

THE CORPORATION OF THE TOWNSHIP OF CHAMPLAIN

BY-LAW NUMBER 2014-52

BEING A BY-LAW TO ESTABLISH A *PRE-SERVICING AGREEMENT POLICY*

WHEREAS Section 8 of the Municipal Act, 2001, as amended, a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other act;

AND WHEREAS Section 224 (b) of the Municipal Act states that it is the role of Council to develop and evaluate the policies and programs of the municipality;

NOW BE IT ENACTED as a by-law of this Corporation as follows:

1. That the **Pre-Servicing Agreement Policy** listed in Schedule "A" of this by-law be approved by Council and amended as needed by resolution or by-law.
2. That this by-law shall come into force and take effect upon its passing.

READ a first, second and third time and duly adopted this 6th day of August, 2014.



GARY J. BARTON, Mayor



ALISON COLLARD, Clerk



Introduction

The purpose of this policy is to protect the municipality and owners with regards to pre-service agreements

GENERAL INFORMATION

A pre-service agreement is a document which includes numerous clauses to protect the municipality and future owners. The obligations of the developers are very expensive. To the contrary, a pre-service agreement includes very few security measures and is limited to the strict minimum in order to allow the developer to proceed prior to the adoption of the subdivision agreement without major constraints.

Developers requesting a pre-servicing agreement shall proceed as stated in this policy.

This policy shall:

- Outline the requirements to qualify for a pre-servicing agreement;
- Provide procedures to conclude a pre-servicing agreement.
- Be revised once the Design Guideline Reference Manual of the Township is adopted by the Municipal Council.

Guidelines

Before the developer is allowed to proceed with the signature of a pre-service agreement with the municipality, he will have to meet the following criteria:

1. The preliminary approval must be received by the United Counties of Prescott and Russell, the approval authority, for the subdivision plan.
2. Engineering drawings have been accepted for construction for the works under consideration.
3. Written approval of various agencies, e.g., MOE, MNR, SNC, UCPR, where they relate to installation of services permitted by pre-

Généralités

Le but de cette politique a pour but de protéger la municipalité et les propriétaires en ce qui a trait aux ententes pré-service

DISPOSITION GÉNÉRALE

Une entente de lotissement est un document qui comprend de nombreuses clauses qui ont pour but de protéger la municipalité et les propriétaires éventuels. Les obligations des développeurs sont très onéreuses. Au contraire, une entente pré-service n'inclue que très peu de ces mesures de sécurité et se voit limitée au strict minimum afin de permettre au développeur de procéder, avant l'adoption de l'entente de lotissement, sans avoir de contraintes majeures.

Les développeurs demandant une entente pré-service doivent procéder comme indiqué dans cette politique.

Cette politique doit:

- Définir les critères afin de qualifier pour une entente pré-service;
- Prévoir des procédures afin de conclure une entente pré-service.
- Être révisée une fois que le Manuel de Conception de design du Canton est adopté par le conseil municipal.

Lignes directrices

Afin que le développeur puisse être en mesure de procéder à la signature d'une entente pré-service avec la municipalité, il devra rencontrer certains critères qui sont comme suit:

1. L'approbation préliminaire pour un plan de lotissement doit être reçue par les Comtés unis de Prescott et Russell, l'autorité approbatrice.
2. Les dessins techniques ont été acceptés pour la construction des travaux à être effectués.
3. L'approbation écrite de divers organismes, par exemple, le MEO, le MRN, CNS, CUPR, se rapportant à l'installation de services



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servicing.

