

SCHEDULE 14

BONDS

Part 1 – Performance Bond

PERFORMANCE BOND NO. _____ \$ _____

KNOW ALL PERSONS BY THESE PRESENTS, that Contractor's Name as Principal ("the Principal") and Surety / Insurance Company name and address, a corporation created and existing under the laws of Canada, and duly authorized to transact the business of suretyship in Canada, as surety ("the Surety"), are, subject to the conditions hereinafter contained, held and firmly bound unto HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA AS REPRESENTED BY THE MINISTER OF TRANSPORTATION AND INFRASTRUCTURE, as obligee ("the Obligee") in the amount of @@ DOLLARS (\$@@.00) (the "Bond Amount"), 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.

WHEREAS, the Principal has entered into a contract with the Obligee, dated the ___ day of _____ 20___ entitled the @@ Electrical Maintenance Services Agreement (the "Contract") which is incorporated by reference as part of this Bond.

NOW, THEREFOR, the conditions of this obligation are such that if the Principal must well and faithfully observe and perform all the obligations on the part of the Principal to be observed and performed in connection with the Contract then this obligation must be void; otherwise it must remain in full force and effect, on the following conditions:

1. If the Obligee declares an Event of Default, as defined in the Contract, then upon written notice of same being given by the Obligee to the Surety, the following will apply:
 - (a) if the work is not taken out of the Principal's hands, by the Obligee, the Obligee may require the Surety to remedy the default giving rise to the Event of Default, in which case the Surety must cause the Principal to remedy the Event of Default within thirty (30) days of the date the Surety received the written notice from the Obligee or, if the Principal has not remedied the Event of Default, the Surety must, subject to the Bond Amount, remedy the Event of Default within a further period of fifteen (15) days; and/or
 - (b) the Obligee may, whether or not the Contract is terminated, and whether or not the Contract is taken out of the Principal's hands by the Obligee, take reasonable steps to cure the Event of Default itself, or to cause the Event of Default to be cured by other persons, and then make demand under this Bond for indemnification by the Principal and Surety for the costs thereof after making all reasonable adjustments and credits under the Contract, in which case the resulting cost, including but not limited to the costs of the Event of Default and administrative costs of the Obligee, determined by the Obligee, must be paid by the Principal within thirty (30) days of demand by the Obligee or, failing payment by the Principal, must be paid by the Surety within the following fifteen (15) day period; and/or
 - (c) the Obligee may take the Contract out of the Principal's hands, in which case the Province may, at its option, elect to do any one or more of the following:
 - (i) If the Obligee considers the Event of Default to represent or to reasonably give rise to a material risk to public safety or the environment, or to a material interruption in the provision of the Services (as defined in

the Contract), then the Obligees may take immediate steps to engage others (the "Emergency Forces") to perform such services as the Obligees may reasonably decide are required for the purpose of ensuring environmental protection, and public safety are maintained or to ensure that the Services must reasonably proceed with minimal interruption. The Obligees and the Surety will meet at the reasonable request of the Surety, to explore methods of completing the Contract, including engaging a permanent replacement contractor pursuant to the terms of this Bond. The Emergency Forces may remain in place until a replacement contractor is appointed or until other arrangements for completing the Contract, acceptable to the Obligees, are made;

(ii) If the Obligees direct the Surety to undertake the completion of the Contract, the Surety must complete the Contract or cause the Contract to be completed, in which case the completing contract will be between the Surety and the completing contractor and the selection of such completing contractor will be subject to the approval of the Obligees;

(iii) If the Obligees do not direct the Surety to undertake the completion of the Contract:

(A) the Obligees will request proposals or call for tenders for the completion of the Contract, and

(B) the Obligees will, in consultation with the Surety, if such consultation is requested by the Surety, evaluate all proposals or tenders, as the case may be, provided that the final selection of a replacement contractor will be in the sole discretion of the Obligees.

