

Surety Bond

Development Cost Charges

Attention: Insurers

A surety bond is a three-party agreement in which a developer obtains a bond from an insurer and provides it to the Township as security for Development Cost Charge (DCC) instalment payments. The bond ensures that, if the developer fails to meet their payment obligations, the Township of Langley can receive the outstanding amount directly from the insurer.

The Township of Langley will accept surety bonds for development cost charge (“DCC”) instalments in accordance with the Development Charge (Instalments) Regulation (B.C. Reg. 166/84), as amended.

We require each insurer to use our standard surety bond template form ensuring the form is accurately completed. No changes to the template will be permitted. Each surety bond can only have one purpose (i.e. one DCC type only) and the security amount cannot be split over additional surety bonds or other security. Please complete only one subsection (i.e., i to v) under section A in the template for each Surety Bond.

Instructions:

All surety bonds must:

- a. be issued in Canadian dollars only
- b. have a coverage limit of at least 100 per cent of the required security amount and
- c. be executed in a province in which the insurer is licenced to carry on business.

Along with the surety bond, please provide evidence that the insurer has:

- business authorization issued under the Financial Institutions Act (British Columbia); and
- at least one of the following credit ratings:
 - a rating of at least A- from AM Best;
 - a rating of at least A+ from Fitch Ratings;
 - a rating of at least A1 from Moody's;
 - a rating of at least A (high) from Morningstar DBRS; or
 - a rating of at least A+ from S&P Global Ratings.

Unless the insurer has at least one of the foregoing credit ratings, we will decline to accept the deposit of a surety bond.

For questions, please contact Iris Koselowski at surety@tol.ca or 604-533-6022.

Thank you for your cooperation.



A physical hard copy of a surety bond is required to be received by the Township to initiate the review and acceptance process.

Any personal information collected on this form will be managed in accordance with the Freedom of Information and Protection of Privacy Act. Direct enquiries, questions, or concerns regarding the collection, use, disclosure, or safeguarding of personal information associated with this form to: Supervisor, Information, Privacy, and Records Management, Township of Langley, 20338 – 65 Avenue, Langley, BC V2Y 3J1 foi@tol.ca 604-532-7396

Irrevocable On-Demand Surety Bond

Bond No.: _____

Amount: \$ _____

KNOW ALL PERSONS BY THESE PRESENTS, that:

_____, a _____ under the laws of _____
Principal corporation incorporated/ limited partnership formed
_____, as principal (the "**Principal**"); and
Province
_____, a corporation incorporated under the laws of _____
Surety Province
and authorized under the *Financial Institutions Act* (British Columbia) as surety (the "**Surety**"),
are held and firmly bound to The Corporation of the Township of Langley, as obligee, (the "**Obligee**"), in the amount
of _____ Dollars (\$ _____) in lawful money of Canada, for
in words
the payment of which sum, well and truly to be made, the Principal and the Surety bind themselves, their heirs, executors,
successors and assigns, jointly and severally, firmly by these presents.

WHEREAS:

- A. The Principal is a person liable to pay for the subdivision approval no. _____ / the grant of the building permit no. _____ (the "**Development**") with respect to lands with civic address _____ and legally described as Parcel Identifier _____ Lot _____ Section _____ Township _____ New Westminster District Plan _____ in the Township of Langley:
- (i) a development cost charge imposed under section 559(1) of the *Local Government Act*, R.S.B.C. 2015, c. 1, as may be amended or replaced from time to time (the "**Local Government Act**") and The Corporation of the Township of Langley - Langley Development Cost Charges Bylaw, No. 5897, as may be amended or replaced from time to time (the "**Langley Development Cost Charge Bylaw**") in the amount of \$ _____;
 - (ii) a development cost charge imposed under section 58.2(1) of the *Greater Vancouver Sewerage and Drainage District Act*, S.B.C. 1959, c. 59, as may be amended or replaced from time to time (the "**GVS&DD Act**") and the Greater Vancouver Sewerage and Drainage District Development Cost Charge Bylaw No. 371, 2023, as may be amended or replaced from time to time (the "**GVS&DD Development Cost Charge Bylaw**") in the amount of \$ _____;
 - (iii) a development cost charge imposed under section 559(1) of the *Local Government Act* and the Greater Vancouver Water District Development Cost Charge Bylaw No. 257, 2022, as may be amended or replaced from time to time (the "**GVWD Development Cost Charge Bylaw**") in the amount of \$ _____;