4. Written confirmation from utility companies including, but not limited to, Hydro, Bell, Rogers and Enbridge Consumers Gas, that satisfactory agreement has been reached for provision of respective services.
5. Upon approval of the pre-servicing application, the Developer must execute and deposit with the Township a pre-servicing agreement as per Schedule "A" of this policy.
6. No permission will be given to construct external services prior to full registration unless a Letter of Credit has been deposited with the Township, for the total cost of the services and all restoration. Connections to existing services may not be permitted until the plan is registered.
7. All other documents considered necessary to the works under the Pre-servicing Agreement including, 0.30 m reserves, easements, etc., must be approved as to form and description.
8. The engineering and legal fees for the Township must be paid to the Township prior to the commencement of any works.
9. The required Insurance Certificate is to be submitted as per Pre-servicing Agreement.
10. A cash or Letter of Credit deposit as security for possible emergency maintenance work by the Township is to be submitted (5% of estimated cost of works, or a maximum of \$25,000.00). The deposit is to be returned at the time of registration of the plan of subdivision Agreement
11. Any required rezoning by-laws must be in effect.
12. If the underground pre-servicing has been completed prior to the registration of the plan of subdivision, the Township will not require the full value of the Letter of Credit provided an appropriate reduction request has been submitted and approved by the Public Works Department.

autorisés en pré-service.

4. Confirmation écrite des sociétés de services publics, y compris, mais sans s'y limiter, Hydro, Bell, Rogers et Enbridge Consumers Gas, qu'un accord satisfaisant a été atteint pour la fourniture de services respectifs.
5. Lors de l'approbation de la demande de pré-service, le développeur doit signer et déposer avec le Canton, une entente de pré-service conformément à l'annexe "A" de cette politique.
6. Aucune autorisation sera accordée pour construire des services extérieurs avant l'enregistrement complet à moins qu'une lettre de crédit a été déposée auprès du Canton, pour le coût total des services et des réparations. Les branchements aux services existants ne peuvent pas être autorisés jusqu'à ce que le plan soit enregistré.
7. Tous les autres documents jugés nécessaires pour les travaux en vertu de l'entente pré-service, y compris, 0,30 m réserves, servitudes, etc, doivent être approuvés dans leur forme et description.
8. Les frais d'ingénierie et les frais juridiques pour le Canton doivent être payés au Canton avant le début de tous travaux.
9. L'attestation d'assurance obligatoire doit être présentée selon l'entente pré-service.
10. Une Lettre de dépôt de crédit comme garantie pour d'éventuels travaux d'entretien d'urgence par le Canton doit être soumise (5% du coût estimé des travaux, ou un maximum de 25,000.00 \$). Le dépôt doit être retourné au moment de l'enregistrement de l'entente de plan de lotissement.
11. Tout changement de zonage requis doit être en vigueur.
12. Si la pré-installation des conduites souterraines a été effectuée avant l'enregistrement du plan de lotissement, le Canton ne nécessitera pas la pleine valeur de la lettre de crédit à être fourni si une demande de réduction appropriée a été soumise et approuvée par le Département



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13. Above ground works will not be permitted to commence unless approved by the Township.

14 All other requirements stipulated in the attached pre-servicing agreement.

Procedure

If the developer meets all the requirements of this policy, the Mayor and the Chief Administrative Officer shall be authorized to sign the pre-service agreement as per Schedule "A" with the developer.

Paula Knudsen

Directrice générale / Chief Administrative Officer

des travaux publics.

13. Les travaux de terrassement au-dessus du sol ne seront pas autorisés à commencer à moins qu'ils ne soient approuvés par le Canton.

14. Toutes les autres exigences prévues dans l'accord de pré-entretien ci-joint.

Procédure

Si le développeur rencontre toutes ces exigences, le Maire et le Directeur général sont autorisés à signer l'entente pré-service jointe à l'annexe « A » avec le développeur.



