

Attachment 2

CITY OF VAUGHAN



POLICY APPENDIX

APPENDIX TITLE: STANDARD FORMAT FOR LETTERS OF CREDIT

APPENDIX NO.: A

APPENDIX

CITY OF VAUGHAN – STANDARD FORMAT FOR LETTERS OF CREDIT

LETTER OF CREDIT FORMAT USE BANK LETTERHEAD

UNCONDITIONAL IRREVOCABLE LETTER OF CREDIT

Date of Issue: _____
Letter of Credit No. _____

TO: The Corporation of the City of Vaughan (Beneficiary name and address must be written as here
2141 Major Mackenzie Drive -no additional information)
Vaughan, Ontario
L6A 1T1

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

Pursuant to the request of our customer, the said **(Owner's Name/Applicant)**, we, **(Bank's Name)** hereby establish and give you an unconditional and irrevocable Standby Letter of Credit in your favour in the total amount of **(\$CDN and amount written in full)** 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 customer 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 the following:

Agreement or Site Plan Letter of Undertaking ("LOU"): *[please specify]*
Party(ies) to Agreement/LOU:
Legal Description of the Subject Lands:
Development Application No.:
Development Name and Phase:

and that the said monies will be used to fulfil the obligations of **(Owner's Name)** under the said Agreement or LOU.

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.

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__.

Partial drawings are permitted.

This Letter of Credit shall **automatically extend 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 or LOU.

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__ **or any automatically extended expiry date.**

For _____ (Bank's Name)

_____ (Signature)