- (iv) a development cost charge imposed under section 559(1) of the *Local Government Act* and the Metro Vancouver Regional District Development Cost Charge Bylaw No. 1369, 2023, as may be amended or replaced from time to time (the “**MVRD Development Cost Charge Bylaw**”) in the amount of \$ _____;
- (v) a school site acquisition charge imposed under section 572(1) of the Local Government Act in the amount of \$ _____; and
- (vi) a development cost charge imposed under Section 34.21(1) of the South Coast British Columbia Transportation Authority Act, S.B.C. 1998, c. 30, as may be amended or replaced from time to time (the “**South Coast British Columbia Transportation Authority Act**”) and the South Coast British Columbia Transportation Authority Bylaw No. 159-2025, as may be amended or replaced from time to time (the “**TransLink Development Cost Charge Bylaw**”) in the amount of \$ _____,

(each a “**Charge**”, and collectively, the “**Charges**”).

- B. The Surety and the Principal acknowledge that the Obligee is entitled and required to collect the Charges from the Principal pursuant to the Legislation (as this term is defined below).
- C. The Principal has elected to pay each of the Charges by instalments pursuant to the *Development Charge (Instalments) Regulation*, B.C. Reg. 166/84, as may be amended or replaced from time to time (the “**LGA Regulation**”) and the Development Cost Charge Regulation, B.C. Reg. 114/2018 (the “**TransLink Regulation**”).
- D. The Principal is required to deposit security with the Obligee for the payment of the balance of the unpaid Charges at the same time as it pays the first instalment of the Charges.
- E. The Principal has paid the first instalment of the Charges in the total amount of \$ _____ (being one-quarter of the Charges).
- F. The Principal has agreed to pay the balance of the Charges by the earlier of the date that is:
 - (i) four years after the date of the approval of the subdivision or granting of the building permit; and
 - (ii) fifteen (15) business days after the date on which the Obligee gives written notice to the Principal that all of the required occupancy permits have been issued in relation to the Development and all of the conditions required for such occupancy permits have been satisfied and payment for the balance of the Charges is due.

NOW THEREFORE, the recitals to this irrevocable on-demand surety bond (this “**bond**”) are accurate statements of fact and intent and are hereby incorporated into and form part of this bond as if set out in full within the body of this bond.

AND NOW THEREFORE, the condition of this obligation is such that if the Principal shall, in the opinion of the Obligee, pay all the Charges in full, and fully indemnify the Obligee from all costs and expenses which the Obligee may suffer by reason of the Principal’s failure or delay in doing so, then this obligation shall be void and of no effect; otherwise, it shall remain in full force and effect.

PROVIDED, however, the foregoing obligation is subject to the following terms and conditions:

1. Whenever the Principal shall be declared in writing by the Obligee to be in default of its obligation to pay an instalment of the Charges within any time required for payment by section 4 of the *LGA Regulation* or section 5 of the *TransLink Regulation*, as the case may be, and the Obligee intends to make a claim (“**Claim**”) under this bond by notifying the Principal and the Surety in writing of such default and that it is making a Claim under this bond.
2. On determination by the Obligee, in its sole and absolute discretion, that the Principal is in default of its obligation to pay an instalment of the Charges within any time required for payment by section 4 of the *LGA Regulation* or section 5 of the *TransLink Regulation*, as the case may be, the Surety and the Principal agree that the total balance of the Charges becomes due and payable immediately, and for greater certainty, if the Principal fails to pay the balance or any instalment within the time specified above, the total amount of the Charges becomes due and payable immediately, and the Surety will make payment to the Obligee in the amount specified in the Claim within fifteen (15) business days after the Surety’s receipt of a Claim from the Obligee at the address noted herein by hand or courier.