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Annexe «A» / Schedule "A"

**Entente pré-service pour les lotissements /
Subdivision Pre-servicing Agreement**

SUBDIVISION PRE-SERVICING AGREEMENT

THIS AGREEMENT dated the _____ day of _____, 2014

BETWEEN:

(hereinafter called the "Owner")

- and -

THE CORPORATION OF THE TOWNSHIP OF CHAMPLAIN
(hereinafter called the "Municipality" or "Township")

WHEREAS the Owner is the registered owner of lands described in Schedule "A" (the "Lands");

AND WHEREAS the Owner proposes to develop the Lands pursuant to a plan of subdivision and has made application for approval of a draft plan of subdivision to the United Counties of Prescott-Russell on _____th, _____;

AND WHEREAS the Owner desires to commence the installation, construction and provision of certain works on the Lands within the subdivision prior to the execution of the subdivision agreement with the Municipality, as such works are more particularly set out in Schedule "B" (the "Works");

AND WHEREAS this Agreement may be registered on title to the Lands;

AND WHEREAS the parties to this Agreement declare that the recitals herein are true.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of other good and valuable consideration and the sum of TWO DOLLARS (\$2.00) of lawful money of Canada now paid by each of the parties hereto to each of the other parties hereto the parties hereto hereby covenant, promise and agree with each other as follows:

1. Permission to Construct

The Municipality grants permission to the Owner to commence construction and installation of the Works, as more particularly set out in Schedule "B", on the Lands in advance to the execution of a subdivision agreement between the Owner and the Municipality.

2. Construction of Works

The Owner covenants and agrees to:

- (a) retain a professional consulting engineer experienced in the municipal engineering field who will carry out all necessary engineering requirements associated with the construction and installation of the Works;
- (b) construct and install the Works in a good and workmanlike manner and in accordance with all of the Municipality's standards and practices along with all statues and regulations applicable to the Works and only in accordance with the approved plans for the Works;
- (c) not undertake any construction or installation of the Works beyond the hours of 6 p.m. daily, nor before the hours of 7 a.m. daily or such other dates and times as may be established by the Municipality from time to time;
- (d) not undertake work on any proposed public right-of-way, which includes any public highways, easements or reserves, prior to the execution of the required subdivision agreement.
- (e) The Township Engineer or designate shall have the right at all time to inspect the installation of Works. If at any time the Township Engineer or designate is of the opinion that Works are not being carried out in accordance with approved plans and specifications or in accordance with

good engineering practice, he may stop all or any part of the work until it has been placed in satisfactory condition. All of the testing and inspections referred to in this Agreement to be carried out by the Township Engineer or the Township shall be carried out at the Owner's expense.

3. Owner's Acknowledgments

Owner acknowledges and agrees that:

- (a) it is being given permission to commence construction and installation of the Works prior to the execution of the subdivision agreement and that any work it undertakes in furtherance thereof will be at its sole and absolute risk;
- (b) it will be bound by the terms and conditions of the subdivision agreement and that nothing contained in this Agreement or in the Municipality's grant of the permission to proceed with the installation and construction of the Works will stop the Municipality from imposing any of its standard conditions and requirements pertaining to the installation of public works or from enforcing its authority to require the Owner to fully comply with all applicable conditions of approval of the plan of subdivision;
- (c) it may be required to modify, alter, relocate and reconstruct certain of the Works based on the final drawings and plans approved by the Municipality;
- (d) it will comply with every direction issued or given by the Municipality during the course of pre-servicing, including but not limited to the cessation of work, the installation or carrying out of additional works, rectification of deficiencies, the phasing of Works construction and installation or any other matter the Municipality deems to be in the interest of the proper development of the Lands and surrounding areas;
- (e) it is not being given any permission to carry out any works or to enter upon any lands not owned by it, except for lands owned by the Municipality (where the Municipality has consented to such works or entry in writing), without the written consent of the owner and that such consent shall be filed with the Municipality;
- (f) it cannot connect any Works to any public services on any municipal right-of-way unless the Municipality has consented to such works or entry in writing or otherwise;
- (g) the Municipality will be under no obligation whatsoever to complete all or any portion of the Works if the Owner fails to complete them but that, notwithstanding the foregoing, the Municipality shall, at its sole and absolute discretion, be entitled to enter onto the Lands and complete any Works or portion of the Works and to take any action it deems necessary to safeguard the health and safety of its residents all at the Owner's expense.

