

Financial Guarantee Bond under Section 24

Form 12

Repair and Storage Liens Act

The surety of this bond (number _____) is _____, an insurer licensed under the *Insurance Act* to write surety.

The principal of this bond is _____, an applicant under section 24 of the Act.

The obligee of this bond is _____, the respondent in an application under section 24 of the Act.

This bond is substituted as a security in the place of the article or articles in accordance with the provisions of the Act.

The surety and the principal bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, to the obligee as follows:

1. The principal shall, on or within thirty days after the date of the judgment or order, pay to the obligee who has proved a lien, the amount determined by the court to be owing to that obligee under the Act by the principal, unless an appeal is taken from the judgment or order in which case payment is not required until the final disposition of all appeals. If the principal pays the obligee the amount determined by the court to be owing to the obligee after final disposition of all appeals, then this bond is null and void.
2. The surety, in default of payment by the principal, shall pay to the obligee the amount owing to the obligee by the principal, but the surety is not liable to pay more than a total maximum amount of \$ _____.

The bond is subject to the following conditions:

1. An obligee shall not make a claim against the surety unless the principal is in default of the obligations under the bond.
2. The obligee shall commence an action to recover the amount claimed against the principal within ninety days after the date that the article or articles were returned to the principal or seized by the sheriff or bailiff.
3. An obligee shall give the surety thirty days written notice of the obligee's claim prior to commencing an action against the surety.
4. The surety is released from the surety's obligation to an obligee unless the obligee has given written notice of the obligee's claim to the surety within one year after the default by the principal. The obligee's claim shall be submitted by registered mail at the following address:

5. The surety is entitled to an assignment of the rights of an obligee against the principal to the extent of the payment made by the surety.

Signed and sealed by the principal and the surety on the _____ day of _____, 20____.

Signed and sealed in the presence of: _____ (seal)
(Principal)

Signed and sealed in the presence of: _____ (seal)
(Surety)

NOTE:

If the principal is not a corporation, the principal's signature must be verified by an affidavit of a subscribing witness.