

(SAMPLE FORMAT OF LETTER OF CREDIT)

BANK: _____ L/C NO.: _____

BRANCH: _____ DATE: _____

BENEFICIARY: Peel Region
10 Peel Centre Drive
Brampton, ON L6T 4B9

WE HEREBY AUTHORIZE YOU TO DRAW ON (BANK) FOR ACCOUNT OF (BANK CUSTOMER) UP TO AN AGGREGATE AMOUNT OF (DOLLAR VALUE) AVAILABLE BY DRAFTS AT SIGHT AS FOLLOWS:

Pursuant to the request of our customer, _____ we, (bank) _____ 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 customer to make such demand and without recognizing any claim of our said customer.

PROVIDED, however, that you are to deliver to (bank) _____ at such time as a written demand for payment is made upon us a certificate signed by the **Treasurer of Peel Region** agreeing and/or 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 by you with reference to (description of services or projects):

_____.

This Letter of Credit will continue up to (expiry date) _____.

IT IS A CONDITION of this Letter of Credit, that it shall be deemed to be automatically extended without amendment for one year from the present or any future expiration date hereof, **unless sixty days prior** to any such date we shall notify the Treasurer of Peel Region 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 by you to meet obligations incurred or to be incurred by you in connection with (description of services or projects):

_____.

THE DRAFTS DRAWN UNDER THIS CREDIT ARE TO BE ENDORSED HERE ON AND SHALL STATE ON THEIR FACT THAT THEY ARE DRAWN UNDER (BANK) _____ (BRANCH) _____.

LETTER OF CREDIT NO. _____ **DATE** _____

WE HEREBY AGREE WITH THE DRAWERS, ENDORSERS AND BONAFIDE HOLDERS OF THE BILLS DRAWN IN COMPLIANCE WITH THE TERMS OF THIS CREDIT THAT THE BILLS SHALL BE DULY HONOURED UPON PRESENTATION AT THE DRAWEE BANK.

(ACCOUNTANT)

(MANAGER)