(d) The Surety will pay, at the direction of the Obligees, not less frequently than every thirty days, as work progresses, whether by Emergency Forces, by replacement contractor, or by completing contractor, or all or any of them, sufficient funds to pay by monthly instalments the difference between the cost of completion of all the obligations of the Principal under the Contract and the balance of the Contract price; but not exceeding, the Bond Amount. The expression "balance of the Contract price" as used in this Bond means the total amount payable by the Obligees to the Principal under the Contract, less the amount properly paid by the Obligees to the Principal.

(e) Unless otherwise agreed in writing by the Surety and the Obligees, all payments under this Bond will be made on a monthly basis such that within thirty (30) days of the end of any month for which a claim is made under this Bond, the Surety will pay to or at the direction of the Obligees:

(i) the difference between:

(A) the amount of the payment that would have been due from the Obligees to the Principal for that month pursuant to the Contract, but for the default of the Principal; and

(B) the amount paid by the Obligees to other contractors to complete the obligations of the Principal under the Contract for that month;

(ii) the reasonable additional and actual direct costs incurred by the Obligees to select and retain the other contractors required to complete the work of the Principal and to direct the completion of the work for that month.

2. The making of any payment under or pursuant to this Bond must not be deemed to be an admission of liability on behalf of the Principal or Surety and will be made without prejudice to any right or cause of action which either or both the Principal or Surety may have against the Obligees, provided however that no litigation, Arbitration or other dispute resolution process, actual or contemplated, must in any way delay payment from the Principal or from the Surety, as the case may be.

3. The Surety must not be liable for any amount in excess of the Bond Amount.
4. The Surety must deliver to the Obligee timely notice of the amount from time to time paid under this Bond, and the Bond Amount must be reduced by any amounts paid by the Surety to remedy or to cause to be remedied any Event of Default, notice of which has been provided by the Obligee to the Surety, with demand for payment, and by any amounts paid by the Surety under, or pursuant to its obligations under, this Bond.
5. The term of this Bond is for the Term of the Contract, as defined in the Contract, beginning at 12:01 am pacific daylight time on the @@th day of @@, 20@@, and ending at 12:00 midnight pacific daylight time on the @@st day of @@, 20@@.
6. No suit or action must be instituted by the Obligee against the Surety, or by the Surety or the Principal against the Obligee, under, pursuant to, or in connection with, this Bond, after the expiration of two (2) years from the @@st day of @@, 20@@.
7. All notices and demands to be given to the Surety under this Bond will be given to the Surety at the following address:
 [name of Surety]
 [address for delivery of notices]
 Attention: [name]

IN WITNESS WHEREOF, the Principal, the Obligee, and the Surety have Signed this bond this _____ day of _____, 20 _____.

SIGNED

In the presence of:

 For the Principal

 For the Surety Attorney-in-fact

 Authorized signatory for Her Majesty the Queen
 in Right of the Province of British Columbia as
 Represented by the Minister of Transportation
 and Infrastructure

Part 2 – Labour and Materials Bond

LABOUR AND MATERIAL PAYMENT BOND NO. _____ \$ _____

Note: This Bond is issued simultaneously with a Performance Bond in favour of the Obligee.

KNOW ALL PERSONS BY THESE PRESENTS, that Contractor's Name as Principal ("the Principal") and Surety / Insurance Company name and address, a corporation created and existing under the laws of Canada, and duly authorized to transact the business of suretyship in Canada, as surety ("the Surety"), are, subject to the conditions hereinafter contained, held and firmly bound unto HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA AS REPRESENTED BY THE MINISTER OF TRANSPORTATION AND INFRASTRUCTURE, as obligee ("the Obligee") in the amount of @@ DOLLARS (\$@@.00) (the "Bond Amount"), 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.

WHEREAS, the Principal has entered into a contract with the Obligee, dated the ___ day of _____ 20__ entitled the @@ Electrical Maintenance Services Agreement (the "Contract") which is incorporated by reference as part of this Bond.