4. Inspection and Right of Entry

The Owner covenants and agrees that the Municipality and any of its employees or agents may enter onto the Lands at any time upon reasonable notice being provided to the Owner in accordance with Section 11 in order to make all necessary inspections and to correct any deficiencies or remedy any other defects arising from or relating to the construction and installation of the Works.

5. Compliance with All Laws and Regulations

The Owner covenants and agrees to comply with all federal, provincial and municipal laws, rules, by-laws and regulations in constructing, installing or otherwise providing the works.

6. Insurance

Before commencing any of the Works, the Owner shall supply the Municipality with a public liability and property damage insurance policy and a certificate of insurance evidencing liability insurance coverage in the amount of \$2,000,000.00 per occurrence and a minimum aggregate amount of \$5,000,000.00 per year exclusive of interest and cost in a form satisfactory to the Municipality, indemnifying the Municipality against loss or damage resulting from bodily injury to, or death of one or more persons and loss of or

damage to property or any other public or private property resulting from or arising out of any act or omission on the part of the Owner or any of its servants or agents during the construction or installation or maintenance of any work to be performed prior to the Subdivision Agreement. The policy shall include blanket written contractual liability, cross liability, contingent employer's liability, personal injury endorsement, liability with respect to non-owned licensed vehicles and have no exclusion pertaining to shoring, blasting, excavating, underpinning, demolition, pile driving, caisson work and work below ground surface including tunnelling and grading. The policy shall name the Municipality as an additional insured. The policy shall be maintained in full force and effect until the Works are assumed by the Municipality. In the event any renewal premium is not paid, the Municipality, in order to prevent the lapse of such liability insurance policy, may pay the renewal premium or premiums and the Owner agrees to pay the cost of such renewal or renewals within thirty (30) days of the account being rendered by the Municipality. Such policy shall provide that the Municipality shall get thirty (30) days written notice of any proposed cancellation. In addition to the above, the Owner shall provide to the Municipality a letter from its insurer confirming that the policy of insurance complies with this section and which letter shall acknowledge that the Municipality may rely on the said letter.

The land owner, prior to the commencement of work, obtain and maintain until the termination of the agreement or otherwise stated, provide the Municipality with evidence of:

Commercial General Liability Insurance

Commercial General Liability Insurance issued on an occurrence basis for an amount of not less than \$5,000,000. per occurrence / \$5,000,000. annual aggregate for any negligent acts or omissions by the contractor while carrying out the work associated with the road permit. Such insurance shall include, but is not limited to bodily injury and property damage including loss of use; personal injury; contractual liability; premises, property & operations; non-owned automobile; broad form property damage; broad form completed operations; owners & contractors protective; occurrence property damage; products; employees as Additional Insured(s); contingent employers liability; tenants legal liability; cross liability and severability of interest clause.

Such insurance shall add the Municipality and the land owner as Additional Insured with respect to the operations of the contractor. This insurance shall be non-contributing with and apply as primary and not as excess of any insurance available to the Municipality and/or land owner. The contractor shall indemnify and hold the Municipality and the land owner harmless from and against any liability, loss, claims, demands, costs and expenses, including reasonable legal fees, occasioned wholly or in part by any negligence or acts or omissions whether willful or otherwise by the contractor, their officers, employees or other persons for whom they are legally responsible.

Automobile Liability Insurance

Automobile liability insurance with respect to owned or leased vehicles used directly or indirectly in the performance of the services covering liability for bodily injury, death and damage to property with a limit of not less than \$5,000,000. inclusive for each and every loss.

Environmental Impairment Liability (if applicable)

The Contractor shall effect and maintain Environmental Impairment Liability with a limit of not less than \$1,000,000. Per Incident /Annual Aggregate. Coverage shall include Third Party Bodily Injury and Property Damage including on-site and off-site clean-up. If such insurance is issued on a claims made basis, such insurance shall be maintained for a period of two years subsequent to conclusion of services provided under this Agreement.

