

SAMPLE LETTER OF CREDIT

BANK NAME
BANK ADDRESS

DATE OF ISSUE:
DATE OF EXPIRY:
LETTER OF CREDIT #:
AMOUNT: \$ _____

CUSTOMER NAME
CUSTOMER ADDRESS

BENEFICIARY: The Corporation of the Town of Milton
150 Mary Street
Milton, ON L9T 6Z5 : hereinafter referred to as the Town of Milton

UNCONDITIONAL IRREVOCABLE STANDBY LETTER OF CREDIT

We hereby authorize the Town of Milton to draw on **BANK NAME** for the account of our customer, **CUSTOMER NAME**, up to an aggregate amount of _____ Canadian dollars (\$ _____) available on written demand as follows:

Pursuant to the request of our customer, the said **CUSTOMER NAME**, we, the **BANK NAME**, hereby establish and give to you an unconditional, irrevocable standby letter of credit in your favour in the total amount of \$ _____ CAD, which may be drawn on by you at any time and from time to time upon written demand for payment made upon **BANK NAME**, **LOCATION OF BRANCH** 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, or objection by it to payment by us.

Provided, however, that you are to deliver to the **BANK NAME**, **LOCATION OF BRANCH** at such time as a written demand for payment is made upon us, a certificate signed by you agreeing and/or confirming that monies drawn pursuant to this Letter of Credit are to be used to perform any outstanding obligations of our said customer to you as set out in _____ (**IDENTIFIER (i.e.) File #; Type of Agreement; Agreement Date, ...**)

It is understood and agreed that the obligation of the undersigned under this Letter of Credit is an obligation to pay money only and that in no circumstances shall the undersigned be obliged to perform or cause to perform any of our customer's actual obligations to you.

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 **DATE OF EXPIRY** and will expire at the close of business on that date and you may call for payment of the full amount outstanding under this Letter of Credit at any time prior to the close of business on that date should this Letter of Credit not be renewed.

This Letter of Credit shall be deemed to be automatically extended, without amendment, for one year from the present or any future expiration date hereof, unless 30 days prior to any such date we shall notify you 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 that the amounts drawn will be retained and used by you to meet obligations incurred or to be incurred in connection with the above identified matter; further, that you will release any amount(s) not required by you to our customer.

Partial drawings are permitted.

We hereby agree that drawings under this Letter of Credit will be duly honoured upon presentation, and shall state that they are drawn under **BANK NAME**, Letter of Credit # _____ dated _____.

AUTHORIZED BANK SIGNATURE

SAMPLE INDEXED LETTER OF CREDIT

**BANK NAME
BANK ADDRESS**

**DATE OF ISSUE:
DATE OF EXPIRY:
LETTER OF CREDIT #:
AMOUNT: \$_____**

**CUSTOMER NAME
CUSTOMER ADDRESS**

BENEFICIARY: The Corporation of the Town of Milton
150 Mary Street
Milton, ON L9T 6Z5 : hereinafter referred to as the Town of Milton

UNCONDITIONAL IRREVOCABLE STANDBY LETTER OF CREDIT

We hereby authorize the Town of Milton to draw on **BANK NAME** for the account of our customer, **CUSTOMER NAME**, up to an aggregate amount of _____ Canadian dollars (\$_____) available on written demand as follows:

Pursuant to the request of our customer, the said **CUSTOMER NAME**, we, the **BANK NAME**, hereby establish and give to you an unconditional, irrevocable standby letter of credit in your favour in the total amount of \$ _____ CAD, which may be drawn on by you at any time and from time to time upon written demand for payment made upon **BANK NAME**, **LOCATION OF BRANCH** 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, or objection by it to payment by us.

Provided, however, that you are to deliver to the **BANK NAME, LOCATION OF BRANCH** at such time as a written demand for payment is made upon us, a certificate signed by you agreeing and/or confirming that monies drawn pursuant to this Letter of Credit are to be used to perform any outstanding obligations of our said customer to you as set out in _____ (**IDENTIFIER (i.e.) File #; Type of Agreement; Agreement Date, ...**)

It is understood and agreed that the obligation of the undersigned under this Letter of Credit is an obligation to pay money only and that in no circumstances shall the undersigned be obliged to perform or cause to perform any of our customer's actual obligations to you.

The amount of this Letter of Credit shall be indexed on April 1st of each year in accordance with the Statistics Canada Quarterly Construction Price Statistics, Catalogue Number 62-007 and triggered by way of a letter from our customer to us and subject to our approval.

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 **DATE OF EXPIRY** and will expire at the close of business on that date and you may call for payment of the full amount outstanding under this Letter of Credit at any time prior to the close of business on that date should this Letter of Credit not be renewed.

This Letter of Credit shall be deemed to be automatically extended, without amendment, for one year from the present or any future expiration date hereof, unless 30 days prior to any such date we shall notify you 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 that the amounts drawn will be retained and used by you to meet obligations incurred or to be incurred in connection with the above identified matter; further, that you will release any amount(s) not required by you to our customer.

Partial drawings are permitted.

We hereby agree that drawings under this Letter of Credit will be duly honoured upon presentation, and shall state that they are drawn under **BANK NAME**, Letter of Credit # _____ dated _____.

AUTHORIZED BANK SIGNATURE

LIST OF FINANCIAL INSTITUTIONS
ACCEPTABLE TO PROVIDE LETTERS OF
CREDIT

Name of Financial Institution	Rating (DBRS)	
ABN AMRO	not rated by DBRS	S&P - A-1+; Moody's- P-1
BNP Canada	R-1 Mid	
Bank of America N.A.	R-1 Mid	
Bank of Montreal	R-1 Mid	
Bank of Nova Scotia	R-1 Mid	
CIBC	R-1 Mid	
JP Morgan Chase	R-1 Mid	
Citibank Canada	R-1 High	
Comerica	R-1 Mid	
Deutsche Bank	R-1 Mid	
HSBC Bank of Canada	R-1 Mid	
Rabo Bank	R-1 High	
Royal Bank Canada	R-1 Mid	
Societe General Canada	R-1 Mid	
Toronto Dominion Bank	R-1 Mid	
UBS AG	not rated by DBRS	S&P - A-1+; Moody's- P-1

Note: Information current as of
June 14, 2005

Rating Agency is the Dominion Bond Rating Service