NOW, THEREFOR, THE CONDITION OF THIS OBLIGATION is such that, if the Principal must make payment to all Claimants (as hereinafter defined) for all labour and material used or reasonably required for use in the performance of the Contract, then this obligation must be null and void; otherwise it must remain in full force and effect, subject, however, to the following conditions:

1. A Claimant for the purpose of this Bond is defined as one having a direct contract with the Principal for labour, material, or both, used or reasonably required for use in the performance of the Contract, labour and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment directly applicable to the Contract; provided that a person, firm or corporation who rents equipment to the Principal to be used in the performance of the Contract under a contract which provides that all or any part of the rent is to be applied towards the purchase price thereof, must only be a Claimant to the extent of the prevailing industrial rental value of such equipment for the period during which the equipment was used in the performance of the Contract. The prevailing industrial value of equipment must be determined, insofar as it is practical to do so, in accordance with and in the manner provided for in the latest revised edition of the publication of the Canadian Construction Association titled "Rental Rates on Contractors Equipment" published before the period during which the equipment was used in the performance of the Contract.
2. The Principal and the Surety, hereby jointly and severally agree with the Obligee, that every Claimant who has not been paid as provided for under the terms of their contract with the Principal, before the expiration of a period of ninety (90) days after the date on which the last of such Claimant's work or labour was done or performed or materials were furnished by such Claimant, may use the name of the Obligee to sue on and enforce the provisions of this Bond, prosecute the suit to final judgment for such sum or sums as may be justly due to such Claimant under the terms of their contract with the Principal and have execution thereon subject to the following terms and conditions: the Obligee will not be obliged to do or take any act, action or proceeding against the Surety on behalf of the Claimants, or any of them, to enforce the provisions of this Bond; and, if any act, action or proceeding is taken either in the name of the Obligee or by joining the Obligee as a party to such proceeding, then such act, action or proceeding, must be taken on the understanding and basis that the Claimants, or any of them, who take such act,

action or proceeding must indemnify and save harmless the Obligee against all costs, charges and expenses or liabilities incurred thereon and any loss or damage resulting to the Obligee by reason thereof.

3. No suit or action must be commenced hereunder by any Claimant:

(a) unless such Claimant must have given written notice within the time limits hereinafter set forth to each of the Principal, the Surety and the Obligee, stating with substantial accuracy the amount claimed and at least 90 days must have past since the notice was given. Such notice must be served by mailing the same by registered mail to the Principal, the Surety and the Obligee, at any place where an office is regularly maintained for the transaction of business by such persons or served in any manner in which legal process may be served in the Province or other part of Canada in which the subject matter of the contract is located. Such notice must be given:

(1) in respect of any claim for the amount or any portion thereof, required to be held back from the Claimant by the Principal, under either the terms of the Claimant's contract with the Principal or under the builders lien Legislation applicable to the Claimant's contract with the Principal (whichever is the greater), within one hundred and twenty (120) days after such Claimant should have been paid in full under the Claimant's contract with the Principal;

(2) in respect of any claim other than for any holdback, or portion thereof, referred to above, within one hundred and twenty (120) days after the date upon which such Claimant did, or performed, the last of the work or labour or furnished the last of the materials for which such claim is made, under the Claimant's contract with the Principal;

(b) after the expiration of one (1) year following the earlier of:

(1) @@, 20@@; or

(2) date on which the Principal ceased work on the Contract, including work performed under any guarantees provided in the Contract;

(c) other than in a Court of competent jurisdiction in a Province or Territory of Canada in which the subject matter of the contract, or any part thereof, is situated and not elsewhere, and the parties hereto agree to submit to the jurisdiction of such Court.

4. The Surety agrees not to take advantage of Article 2365 of the Civil Code of the Province of Quebec in the event that, by an act or an omission of a Claimant, the Surety can no longer be subrogated in the rights, hypothecs and privileges of said Claimant.

5. The amount of this Bond must be reduced by, and to the extent of any payment or payments made in good faith, and in accordance with the provisions hereof, inclusive of the payment by the Surety of builders liens which may be filed of record against the subject matter of the contract, whether or not claim for the amount of such lien be presented under and against this bond.

6. The Surety must not be liable for a greater sum than the specified penalty of this Bond.

7. The term of this Bond is for the Term of the Contract, as defined in the Contract, beginning at 12:01 am pacific daylight time on the @@th day of @@, 20@@ and ending at 12:00 midnight pacific daylight time on the @@st day of @@, 20@@.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this Bond this ____ day of _____ 20 ____.