Such insurance shall add the Municipality and the land owner as Additional Insured with respect to the operations of the contractor. This insurance shall be non-contributing with and apply as primary and not as excess of any insurance available to the Municipality and/or land owner. The contractor shall indemnify and hold the Municipality and the land owner harmless from and against any liability, loss, claims, demands, costs and expenses, including reasonable legal fees, occasioned wholly or in part by any

negligence or acts or omissions whether willful or otherwise by the contractor, their officers, employees or other persons for whom they are legally responsible.

The above noted policies shall not be cancelled, altered or lapsed unless the Insurer notifies the Municipality in writing at least thirty (30) days prior to the effective date of the change or cancellation.

Prior to commencement of work, the land owner and / or contractor shall furnish to the Municipality with a certificate of insurance or copies of the policies confirming the aforementioned insurance. The insurance policy will be in a form and with a company which are, in all respects, acceptable to the Municipality.

7. Indemnification and Release

The Owner covenants and agrees to indemnify and save the Municipality completely harmless from and against all costs, disbursements, actions, suits, claims or demands which may arise either directly or indirectly by reason of the permission granted hereunder and the construction and installation of the Works on the Lands or by reason of the maintenance or lack of maintenance of the Works or by reason of any defect in workmanship or material. The Owner further covenants and agrees to release and forever discharge the Municipality from and against any and all costs, disbursements, actions, suits, claims or demands which may arise either directly or indirectly by reason of the permission granted hereunder and the construction and installation of the Works on the Lands in advance of the execution of the subdivision agreement.

8. Security

In order to guarantee compliance with all conditions contained herein, the Owner covenants and agrees to file with the Municipality, upon execution of this Agreement, security in the amount of \$ _____ in accordance with the estimated costs of the Works set out in Schedule "C". The security shall be in a form approved by the Municipality. The Owner acknowledges and agrees that should there be a deficiency in or failure to carry out any work or matter required by any clause of this Agreement or to pay the cost of any matter for which the Owner is liable as a result of the Works or this Agreement whether such costs are in relation to construction or installation of any works or service or any defects or required maintenance and the Owner fails to comply within Fifteen (15) days written notice with a direction to carry out such work or matter, the Municipality may draw on the security, in whole or in part, and enter onto the Lands and complete all outstanding Works or associated matters, and pay all costs and expenses incurred thereby from the proceeds so drawn. The Owner acknowledges that the Municipality reserves the right to draw on the security to complete any Works or associated matters required to be done by the Owner pursuant to this Agreement. The Township may at the expense of the Owner, enter upon the lands and do all such matters and things as are in default. The Township may authorize the use of any or all of the cash or letters of credit deposited with the Township pursuant to this provision, to pay for the cost to the Township of carrying out of such matters or things. "Cost" and "expense of the Owner" in this Clause shall be actual cost incurred by the Township plus twenty-five percent (25 %) of such cost as a charge for overhead. Any costs incurred by the Township pursuant to this clause which are in excess of the amount of a deposit held by the Township shall be paid by the Owner to the Township within thirty (30) days of the mailing of an invoice by the Township addressed to the Owner at its last known address for such amount in excess and any costs referred to in this clause may be recovered by the Township in like manner as municipal taxes pursuant to the provisions of Section 446 of the *Municipal Act*, 2001, S.O. 2001, c.25 as amended.

Wherever security is required to be filed with the Municipality, the Owner may deposit cash or a certified cheque to be cashed or an irrevocable letter of credit (in a form approved by the Municipality) in an amount equal to the total security required and such deposit shall be held by the Municipality as security in accordance with this Agreement provided that no interest shall be payable on any such deposit. The Owner acknowledges that upon the transfer of ownership of any of the subject lands, the Municipality will not return any security required under this Agreement until the new Owner(s) files substitute security in the required amounts.

On final acceptance of the said Works by the Township Engineer the Owner may be entitled to have released to it by the Township all deposits then held by the Township, at the discretion of the Municipality and subject to the terms of the Subdivision Agreement. Partial deposits may be released, in whole or in part, at the discretion of the Municipality.

