

SCHEDULE "17"

BONDS

SPECIMEN SET - BONDS

LABOUR AND MATERIAL PAYMENT BOND

(British Columbia Government Form)

No.  
item.

\$Choose an

Note: This Bond is issued simultaneously with a Performance Bond in favour of the Obligee conditioned for the full and faithful performance of the contract.

KNOW ALL PERSONS BY THESE PRESENTS, that CONTRACTOR'S NAME as Principal, (the "Principal"), and SURETY / INSURANCE COMPANY OR COMPANIES NAME(S) AND ADDRESS(ES), a corporation or corporations created and existing under the laws of Canada, and duly authorized to transact the business of suretyship in Canada, as Surety (the "Surety" if one surety is named in this Bond and the "Co-Sureties" if more than one), is/are held and firmly bound, jointly and severally in the case of Co-Sureties, unto HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA AS REPRESENTED BY THE MINISTER RESPONSIBLE FOR THE TRANSPORTATION ACT, as obligee, (the "Obligee"), for the use and benefit of the Claimants (defined below), their and each of their heirs, executors, administrators, successors and assigns, in the amount of Choose an item. Dollars (\$Choose an item.) of lawful money of Canada (the "Bond Amount"), for the payment of which sum, well and truly to be made, the Principal and the Surety, or Co-Sureties, as the case may be, bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a multi-year contract with the Obligee, dated the \_\_\_ day of \_\_\_\_\_, 20\_\_ for Highway Maintenance entitled Highway Maintenance Agreement Service Area # (the "Contract"), for a ten (10) year term from Month, xx, 20XX (Commencement Date) to Month, xx, 20XX (Expiry Date) that may be extended for a further five year period to Month, xx, 20XX all in accordance with its provisions, and which document is incorporated by reference as part of this Bond;

AND WHEREAS, concurrently with the issuance of this Bond, the Surety has issued a Performance Bond which names Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister responsible for the Transportation Act, as Obligee (the "Performance Bond").

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION are such that, if the Principal shall make payment to all Claimants for all labour and material used or reasonably required for use in the performance of the Contract then this obligation shall be null and void; otherwise it shall 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, shall 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 shall 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 or Co-Sureties, as the case may be, hereby jointly and severally agree with the Obligees 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 Obligees 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 Obligees is not to 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 Obligees or by joining the Obligees as a party to such proceeding, then such act, action or proceeding, shall be taken on the understanding and basis that the Claimants, or any of them, who take such act, action or proceeding shall indemnify and save harmless the Obligees against all costs, charges and expenses or liabilities incurred thereon and any loss or damage resulting to the Obligees by reason thereof.
3. No suit or action shall be commenced hereunder by any Claimant:
  - (a) unless such Claimant shall have given written notice within the time limits hereinafter set forth to each of the Principal, the Surety or Co-Sureties, as the case may be, and the Obligees, stating with substantial accuracy the amount claimed and at least 90 days shall have passed since the notice was given. Such notice shall be served by mailing the same by registered mail to the Principal, the Surety and the Obligees, 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 shall 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 the 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) the expiry of:
      - (i) the Initial Term (defined below) if the Surety elects not to extend this Bond for the First Renewal Term; or

(ii) the First Renewal Term (defined below) if the Surety elects not to extend this Bond for the Second Renewal Term (defined below);

or

(2) the date on which the Principal ceased work on the Contract, including work performed under the 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 or Co-Sureties, as the case may be, agree(s) 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 shall 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 or Co-Sureties, as the case may be, 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 or Co-Sureties, as the case may be, shall not be liable for a greater sum than the specified penalty of this Bond.
7. Although the term of the Contract is ten (10) years, commencing on Month, xx, 20XX and ending on Month, xx, 20XX, the term of this Bond is for the first five (5) years only, beginning at 12:01 am pacific time on the 1st day of Month, 20XX, and ending at 12:00 midnight pacific time on the **Choose an item.** day of Month 20XX ("Initial Term"). The Initial Term may be extended, solely at the option of the Surety, for a renewal term of an additional five (5) years, ending at 12:00 midnight pacific time on the **Choose an item.** day of Month, 20XX ("First Renewal Term"). The First Renewal Term may be extended, solely at the option of the Surety, for a second renewal term of an additional five (5) years, ending at 12:00 midnight pacific time on the **Choose an item.** day of Month, 20XX ("Second Renewal Term"). If the surety elects not to extend the bond at the end of either the Initial Term or the First Renewal Term (a "Renewal Term"), it must so inform the Obligee in writing prior to one hundred twenty (120) days before that Renewal Term ends. If the Surety does not so inform the Obligee of its intention not to extend the bond as stated herein, this Bond will automatically be deemed extended for the First Renewal Term or the Second Renewal Term, as the case may be.
8. If the Surety or Co-Sureties elect(s) not to extend this Bond and the Performance Bond for a Renewal Term, the Principal and the Surety or Co-Sureties shall remain liable hereunder and in accordance with the terms hereof for all of the obligations of the Principal for the prior term(s) of this Bond, being the Initial Term and, where applicable, the First Renewal Term by which this Bond was extended, exclusive, in the case of the Surety or Co-Sureties, of the obligation to provide replacement bonds for the remainder of the term of the Contract to the Expiry Date of the Contract. The Surety's election not to renew this Bond and the Performance Bond for a Renewal Term is not intended to diminish the Obligee's rights, as against the Principal only, for any breach of the Contract.

