

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".

Should the letter of credit be required to guarantee payments or other obligations which do not arise out of an agreement, please change the 2nd paragraph to read:

***"...be and/or have been expended for obligations to the City of
Brampton incurred or to be incurred by
_____."***

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

**RETURN ORIGINAL letter of credit TO DEVELOPMENT
ADMINISTRATION ANALYST IN THE FINANCE DEPT.,
2ND FLOOR OF CITY HALL.**

LETTER OF CREDIT

DEVELOPMENT CHARGES ONLY

USE LETTERHEAD OF BANK OR OTHER FINANCIAL INSTITUTION)

_____ (Date of Letter of Credit & No (Address of 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 **(Name of Bank, Address, Postal Code)** for the account of **(Name of Developer, Address, Postal Code)**, up to an aggregate amount of _____ available on demand.

Pursuant to the request of our customer, **(Name of Developer)**, we The **(Name of Bank)** hereby establish and give to you an Irrevocable Letter of Credit in your favour in the total amount of **(\$Amount of Security)** 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 customer to make such demand, and without recognizing any claim of our said customer.

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 to pay development charges, in accordance with an agreement dated the ____ day of ____, **200** ____, between **and THE CORPORATION OF THE CITY OF BRAMPTON (SP)**.

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.

This Letter of Credit will continue up to the **Expiry Date**, 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 up to the close of business on that date. 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 Letter of Credit renewed for any such additional period. Upon receipt by you of such notice, you may draw by means of your demand accompanied by your above written certificate.

Partial drawings are permitted.

The drawings under this credit are to state that they are drawn under the **Name of Bank, Address, Postal Code)**, Letter of Credit **(Number)**.

For **Bank**

(Authorized Signature and Title)

(Authorized Signature and Title)