At the time of subdivision agreement registration it is agreed that the letter of credit or other securities held under this agreement will be included in the calculation of total securities required.

9. Withdrawal of Permission

The Owner acknowledges and agrees that the Municipality is entitled to withdraw its permission granted herein for the installation and construction of the Works if it is determined, in the sole and absolute discretion of the Municipality, that such withdrawal is in the best interests of the Municipality. Upon notification of such withdrawal of permission, the Owner covenants and agrees to immediately cease any further construction, installation or other work in respect of the Works. The Owner acknowledges that it shall have no claim against the Municipality if it exercises its right to withdraw the permission granted under this Agreement and its specifically waives and disclaims its rights to make any claim in connection therewith.

10. Transfer of the Lands and Construction of Dwellings

The Owner covenants and agrees that in the event it transfers or conveys the Lands to a third party prior to the execution of the subdivision agreement, that it shall, prior to completing the transfer, provide the Municipality with an executed agreement from the third party in a form satisfactory to the Municipality whereby the third party agrees to complete assumption of the terms of this Agreement and to be bound by this Agreement as if it had been the original signatory. Further, the Owner covenants and agrees that the construction of the individual residential dwelling units shall not be commenced until the Plan of Subdivision and the Subdivision Agreement with the Township has been registered on title to the Lands and all necessary authorizations and permits have been received.

11. Notice

- (a) If any notice is required to be given by the Municipality to the Owner with respect to this Agreement, such notice shall be mailed, delivered or sent by facsimile transmission:

(telephone)
(fax)

or such other address of which the Owner has notified the Clerk, in writing, and any such notice mailed or delivered shall be deemed good and sufficient notice under the terms of this Agreement.

- (b) If any notice is required to be given by the Owner to the Municipality with respect to this Agreement, such notice shall be mailed, delivered or sent by facsimile transmission to:

The Corporation of the Township of Champlain
Clerk
948 Pleasant Corner Road East
Vankleek Hill, Ontario K0B 1R0
Fax number: 613-678-3363

or such other address of which the Municipality has notified the Owner, in writing, and any such notice mailed or delivered shall be deemed good and sufficient notice under the terms of this Agreement.

12. Termination of Agreement

If the Works proposed to be installed or constructed pursuant to this Agreement are not commenced or a subdivision agreement relating to the Lands has not been executed between the Owner and the Municipality within two (2) years/twenty-four (24) months from the date of execution of this Agreement, the Municipality may, at its option and on One Hundred and Twenty (120) days written notice to the Owner in accordance with Section 11, declare this Agreement to be null and void and of no further effect.

13. Registration of Agreement

The Owner covenants and agrees that this Agreement and any schedules attached hereto may be registered upon title to the Lands at the request of the Municipality and at its sole and absolute discretion. The Owner further covenants and agrees to pay all costs associated with the preparation and registration of this Agreement, as well as all other costs incurred by the Municipality as a result of the registration of any other documents pertaining to this Agreement, including but not limited to, any amendment thereto. Where requested by the Municipality, the Owner shall arrange to have such registration performed by its solicitors with confirmation of registration to be provided in writing to the Municipality.

14. No Fettering of Discretion

Notwithstanding any other provision of this Agreement, the Owner expressly acknowledges and agrees that none of the provisions of this Agreement (including a provision stating the parties' intention) is intended to operate, nor shall have the effect of operating, in any way to fetter the discretion of the Municipality and its Council in the exercise of any of its discretionary power, duties or authorities, including without limitation, the authority to approve, approve with conditions or deny draft plan approval of the application for approval of a draft plan of subdivision filed by the Owner. The Owner expressly acknowledges and agrees that it will not obtain any advantageous planning or other consideration or treatment, including approval of a draft plan of subdivision for the Lands, by virtue of it having entered into this Agreement.

15. Applicable Laws

This Agreement shall be interpreted under and is governed by the laws of the Province of Ontario.