9. The Bond Amount is not and shall not be deemed to be cumulative in the event this Bond and the Performance Bond are extended for a Renewal Term(s).
10. If this Bond is issued by Co-Sureties, then the Co-Surety that signs the first signature block on this Bond shall be designated as the "Lead Surety" for the purposes of this Bond and the Co-Sureties hereby jointly and severally irrevocably: appoint and authorize the Lead Surety to act as the sole representative of and agent for the Co-Sureties, and with authority to bind the Co-Sureties, in all dealings and matters between the Co-Sureties and the Obligee arising from or relating to this Bond, including without limitation the receipt on behalf of the Co-Sureties of a written notice, of any demand or draw on this Bond issued by the Obligee and in the investigation, payment, compromise, settlement and defence of any claims, demands and draws on, arising from or related to this Bond; and, agree and acknowledge that the Obligee shall be entitled to assume that any act done, document executed or entered into or waiver given by the Lead Surety to the Obligee arising from or related to this Bond has been duly authorized by each Co-Surety and is binding upon each Co-Surety without the Obligee being under any obligation to enquire into the authority of the Lead Surety in such matters.

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:

\_\_\_\_\_

SEAL

For the Principal

\_\_\_\_\_

SEAL

For the Surety

Attorney-in-fact

SPECIMEN SET - BONDS (continued)

PERFORMANCE BOND

NO.

\$Choose an item.

KNOW ALL PERSONS BY THESE PRESENTS, that CONTRACTOR'S NAME as principal ("the Principal") and SURETY / INSURANCE COMPANY'S OR COMPANIES' NAME(S) AND ADDRESS(ES), a corporation or corporations created and existing under the laws of Canada, and duly authorized to transact the business of suretyship in Canada, as Surety (the "Surety" if one Surety is named in this Bond and the "Co-Sureties" if more than one), is/are held and firmly bound, jointly and severally in the case of Co-Sureties, unto HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA AS REPRESENTED BY THE MINISTER RESPONSIBLE FOR THE TRANSPORTATION ACT, as obligee ("the Obligee") in the amount of Choose an item. Dollars (\$Choose an item.), of lawful money of Canada (the "Bond Amount"), for the payment of which sum, well and truly to be made, the Principal and the Surety, or Co-Sureties, as the case may be, bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a multi-year contract with the Obligee, dated the \_\_\_ day of \_\_\_\_\_, 20\_\_ for Highway Maintenance entitled Highway Maintenance Agreement Service Area # (the "Contract"), for a ten (10) year term from Month, xx, 20XX (Commencement Date) to Month, xx, 20XX (Expiry Date) that may be extended for a further five year period to Month, xx, 20XX all in accordance with its provisions, and which document is incorporated by reference as part of this Bond;

AND WHEREAS concurrently with the issuance of this Performance Bond the Surety has issued a Labour and Material Payment Bond which names Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister responsible for the Transportation Act, as Obligee (the "L&M Payment Bond").

