

NOTE TO THE BANK MANAGER:

Please use only the wording in the attached sample letter. We cannot accept letters of credit which refer to "drafts on sight" or "to be endorsed hereon". If you use your printed form, please delete all references to drafts, etc., and sign the deletions.

Should credit be required to guarantee payments or other obligations not covered by agreement, please change second paragraph to read:

".... be and/or have been expended for
obligations to the City of Brampton
incurred or to be incurred by
_____."
(Name of customer)

and in the last sentence, delete "in connection with the above agreement" and replace with "by (name of cusomter)".

LETTER OF CREDIT

(USE LETTERHEAD OF BANK OF OTHER FINANCIAL INSTITUTION)

(Address of the Financial Institution)

TO: THE CORPORATION OF THE CITY OF BRAMPTON,
2 Wellington Street West,
Brampton, Ontario. L6Y 4R2

WE HEREBY AUTHORIZE YOU TO DRAW ON _____

FOR THE ACCOUNT OF _____

UP TO AN AGGREGATE AMOUNT OF _____

AVAILABLE ON DEMAND.

Pursuant to the request of our customer, the said _____

_____, we, (name of Financial Institution)

hereby establish and give to you an Irrevocable Letter of Credit in your favour in the total amount of _____ 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 a right as between yourself and our said customers to make such demand, and without recognizing any claim of our said customers.

Provided, however, that you are to deliver to us at such time as a written demand for payment is made upon us, a certificate confirming that monies drawn pursuant to this Letter of Credit are to be and/or have been expended pursuant to obligations incurred or to be incurred in connection with the agreement between _____ (include all parties) _____ and the City of Brampton dated the ____ day of _____, 198 .

This Letter of Credit will continue up to the ____ day of _____, 198 and will expire on that date and you may call for payment of the full amount outstanding under this Letter of Credit at any time prior to that date. Partial drawings are permitted. The amount of this Letter of Credit may be reduced from time to time as advised by notice in writing given to us by you.

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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 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, that the amounts drawn will be retained and used to meet obligations incurred or to be incurred in connection with the above noted agreement.

DATED _____

(Authorized Signature)

(Authorization Signature)