16. Successors and Assigns

It is hereby agreed by and between the parties hereto that this Agreement shall be enforceable by and against the parties hereto, their heirs, executors, administrators, successors and assigns and that the Agreement and all the covenants by the Owner herein contained shall run with the Lands.

IT IS HEREBY DECLARED THAT this Agreement and the covenants, provisions, conditions and schedules herein contained shall be binding upon the parties hereto, their successors and assigns.

IN WITNESS WHEREOF the Parties hereto have hereunto affixed their corporate seals duly attested to by their proper signing officers in that behalf.

Dated at _____, this _____ day of _____ 2014

**SIGNED, SEALED AND
DELIVERED**

)
)
) Per: _____
) Name:
) Title:
) I have authority to bind the corporation
)
) **THE CORPORATION OF THE**
) **TOWNSHIP OF CHAMPLAIN**
)
)
) Per: _____
) Name : Garry Barton
) Title : Mayor
)
)
) Per: _____
) Name : Paula Knudsen
) Title : CAO

SCHEDULE "A"
DESCRIPTION OF LANDS

Insert legal description of lands

SCHEDULE "B"
WORKS TO BE CONSTRUCTED

Insert works to be constructed

SCHEDULE "C"
ESTIMATED COSTS WORKS

Insert estimated costs

SCHEDULE "D"
FORM OF LETTER OF CREDIT

The Corporation of the Township of Champlain
948 Pleasant Corner Road East
Vankleek Hill, Ontario K0B 1R0
Fax number: 613-678-3363

RE: Guarantee No.:
Amount \$
Expiry Date:

Dear Sirs:

At the request of _____ (the "Customer") the _____ (the "Bank"), for valuable consideration, the receipt whereof is hereby acknowledged, by this letter of guarantee (the "Guarantee") irrevocably and unconditionally guarantees payment to you, The Corporation of the Township of Champlain (the "Corporation"), of a total amount of \$ _____

This guarantee is issued in connection with the performance by _____ (the "Customer") of all the terms of a Pre-Servicing Agreement (the "Agreement") dated the _____.

A payment under this Guarantee shall be made before the expiry hereof upon your presenting to the Bank at its _____ Branch.

- (a) Your written demand for payment in the form described below.
- (b) This Guarantee.
- (c) Either: (i) Vouchers paid by the Corporation certified by its Treasurer as having been paid by him on account of the Customer, for work services or materials required to be performed or supplied under the said Agreement, or
(ii) a letter from the Corporation certifying that the "Customer" is in default in performing or supplying work, services or materials required to be performed or supplied under the said Agreement whether or not the Corporation has itself already performed or supplied the same.

The said demand shall refer to this Guarantee by the above number, shall state the amount demanded and shall certify:

- (a) That the amount is due and payable to you by the Customer, and
- (b) That you have requested payment of the said amount from the Customer and have not received payment, and
- (c) That the amount remains unpaid thirty (30) days after mailing of written demand.

Upon receipt by the Bank at the said Branch of the said demand and the other document(s) referred to above on/or before the Expiry Date, the Bank shall pay to you the amount stated in the said demand to be payable to you by way of the Bank's draft without enquiring whether you have a right to such amount as between yourself and the Customer, provided that such amount, together with other amounts paid to you under this Guarantee, if any, does not exceed in the aggregate the amount of this Guarantee.

The Bank may note on this Guarantee the amount and date of any payment made to you under this Guarantee and shall retain this Guarantee if the aggregate amount of this Guarantee has been paid to you of the Expiry Date has occurred.

This letter of Guarantee is irrevocable until _____ but automatically renews from year to year, unless the Bank gives sixty (60) days notice that it does not propose to renew it. This letter of credit may be reduced from time to time if the Corporation certifies to the Bank that part of the work has been completed. The amount by which this letter of credit shall be reduced, shall be one-half (1/2) of the value of the work done and materials supplied as certified in writing by the Corporation.

Yours truly,

(Authorized Signature)

SCHEDULE "E"
SPECIAL CONSIDERATIONS

Insert special consideration