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION are such that if the Principal shall promptly and faithfully perform that portion of the Contract that corresponds with the Initial Term or First Renewal Term or Second Renewal Term (as those terms are defined herein), as the case may be, then this Obligation shall be null and void; otherwise it shall remain in full force and effect, subject, however, to 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 or Co-Sureties as the case may be, the following shall apply:
  - (a) if the work is not taken out of the Principal's hands, by the Obligee, the Obligee may require the Surety or Co-Sureties, to remedy the default giving rise to the Event of Default, in which case the Surety or Co-Sureties shall cause the Principal to remedy the Event of Default within thirty (30) days of the date the Surety or Co-Sureties received the written notice from the Obligee or, if the Principal has not remedied the Event of Default, the Surety or Co-Sureties shall, 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 or Co-Sureties 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 Oblige, determined by the Oblige, shall be paid by the Principal within thirty (30) days of demand by the Oblige or, failing payment by the Principal, shall be paid, subject to paragraph 2 of this Bond, by the Surety or Co-Sureties within the following fifteen (15) day period; and/or

- (c) the Oblige may take the Contract out of the Principal's hands, in which case:
  - (i) if after written notice has been given to the Surety or Co-Sureties of the Event of Default, the Surety or Co-Sureties and the Oblige agree in writing, the Surety or Co-Sureties may complete or cause to be completed the Contract, through methods including, but not limited to using the employees, equipment and subcontractors of the Principal;
  - (ii) absent such agreement,
    - (1) the Oblige will request proposals from not less than two highway maintenance contractors who are then performing highway maintenance services in other areas in British Columbia;
    - (2) the Oblige will, with consultation from the Surety or Co-Sureties, if requested by the Surety or Co-Sureties, evaluate all proposals PROVIDED THAT the final selection of a replacement contractor shall be within the sole discretion of the Oblige, after consultation with the Surety or Co-Sureties.

If the Oblige considers the Event of Default to represent a material risk to public safety then the Oblige may take immediate steps to protect public safety by engaging others (the "Emergency Forces") to perform such services as the Oblige may reasonably decide are required for the purpose of ensuring services, works, safeguards, environmental protection and public safety are maintained and, further, to ensure that necessary work shall reasonably proceed with minimal interruption. The Oblige and the Surety will meet at the reasonable request of the Surety, to explore methods of completing the work under the Contract, including engaging a permanent replacement contractor pursuant to the provisions of Clause 1(c) of this Bond. The Emergency Forces may remain in place until a replacement contractor is appointed or until other arrangements for completing the work or the Contract, acceptable to the Oblige, are made by the Surety or Co-Sureties.

Upon selection by the Oblige of a bidder acceptable to the Oblige, the Oblige will contract with such bidder. The Surety or Co-Sureties will pay, at the direction of the Oblige, not less frequently than every thirty (30) days, as work progresses, whether by Emergency Forces or by a replacement contractor or both, 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, including other costs and damages for which the Surety or Co-Sureties may be liable hereunder, the Bond Amount. The term "balance of the Contract price" as used in this Bond means the total amount payable by the Oblige to the Principal under the Contract, less the amount properly paid by the Oblige to the Principal.

2. Unless otherwise agreed in writing by the Surety or Co-Sureties and the Oblige, 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 or Co-Sureties will pay to or at the direction of the Oblige:

(a) the difference between:

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

(ii) the amount paid by the Oblige to other contractors to complete the obligations of the Principal under the contract for that month

- and -

(b) the reasonable additional and actual direct costs incurred by the Oblige 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.

The cumulative total of the monthly payments will be subject to the final adjustment after the expiry of the original term of the Contract when all costs are known.

3. The requirement to make payment under this Bond will arise solely on the written demand for payment by the Oblige in respect of an Event of Default under the Contract or this Bond and the making of any payment under or pursuant to this Bond shall not be deemed to be an admission of liability on behalf of the Principal or Surety or Co-Sureties and will be made without prejudice to any right or cause of action which either or both the Principal or Surety or Co-Sureties may have against the Oblige. If payment has been made under or pursuant to the Bond by the Surety or if the Principal has paid to remedy the Event of Default or paid the cost of completion under the Contract, either the Principal or Surety or Co-Sureties may challenge the validity of the declaration of the Event of Default, the demand under this Bond, the accounting for Contract monies, the reasonableness or validity of the completion costs, or any other claim they may have relating to the Oblige's performance under the Contract and this Bond and make claim against the Oblige for damages.

4. Nothing herein contained shall release the Oblige from any duty to operate with the utmost good faith and to mitigate any costs or damages incurred as a result of the Event of Default. PROVIDED ALWAYS that the provision as to mitigation shall not be construed as requiring the Oblige to allow the Principal to complete the Contract.