3. This bond is irrevocable, and payment will be made notwithstanding any objection by the Principal. Where a Claim in the prescribed form has been delivered to the Surety, it shall be accepted by the Surety as conclusive evidence of its obligation to make payment to the Obligee, and the Surety shall not assert any defence or grounds of any nature or description for not making payment to the Obligee, in whole or in part, pursuant to such Claim, including but not limited to any of the following reasons:
 - (a) that the Principal is not in default of its obligations under the *LGA Regulation* or the *TransLink Regulation*, as the case may be;
 - (b) that the Principal committed any fraud or misrepresentation in its application for the bond; or
 - (c) that the amount set out in the Claim is not appropriate, warranted or otherwise not in accordance with the *Local Government Act*, the *GVS&DD Act*, *South Coast British Columbia Transportation Authority Act*, the *Langley Development Cost Charge Bylaw*, the *GVS&DD Development Cost Charge Bylaw*, the *GVWD Development Cost Charge Bylaw*, the *MVRD Development Cost Charge Bylaw*, the *TransLink Development Cost Charge Bylaw*, the *LGA Regulation*, or the *TransLink Regulation* (collectively, the “**Legislation**”).

The Surety's liability under this bond shall not be discharged or released or affected by any arrangements made between the Obligee and the Principal or by any dispute between the Surety and the Principal, or the taking or receiving of security by the Obligee from the Principal, or by any alteration, change, addition, modification, or variation in the Principal's obligation under the Legislation, or by exercise of the Obligee of any of the rights or remedies reserved to it under the Legislation or by any performance or otherwise (whether or not by any arrangement, alteration or forbearance is made without the Surety's knowledge or consent). All payments by the Surety shall be made without deduction, set-off or withholding, and without limiting the generality of any provision in this section 3, the Surety shall not be entitled to seek any repayment or reimbursement from the Obligee of any payments made to the Obligee or advance any other claims against the Obligee after making any payments under this bond.

4. The Obligee may make multiple Claims under this bond.
5. The amount of this bond may be reduced from time to time as advised by notice in writing by the Obligee to the Surety. The Obligee has the ability and sole discretion to decide as to whether the amount of this bond should be reduced.
6. Any payments made by the Surety under this bond shall reduce the amount of this bond.
7. In no event shall the Surety be liable for a greater sum than the amount of this bond.
8. No right of action shall accrue upon or by reason hereof to or for the use or benefit of any person other than the Obligee.
9. When the Principal has paid the Charges in full, or at any other time in the Obligee's sole discretion, the Obligee shall return this bond to the Surety for termination or advise the Surety in writing that this bond is terminated, in accordance with the terms of this bond.
10. If the Surety at any time delivers at least ninety (90) days prior written notice to the Obligee and to the Principal of its intention to terminate this obligation, the Principal shall deliver to the Obligee, not less than thirty (30) days prior to the termination of this bond, financial security in the amount of this bond in a form acceptable to the Obligee. If the replacement financial security is not provided by the Principal or is not accepted by the Obligee, this bond shall remain in effect and the Surety agrees that it remains bound to make payments under this bond as set out herein.
11. Nothing in this bond shall limit the Principal's payment obligations to the Obligee under the Legislation.
12. This bond shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable thereto and shall be treated, in all respects, as a contract entered into in the Province of British Columbia without regard to conflict of laws principles. The Principal and Surety hereby irrevocably and unconditionally attorn to the jurisdiction of the courts of the Province of British Columbia.

13. All Claims and notices under this bond shall be delivered by hand, registered mail or courier at the addresses set out below, subject to any change of address in accordance with this section. All other correspondence may be delivered by regular mail, registered mail or courier. An address for a party may be changed by delivering notice to all the other parties setting out the new address in accordance with this section.

	The Surety:	The Principal:	The Oblige:
Name:			The Corporation of the Township of Langley
Address:			20338 – 65 Avenue, Langley, BC V2Y 3J1
Email:			surety@tol.ca
Phone:			604.533.6022

[Signature page follows]

IN WITNESS WHEREOF, the Principal has hereto set its hand and affixed its seal and the Surety has caused these presents to be sealed with its corporate seal duly attested by the signature of its authorized signing authority.

SIGNED AND SEALED this _____ day of _____, _____, in the presence of:

Principal:

Per: _____

Name: _____

Title: _____

Surety:

Per: _____

Name: _____

Title: _____