

FORM 16

RELEASE OF LIEN BOND

(Construction Remedies Act, S.N.B. 2020, c.29, s.74(1))

Bond No. _____ **Amount \$** _____

The surety of this bond is _____, an insurer licensed under the *Insurance Act* to transact guarantee insurance or surety insurance.

The principal of this bond is _____.

The obligee of this bond is the Clerk of the Court of Queen's Bench of New Brunswick, Judicial District of _____.

WHEREAS _____ has registered a claim for lien (or if the lien does not attach to the land has given the claim for lien to the appropriate office or person) with respect to an improvement to the land described in Schedule A to this bond.

AND WHEREAS _____ and others may prove liens with respect to the improvement to the land.

AND WHEREAS this bond is being posted pursuant to section 74 of the *Construction Remedies Act*.

THEREFORE, subject to the conditions contained in this bond, the surety and the principal, jointly and severally, bind themselves, their heirs, executors, successors and assigns, to the obligee as follows:

1. The principal shall on or before the date specified in the judgment or order of the court, in any action to enforce lien claims arising from the improvement, pay to the obligee the amounts for lien(s) and costs as is directed by the court, unless in the meantime an appeal has been taken from the judgment or order in which case payment is not required until the final disposition of the appeal.
2. The surety, in default of payment by the principal, shall pay to the obligee within such further time as is specified by the court, the amount of any deficiency in the payment by the principal but the surety is not liable to pay more than a maximum amount of \$ _____. The surety shall make the payment upon the written demand of the obligee without the right to question the merit of the demand and despite any objection by the principal.

This bond is subject to the following conditions:

1. The total amount of this bond shall be reduced by and to the extent of any payment made under the bond pursuant to a judgment or order of the court.
2. The surety shall be entitled to an assignment of the rights of any person who receives a payment or benefit from the proceeds of this bond, to the extent of the payment or benefit received.

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

SIGNED AND SEALED in the presence of:

_____ (witness) _____ (principal) (seal)

_____ (witness) _____ (surety) (seal)

SCHEDULE A
(description of the land, including approved parcel identifier(s))