5. Either or both the Principal or Surety or Co-Sureties may, by giving written notice to the Oblige within fourteen (14) days of receiving notice of an Event of Default from the Oblige, take the position that the notice of the Event of Default was wrongfully issued by the Oblige and claim for damages by suit, arbitration, or otherwise, provided however that neither delivery of such notice, nor any litigation, arbitration or other dispute resolution process, actual or contemplated, shall in any way delay payment from the Principal or failing payment by the Principal then from the Surety or Co-Sureties, and any payment will be made without prejudice to the right of the Principal or Surety or Co-Sureties to pursue any claim against the Oblige by litigation, arbitration or otherwise.



6. If a Court of competent jurisdiction, or an arbitrator in any arbitration proceeding between the Obligee and any one or more of the Principal and Surety or Co-Sureties, where the agreement to arbitrate provides that the decision is to be final and binding on the parties, holds that funds are owing by the Obligee to the Principal or Surety in connection with the Contract or Bond, the Obligee shall, after the period for appeals has expired, provided no appeals have been filed, remit the amount of any judgement or award to either the Principal or the Surety or Co-Sureties, with interest as determined in accordance with the provisions of B.C. Regulation 215/83 entitled "Interest on Overdue Accounts Payable Regulation", as amended from time to time from the date of such decision by the Court or arbitrator. Subject to the judgement or award, such payment obligation shall be without prejudice to any rights available to the Obligee.
7. The Obligee shall account for any unpaid Contract monies, including any holdback monies, relating to the Contract up to the date of the Event of Default as declared by the Obligee, which are payable to the Principal, and upon written notice from the Surety or Co-Sureties shall apply those monies:
  - (a) first, to pay for labour, material, equipment and services used by the Principal in the performance of the Contract prior to the Event of Default;
  - (b) second, to reimburse the Obligee for the difference between the cost of completion and the balance of the Contract price.

Any excess and all remaining Contract monies shall be paid by the Obligee to the Surety or Co-Sureties. Subject to the terms of this Bond and the Bond Amount, the Surety or Co-Sureties shall be liable for and pay the Obligee for the difference between the cost of completion under the Contract and the balance of the Contract price if the cost of completion exceeds the Contract price, and such other costs of completing the obligations of the Principal, including reasonable additional administrative costs of the Obligee, as determined by the Obligee, acting reasonably.

8. The Surety or Co-Sureties shall not be liable for any amount in excess of the Bond Amount. The Surety shall deliver to the Obligee timely notice of the amount from time to time paid under this Bond, and the Bond Amount shall 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.
9. The Obligee, whether or not an Event of Default has occurred or been declared, may advise the Surety or Co-Sureties in writing whenever:
  - (a) a Non-Conformance Report is issued by the Obligee to the Principal pursuant to Section 17.7 of the Contract;
  - (b) the Obligee issues written notice of an Event of Default to the Principal pursuant to Section 18.2 of the Contract; or
  - (c) the Obligee retains any holdback from any payment which, but for the holdback and the Obligee's reason for the holdback, would be due to the Principal under the Contract.

Copies of the Non-Conformance Report, notice of an Event of Default and notice of holdback may be provided to the Surety or Co-Sureties with the notice advising the Surety or Co-Sureties of same. Unless accompanied

by a notice of a non-conformance or Event of Default and a written demand by the Obligees to the Surety or Co-Sureties requiring the Surety or Co-Sureties to fulfill its obligations under the Bond, such advice and copies of such documents shall be considered to be for general information only and shall not constitute a declaration of an Event of Default nor a call upon this Bond.

