

Servicing Agreement Surety Bond

Bond No. _____ Bond Amount \$ _____

KNOW ALL PERSONS BY THE 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 Saskatchewan as Surety (the "Surety"), are held and firmly bound unto the City of Saskatoon, 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 firmly by these presents.

WHEREAS, the Principal has or will be entering into a servicing agreement with the Obligee to develop their subdivision approval number _____ including the construction drawings numbered _____, 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 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 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 in the form of a Notice of Default, the form of which is attached to this Bond as Schedule "A".

The Surety and the Principal expressly waive any defence that the Principal is not in default of its obligations under the Agreement following the delivery of a Notice of Default to the Surety as defined in this Bond. 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; 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 from 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 Saskatchewan and the laws of Canada applicable thereto and shall be treated, in all respects, as a contract entered into in the Province of Saskatchewan without regard to conflict of law principles. The Principal and Surety hereby irrevocably and unconditionally attorn to the jurisdiction of the courts of the Province of Saskatchewan.

It is a condition of this Bond that any suit or action under this Bond must be commenced before 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:

City of Saskatoon
Construction and Design Division
Attention: Land Development manager
202 4th Avenue North
Saskatoon SK S7K 0K1
Phone Number: 306-975-3200

in the case of the Principal:

(name and address)

in the case of the Surety:

(name and address)

IN WITNESS HEREOF, 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 _____:

Pursuant to the above referenced Bond, the City of Saskatoon 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,

CITY OF SASKATOON