SIGNED and SEALED
In the presence of:

For the Principal

SEAL

For the Surety Attorney-in-fact

SEAL

LABOUR AND MATERIAL PAYMENT BOND
EXTENSION AND AMENDMENT AGREEMENT NO. @@¹

ELECTRICAL MAINTENANCE SERVICES AGREEMENT
@@ Service Area

THIS AGREEMENT dated for reference the ____ day of _____, 20__ (the "Reference Date").

BETWEEN

@@ [the surety's name here], a company authorized to carry on business in the Province of British Columbia (the "Surety")

AND

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Transportation and Infrastructure (the "Obligee")

AND

@@ [the contractor's name here], having its registered office at @@ (the "Principal")

WHEREAS:

- A. The Surety issued a Labour and Material Payment Bond No. @@ ("L&M Bond") simultaneously with a Performance Bond No. @@, dated the @@ day of @@, 20@@, [*delete if inapplicable*: as extended to the @@ day of @@, 20@@ by Extension and Amendment Agreement No. @ dated the @@ day of @@, 20@@], in connection with the Electrical Maintenance Services Agreement between the Principal and the Obligee for the @@ Service Area with a commencement date of @@ day of @@, 20@@, as amended from time to time [*delete if inapplicable*: and as extended by the Services Extension Agreement dated the @@ day of @@, 20@@], (together, the "Contract");
- B. Pursuant to the Contract, the Principal is obligated to maintain the L&M Bond in full force and effect during the Term and the Contract Renewal Term;
- C. The Surety elects to extend the L&M Bond for the last @@ (@@) years of the Contract and the Principal wishes to deliver to the Obligee, or cause the Surety to deliver to the Obligee, the unconditional written agreement of the Surety to extend and maintain the L&M Bond in full force and effect for the last @@ (@@) years of the Contract;
- D. The Surety, the Principal and the Obligee wish to amend the terms of the L&M Bond in accordance with the terms of this Agreement.

NOW THEREFOR in consideration of the payment of \$1.00 by the parties, each to the others, the receipt and sufficiency of which is hereby acknowledged by each party, the Surety, the Principal and the Obligee agree, and in the case of the Surety and the Principal, the Surety and the Principal jointly and severally agree as follows:

¹ Additional paragraphs (not provided in this specimen) are required if the bond extension is not for the entire last @@ years of the term.

1. Unless otherwise expressly defined in this Agreement, the capitalized words in this Agreement have the meanings given to them in the Contract or in the L&M Bond, as the case may be.
2. This L&M Bond is extended to include the obligations on the part of the Principal to be observed and performed in connection with the Contract from and after 12:01 a.m. pacific daylight time on @@ [*insert the former expiry date/current renewal date here*], 20@@ to and including 12:00 midnight pacific daylight time on @@[*insert the extended expiry date here*], 20@@.
3. No suit or action will be instituted by the Obligee against the Surety, or by the Surety or the Principal against the Obligee, under or pursuant to this L&M Bond, after the expiration of one (1) year from the date on which the Principal ceased work on the Contract, including work performed under any guarantees provided in the Contract as represented by the Minister of Transportation and Infrastructure.
4. Nothing in this Agreement will limit or reduce the liability of the Surety with respect to the obligations on the part of the Principal to be observed and performed to and including 12:01 a.m. pacific daylight time on @@ [*insert former expiry date/ current renewal date here*], 20@@ in connection with the first @@ years of the Contract.
5. The terms of the L&M Bond:
 - (a) as ratified, confirmed, amended and extended herein, remain in full force and effect as of the Reference Date of this Agreement; and
 - (b) will be deemed to be continuous as extended.
6. Time is of the essence of this Agreement and will remain of the essence of the L&M Bond, as extended and amended by this Agreement.
7. Notwithstanding the date of execution or delivery of this Agreement, the terms of this Agreement will be effective from the Reference Date of this Agreement.

