



LETTER OF CREDIT EXAMPLE FORM

THE BANK OF _____

DATE _____

The Corporation of the City of Vaughan
2141 Major Mackenzie Drive
Maple, Ontario
L6A 1T1

Dear Sir/Madam:

We hereby authorize you to draw on _____ (Bank's Name & Address) for the account of _____ (Developer's Name/ Applicant) up to an aggregate amount of (\$CDN) _____ available on demand as follows:

Pursuant to the request of our customer, the said _____ (Developer's Name/ Applicant), we, (Bank's Name) hereby establish and give you an irrevocable Standby Letter of Credit in your favour in the total amount of (\$CDN) _____ which may be drawn upon 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 a right as between yourself and our said customers to make such demand and without recognizing any claim of our said customer.

Provided, however, that you are to deliver to _____ (Bank's Name & Address), at such time as a written demand for payment is made upon us a statement signed by you stating that monies drawn under this Letter of Credit are drawn pursuant to a Agreement dated _____, 20____, between _____ (Developer's Name/ Applicant) and The Corporation of the City of Vaughan, and that the said monies will be used to fulfil the obligations of _____ (Any Registered Land Owner) under the said agreement, (Re: Legal Description of what the Letter of Credit is covering.), DA.XX.XXX.

The amount of this Letter of Credit shall be reduced from time to time as advised by notice in writing given to us from time to time by you.

Partial drawings are permitted.

Any written demand for payment under this credit must bear an intimation that it has been drawn under Letter of Credit Number _____, issued by the _____ (Bank's Name), dated _____, 20____.

It is a condition of this Letter of Credit that it shall be deemed to be automatically extended for one (1) year from the present or any future expiration date hereof, unless thirty (30) days prior to any such date we shall notify you in writing, by Registered Mail, that we elect not to consider this Standby 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 that the amounts drawn will be retained and used to meet obligations incurred or to be incurred in connection with the above Agreement.

We hereby covenant with drawers, drawn upon and in accordance with the terms of this credit that the same will be duly honoured if drawn and negotiated on or before _____, 20____.

For _____ (Bank's Name)

(Signature)

(This wording cannot change and must be printed on OFFICIAL SCHEDULED BANK LETTER HEAD with original signatures. NO HAND WRITTEN INFORMATION IN THE "BLANK" SECTION IS ACCEPTABLE.)