



Indemnity Agreement – Misc. Commercial Bonds

Declaration: The undersigned hereby declare(s) that:

1. All the information provided herein is to the best of my/our knowledge true, complete and correct and understand that it will be used by ECHELON INSURANCE (herein referred to as the "Surety") to determine the credit worthiness;
2. I/We consent(s) to the Surety making any enquiries it deems necessary to reach a decision on this application, and consent(s) to the disclosure at any time of any credit information about me/us to any credit reporting agency or to any one with who I/we have financial relations; and
3. The Surety may complete any blanks left or correct any errors in completing any blanks herein, and such insertions or corrections shall be prima facie correct.

Indemnity Agreement

THIS IS A BINDING AGREEMENT, PLEASE READ CAREFULLY

WHEREAS, the undersigned have applied to the Surety for one or more bonds to guarantee the obligations of any of the undersigned, or other forms of guarantee or obligation, (hereinafter referred to as "Bonds", the word "Bonds" includes any alteration including, without limitation, any increase or decrease in the bond amount, renewal, continuance, replacement or extension thereof).

NOW, THEREFORE, in consideration of the issuance of Bonds, whether past, present or future, by the Surety or procured by the Surety for or on behalf of the undersigned or the Surety refraining from cancelling such Bonds and of the sum of Two Dollars and other good and valuable consideration paid by the Surety to each of the undersigned (the receipt and sufficiency of which are hereby acknowledged) the undersigned hereby jointly and severally agree as follows:

1. The present agreement applies equally to Bonds issued on behalf of the undersigned or any employee or agent of the undersigned.
2. The undersigned undertake to indemnify the Surety in full for any loss or damages that it may suffer arising from the issue of one or several Bonds, or arising from a decision of the Surety not to issue any Bond, or arising from any default by the undersigned under the present agreement. The present undertaking includes, without limitation, the obligation of the undersigned to reimburse the Surety all sums which it might be called upon to pay:
 - a. As a result of a judgment, arbitration award or settlement;
 - b. As damages of any nature, including punitive and exemplary damages, as the case may be;
 - c. In respect of any claim, liability or loss;
 - d. As expenditure, costs or fees that it may incur, including the cost of internal or external adjusters and consultants;
 - e. In satisfaction of all legal fees and disbursements incurred by the Surety and legal fees and disbursements of claimants' counsel;
 - f. As administration costs related to claims under Bonds and under this agreement.
3. The undersigned undertake to pay to the Surety:
 - a. The initial premium for the issue of any Bond, with a rate determined according to the Surety's current manual of rates, or any such premium as may be agreed upon with the undersigned; and
 - b. Thereby any additional or other premium with a rate determined according to the Surety's current manual of rates or other such premium as may be agreed upon with the undersigned until such time as the Surety receives proof to its satisfaction, confirming its complete release from all Bonds issued by it, and from the renewal or extension of such Bonds.
4. In order to permit the Surety to meet its obligations under the Bonds, the undersigned undertake to advance to the Surety upon demand, funds or satisfactory guarantees sufficient to allow the Surety to perform any or all of its obligations under the Bonds, which could be subject to indemnification under the terms of the present agreement, even before any payment has been made by the Surety to a third party. Without limiting the generality of the foregoing, the undersigned undertake to advance funds or furnish guarantees, as soon as the Surety establishes or increases a reserve with respect to a claim or a situation relating to any Bonds, up to the amount of such reserve which will be established by the Surety in its sole discretion.
5. The undersigned acknowledge that the Surety will have the right, in its sole and entire discretion, to decide whether to pay, settle or contest any claim under a Bond without any obligation to consult or advise the undersigned in advance of so doing. The undersigned acknowledge their obligation to indemnify the Surety in virtue of the present agreement, upon presentation by the Surety of a release or a copy of a cheques or any other proof of payment, which will be deemed to be complete proof of the amount paid and the Surety's right to make such payment as a result of the issue of the Bonds and, consequently, its right to demand reimbursement from the undersigned under the terms of the present agreement.
6. The undersigned hereby renounce the benefits of division and discussion.
7. The present agreement shall extend to and be binding upon heirs, executors, administrators, successors and assigns of the undersigned.
8. All of the terms and conditions of the present agreement are for the benefit of:
 - a. Any predecessors or successors or assigns of the Surety, including as a result of mergers, name changes, acquisitions of portfolios, or otherwise, and

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- b. Any surety, joint in several, any re-insurance company and any other surety procured by the Surety upon the request of the Principal to issue a Bond or Bonds, whether or not such Bond or Bonds are issued by the Surety or whether or not the surety retains any interest in such Bond or Bonds.
- 9. The rights of the Surety by virtue of the present agreement are in addition to any rights which the Surety may have by law or otherwise.
- 10. The undersigned acknowledge and declare that:
 - a. Before signing, they have obtained a copy of the present agreement and that they have had sufficient time to study its terms and conditions; and
 - b. They have read and understood all the provisions of the present agreement and
 - c. They have been given the opportunity of asking for appropriate explanations or clarifications on the nature and extent of the provisions of the present agreement; and
 - d. They have been given the opportunity to consult a legal or other advisor and, if they deemed it necessary, they have in fact consulted such advisor.
- 11. Privacy Consent – Please note that without this consent, the Surety will be unable to consider your application. The undersigned acknowledge that the evaluation of any application for products of the Surety will involve the collection, use and disclosure of personal information, including the information contained in this application and other sources gathered through legal means. Such collection, use and disclosure of personal information is for the purposes of underwriting bonds and policies as well as bond or policy management, which shall include conducting initial and on-going credit investigations, as well as Surety activities associated with all extensions, renewals, substitutions and modifications of the bonds or policies, and claims administration. In the ordinary course of the regulatory bodies and any third party deemed necessary by the Surety. In the event information about other individuals (e.g. family members, employees, shareholders) is provided or collected from other sources, the undersigned represent and warrant that those persons have consented, to the extent required by law to the collection, use and disclosure of their personal information for the aforementioned purposes. The undersigned hereby agree and consent to the Surety's:
 - a. Collection and use of personal information concerning the undersigned for the purposes described above; and
 - b. Disclosure of the undersigned's personal information for the purposes described above to such third parties as deemed necessary by the Surety.
- 12. The present agreement shall be construed in accordance with the laws of the Province or Territory and the laws of Canada applicable therein and should be treated in all respects as a contract of said Province or Territory. Each of the parties hereto hereby irrevocably attorns to the jurisdiction of the courts of the applicable Province or Territory and to the laws of Canada.

IN WITNESS THEREOF the undersigned have executed and sealed this Application and Indemnity Agreement this _____ day of _____, 20_____.

PERSONAL APPLICANT/INDEMNITOR SIGN HEREUNDER:

Signature of Witness (must be unrelated third party)

Signature of Applicant/Indemnitor

Printed Name of Witness

Printed Name of Applicant/Indemnitor

Address of Witness
Note: If more personal indemnitors attach signature page.

Address of Applicant/Indemnitor

CORPORATE APPLIANT/INDEMNITOR SIGN HEREUNDER AND AFFIX SEAL:

Name of Corporation

Name

Name

Title
I HAVE AUTHORITY TO BIND THE CORPORATION

Title
I HAVE AUTHORITY TO BIND THE CORPORATION

Head Office Address: _____

Note: If more corporate indemnitors attach signature page.