

Appendix F – Sample Letter of Credit

SAMPLE LETTER OF CREDIT

(BANK INFORMATION)

DATE OF ISSUE: _____

OUR REFERENCE NUMBER: _____

DATE OF EXPIRY: _____

PLACE OF EXPIRY: _____

BENEFICIARY:

THE REGIONAL MUNICIPALITY OF NIAGARA
1815 SIR ISAAC BROCK WAY
THOROLD, ONTARIO L2V 4T7

APPLICANT:

AMOUNT: CAD

CANADIAN DOLLARS

IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____

WE, HEREBY AUTHORIZE YOU TO DRAW ON (**BANK NAME/ADDRESS INSERTED HERE**) FOR THE ACCOUNT OF (**APPLICANT INFORMATION INSERTED HERE**), UP TO AN AGGREGATE AMOUNT OF CAD (\$) (**FIGURE SPELLED OUT HERE**, CANADIAN DOLLARS) OF LAWFUL MONEY OF CANADA AVAILABLE ON DEMAND.

PURSUANT TO THE REQUEST OF OUR CUSTOMER, (**APPLICANT INFORMATION HERE**) WE, (**BANK INFO INSERTED HERE**) HEREBY ESTABLISH AND GIVE TO YOU AN IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR WHICH MAY BE DRAWN ON BY YOU AT ANY TIME AND FROM TIME TO TIME UPON WRITTEN DEMAND FOR PAYMENT MADE UPON US BY YOU, WHICH DEMAND WE SHALL HONOUR WITHOUT ENQUIRING WHETHER YOU HAVE THE RIGHT AS BETWEEN YOURSELF AND OUR SAID CUSTOMER TO MAKE SUCH DEMAND, AND WITHOUT RECOGNIZING ANY CLAIM OF OUR SAID CUSTOMER OR OBJECTION BY IT TO PAYMENT BY US.

PROVIDED, HOWEVER, THAT THE REGIONAL MUNICIPALITY OF NIAGARA IS TO CERTIFY TO **(BANK INFO INSERTED HERE)** AT SUCH A TIME AS A WRITTEN DEMAND FOR PAYMENT IS MADE UPON **(BANK INFO INSERTED HERE)**, THAT MONIES ARE DRAWN PURSUANT TO AN AGREEMENT BETWEEN **(APPLICANT INFO INSERTED HERE)** AND THE REGIONAL MUNICIPALITY OF NIAGARA COVERING **(DESCRIPTION OF JOB INSERTED HERE)**.

THIS LETTER OF CREDIT WILL CONTINUE UP TO **(DATE.....)** AND IS SUBJECT TO THE FOLLOWING CONDITIONS.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED TO BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE YEAR FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE HEREOF, UNLESS THIRTY (30) DAYS PRIOR TO ANY SUCH DATE WE SHALL NOTIFY THE TREASURER OF THE REGIONAL MUNICIPALITY OF NIAGARA, 1815 SIR ISAAC BROCK WAY, PO Box 1042, THOROLD, ONTARIO, L2V 4T7, IN WRITING BY REGISTERED MAIL OR COURIER THAT WE ELECT NOT TO CONSIDER THIS LETTER OF CREDIT RENEWED FOR ANY SUCH ADDITIONAL PERIOD. UPON RECEIPT BY YOU OF SUCH NOTICE, YOU MAY DRAW HEREUNDER BY MEANS OF YOUR DEMAND ACCOMPANIED BY YOUR WRITTEN CERTIFICATION AS NOTED ABOVE.

PARTIAL DRAWINGS ARE PERMITTED.

ANY BILLS DRAWN OR PAYMENT MADE HEREUNDER SHALL BE IN FAVOUR OF THE REGIONAL MUNICIPALITY OF NIAGARA.

THIS LETTER OF CREDIT IS SUBJECT TO THE "UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION) INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 500" AND ENGAGES US IN ACCORDANCE WITH THE TERMS THEREOF.

(BANK INFORMATION HERE)

AUTHORIZED SIGNATURE

OTHER SIGNATURE