IN WITNESS WHEREOF the parties hereto have signed and sealed this Agreement by their duly authorized representatives and officers as follows:

@@

(c/s)

Authorized Signatory for the Surety

DATE

@@

(c/s)

Authorized Signatory for the Principal

DATE

**HER MAJESTY THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA as represented
by the Minister of Transportation and Infrastructure**

Authorized Signatory for the Obligee

DATE

**PERFORMANCE BOND
EXTENSION AND AMENDMENT AGREEMENT No. @@²**

**ELECTRICAL MAINTENANCE SERVICES AGREEMENT
@@ Electrical Service Area**

THIS AGREEMENT dated for reference the _____ day of _____, 20____ (the "Reference Date")

BETWEEN

@@ [the surety's name here], a company authorized to carry on business in the Province of British Columbia (the "Surety")

AND

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Transportation and Infrastructure (the "Obligee")

AND

@@ [the contractor's name here], having its registered office at @@ (the "Principal")

WHEREAS:

- A. The Surety issued a Performance Bond No. @@ ("Performance Bond") simultaneously with a Labour and Material Payment Bond dated the @@ day of @@, 20@@ [*delete if inapplicable*: as extended to the @@ day of @@, 20@@ by Extension and Amendment Agreement No. @ dated the @@ day of @@, 20@@] ("L&M Bond"), in connection with the Electrical Maintenance Services Agreement between the Principal and the Obligee for the @@ Service Area with a commencement date of @@ day of @@, 20@@ [*delete if inapplicable*: and as extended by the Services Extension Agreement dated the @@ day of @@, 20@@], (the "Contract");
- B. Pursuant to the Contract, the Principal is obligated to maintain the Performance Bond in full force and effect during the Term;
- C. The Surety elects to extend the Performance Bond for the last @@ (@@) years of the Contract Renewal Term and the Principal wishes to deliver to the Obligee, or cause the Surety to deliver to the Obligee, the unconditional written agreement of the Surety to extend and maintain the Performance Bond in full force and effect for the last @@ (@@) years of the Contract;
- F. The Surety, the Principal and the Obligee wish to amend the terms of the Performance Bond in accordance with the terms of this Agreement.

NOW THEREFOR in consideration of the payment of \$1.00 by the parties, each to the others, the receipt and sufficiency of which is hereby acknowledged by each party, the Surety, the Principal and the Obligee agree, and in the case of the Surety and the Principal, the Surety and the Principal jointly and severally agree as follows:

² Additional paragraphs are required if the bond extension is not for the entire @@ years to the end of the contract term.

1. Unless otherwise expressly defined in this Agreement, the capitalized words in this Agreement have the meanings given to them in the Contract or in the Performance Bond, as the case may be.
2. The Performance Bond is extended to include the obligations on the part of the Principal to be observed and performed in connection with the Contract from and after 12:01 a.m. pacific daylight time on @@[insert the former expiry date here] to and including 12:00 midnight pacific daylight time on @@[insert the new expiry date here] in connection with the Contract.
3. Nothing in this Agreement will limit or reduce the liability of the Surety with respect to the obligations on the part of the Principal to be observed and performed to and including 12:01 a.m. pacific daylight time on @@ in connection with the first @@ years of the Contract.
4. The terms of the Performance Bond:
 - (a) as ratified, confirmed, amended and extended herein, remain in full force and effect as of the Reference Date of this Agreement; and
 - (b) will be deemed to be continuous as extended.
5. Time is of the essence of this Agreement and will remain of the essence of the Performance Bond, as extended and amended by this Agreement.
6. Notwithstanding the date of execution or delivery of this Agreement, the terms of this Agreement will be effective from the Reference Date of this Agreement.

IN WITNESS WHEREOF the parties hereto have signed and sealed this Agreement by their duly authorized representatives and officers as follows:

@@

(c/s)

Authorized Signatory for the Surety

DATE

@@

(c/s)

Authorized Signatory for the Principal

DATE

**HER MAJESTY THE QUEEN IN RIGHT OF
THE PROVINCE OF BRITISH COLUMBIA as
represented by the Minister of Transportation
and Infrastructure**

Authorized Signatory for the Obligee

DATE