10. Although the term of the Contract is ten (10) years, commencing on Month, xx, 20XX and ending on Month, xx, 20XX, the term of this Bond is for the first five (5) years only, beginning at 12:01 am pacific time on the 1st day of Month, 20XX, and ending at 12:00 midnight pacific time on the Choose an item. day of Month, 20XX (the "Initial Term"). The Initial Term may be extended, solely at the option of the Surety, for a renewal term of an additional five (5) years, ending at 12:00 midnight pacific time on the Choose an item. day of Month, 20XX (the "First Renewal Term"). The First Renewal Term may be extended, solely at the option of the Surety, for a second renewal term of an additional five (5) years, ending at 12:00 midnight pacific time on the Choose an item. day of Month, 20XX (the "Second Renewal Term"). If the Surety elects not to extend this Bond at the end of the Initial Term or the First Renewal Term, it must so inform the Obligees in writing prior to one hundred twenty (120) days before the Initial Term or First Renewal Term ends. If the Surety does not so inform the Obligees of its intention not to extend this Bond at the end of the Initial Term or First Renewal Term, as stated herein and as the case may be, this Bond will automatically be deemed extended for the First Renewal Term or Second Renewal Term, as the case may be.
11. If the Surety or Co-Sureties elect(s) not to extend this Bond and the L&M Payment Bond for the First Renewal Term or Second Renewal Term, and the Principal fails to deliver to the Obligees replacement bonds prior to 60 days before the Initial Term or Renewal Term ends, the Surety shall pay to the Obligees the sum of Fifty Thousand Dollars (\$50,000). Such payment, which for all purposes shall be deemed to be a payment pursuant to this Bond, shall be payable to the Obligees at the conclusion of the Initial Term or First Renewal Term, as the case may be, or the day on which the Obligees terminates the Contract or takes the Contract out of the hands of the Principal, whichever occurs first. If the Principal delivers replacement bonds to the Obligees as set out above, neither the Surety nor the Principal shall be obligated to pay the \$50,000 referred to above to the Obligees. The Surety's election not to extend this Bond and the L&M Payment Bond for the First Renewal Term or Second Renewal Term shall not constitute grounds for a claim under this Bond or the L&M Payment Bond notwithstanding that this may constitute an Event of Default by the Principal under the Contract.
12. If the Surety elects not to extend this Bond for a Renewal Term, the Principal and the Surety or Co-Sureties shall remain liable hereunder and in accordance with the terms hereof for all of the obligations of the Principal for the Initial Term and, if applicable, the First Renewal Term by which this Bond was extended, exclusive, in the case of the Surety or Co-Sureties, of the obligation to provide replacement bonds for the remainder of the term of the Contract to the Expiry Date of the Contract. The Surety's election not to renew this Bond and the L&M Payment Bond for a Renewal Term is not intended to diminish the Obligees's rights, as against the Principal only, for any breach of the Contract.
13. The Bond Amount is not and shall not be deemed to be cumulative in the event this Bond and the L&M Payment Bond are extended for a Renewal Term(s).
14. No suit or action shall be instituted by the Obligees against the Surety, or by the Surety or Co-Sureties or the Principal against the Obligees, under or pursuant to this Bond, after the expiration of two years from:

- (a) the expiry of the Initial Term if the Surety elects not to extend this Bond and the L&M Payment Bond for a Renewal Term, or the expiry of the First Renewal Term if the Surety elects not to extend this Bond for the Second Renewal Term; or
- (b) the last date on which final payment under the Contract is due, if the Surety elects to extend this Bond and the L&M Payment Bond for the Second Renewal Term,

whichever is applicable.

- 15. The penal sum of this Bond is not and shall not be deemed to be cumulative in the event the Surety elects to extend this Bond for the First Renewal Term nor in the event the Surety elects to extend this Bond for the Second Renewal Term. For greater certainty, the penal sum for the Renewal Terms notwithstanding any claims or payments whatsoever under this Bond in place in the Initial Term or First Renewal Term, as the case may be, shall be \$Choose an item..
- 16. If this Bond is issued by Co-Sureties, then the Co-Surety that signs the first signature block on this Bond shall be designated as the "Lead Surety" for the purposes of this Bond and the Co-Sureties hereby jointly and severally irrevocably: appoint and authorize the Lead Surety to act as the sole representative of and agent for the Co-Sureties, and with authority to bind the Co-Sureties, in all dealings and matters between the Co-Sureties and the Obligee arising from or relating to this Bond, including without limitation the receipt on behalf of the Co-Sureties of a written notice, of any demand or draw on this Bond issued by the Obligee and in the investigation, payment, compromise, settlement and defence of any claims, demands and draws on, arising from or related to this Bond; and, agree and acknowledge that the Obligee shall be entitled to assume that any act done, document executed or entered into or waiver given by the Lead Surety to the Obligee arising from or related to this Bond has been duly authorized by each Co-Surety and is binding upon each Co-Surety without the Obligee being under any obligation to enquire into the authority of the Lead Surety in such matters.
- 17. All notices and demands to be given to the Surety under this Bond shall be given to the Surety at the following address:

(Name and Address of Surety)

Attention: \_\_\_\_\_

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:

\_\_\_\_\_ SEAL

For the Principal

\_\_\_\_\_ SEAL

For the Surety                      Attorney-in-fact