or by any forbearance to exercise any such rights or remedies whether as to payment, time, performance or otherwise (whether or not by any arrangement, alteration or forbearance is made without the Surety's knowledge or consent). All payments by the Surety shall be made free and clear without deduction, set-off or withholding.

5. The Obligee may make multiple Demands under this Bond.

6. The Bond cannot be amended or terminated without the express approval of the Obligee.

7. The amount of the Bond may be reduced from time to time as advised by notice in writing by the Obligee to the Surety.

8. Each payment made by the Surety under this Bond shall reduce the amount of this Bond.

9. In no event shall the Surety be liable for a greater sum than the 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 the Obligee.

11. The Bond shall only apply to one (1) security requirement, for one (1) development agreement.

12. Upon completion of a portion of the works required by the Development Agreement to the Obligee's satisfaction, the Obligee may undertake a partial release of the Bond. A partial release may be made in an amount that does not exceed the value of the work that

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is outstanding. A partial release of the Bond will be approved and processed at the Obligee's sole discretion.

13. When the Principal has completed all works required by the Development Agreement to the Obligee's satisfaction, all maintenance and rectification periods contained within the Development Agreement have expired, and the Obligee has finally assumed all works in writing, the Obligee shall return this Bond to the Surety for termination or advise the Surety in writing that this Bond is terminated, in accordance with the terms of the Development Agreement.

14. 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 sixty (60) days from receiving notice of termination, financial security in the amount of this Bond in a form acceptable to the Obligee. If the replacement financial security is not provided by the Principal or is not accepted by the Obligee, this Bond shall remain in effect.

15. Nothing in this Bond shall limit the Principal's liability to the Obligee under the Development Agreement.

16. 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.

17. All Demands and notices under this Bond shall be delivered by email to the Surety, copying the Principal at their email set out below, subject to any change of email in accordance with this Section. A change of email for the Surety is publicly available on the Financial Services Regulatory Authority of Ontario website ([Licensed Insurance Companies in Ontario](#)). The email for the Principal may be changed by giving notice to the other parties setting out the new email in accordance with this Section:

	The Surety	The Principal	The Obligee
Name			The Corporation of the City of Mississauga
Address			300 City Centre Drive, Mississauga, ON L5B 3C1
Email			securities@mississauga.ca
Phone			905-615-4311

18. The Surety agrees to indemnify the Obligee from and against any claims, losses, or damages covered by this Bond. Nothing in this Bond shall be construed as imposing on the Surety any obligation to pursue reimbursement from the Principal; provided, however, that any rights the Surety may have to seek reimbursement or indemnity from the Principal shall not affect or limit the Surety's obligations to the Obligee under this Bond.

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IN TESTIMONY WHEREOF, the Principal has hereto set its hand and affixed its seal and the Surety has caused these presents to be sealed with its corporate seal duly attested by the signature of its authorized signing authority.

SIGNED AND SEALED this day of , 20, in the presence of:
Date Month Year

Name of Principal

Name of Surety

Signature of Principal

Signature of Surety

Name

Name

Title

Title

I/We have the authority to bind the Corporation.

I/We have the authority to bind the Corporation.

Corporate seal

Corporate seal

Schedule A
DEMAND - NOTICE OF DEFAULT

Date

Surety

Address

Attention

RE: Development Agreement Bond No.

Principal

Obligee

Agreement

Dear

,

Pursuant to the above referenced Bond, The Corporation of the City of Mississauga hereby declares a default under the Development Agreement.

We hereby demand that the Surety honour its 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 pursuant to the terms of the Development Agreement and demand payment of \$ under the terms of the Bond.

Payment Instructions

Yours truly,

THE CORPORATION OF THE CITY OF MISSISSAUGA