

SAMPLE IRREVOCABLE STANDBY LETTER OF CREDIT

NAME OF BANK:
ADDRESS OF BANK:

IRREVOCABLE STANDBY LETTER OF CREDIT NO.:
ISSUE DATE:
AMOUNT: CAD \$

NAME OF APPLICANT:
ADDRESS OF APPLICANT:

NAME OF BENEFICIARY: The Corporation of the City of Guelph,
hereinafter referenced as the City of Guelph or the City
ADDRESS OF BENEFICIARY: Finance Department
1 Carden Street
Guelph ON N1H 3A1

We, the **[Insert Bank name and branch]** (either “We” or the “Bank”) hereby issue to the City of Guelph our Irrevocable Standby Letter of Credit in the City’s favour for the account of the above named Applicant for an amount not to exceed **[Insert dollars in text]** (\$ **[Insert dollars in figures]**) in lawful money of Canada.

The City of Guelph is authorized, subject only to the terms of this Letter of Credit, to draw on the Bank from time to time and at any time, upon written demand by the City of Guelph. We shall issue payment without enquiring whether the City of Guelph has a right as between the City and the Applicant to make such draw, and without recognizing any claims of the Applicant.

Partial drawings are permitted under this Letter of Credit up to the full amount of this Letter of Credit.

This Letter of Credit is given for the obligations of the Applicant to the City of Guelph incurred or to be incurred by reference to **[insert details of the agreement between the City of Guelph and the Applicant or details of the purpose of the security]**. All drawing requests under this Letter of Credit shall be made by a written demand by the City of Guelph for payment, stating the Irrevocable Standby Letter of Credit No. and Issue Date and stating that the amount drawn is in connection with the aforementioned obligations of the Applicant incurred or to be incurred.

We shall honour the City of Guelph’s demand for payment at sight upon receipt of the written demand for payment, provided the drawing request is presented at the address of the Bank stated above before 5:00 p.m. on or before the date this Letter of Credit expires.

The amount of credit from time to time available by this Letter of Credit may be reduced by such amount as shall be specified in writing by direction given to the Bank by the City of Guelph.

This standby Letter of Credit will expire on **[Insert expiry date]**, but shall be deemed to be automatically extended, without any formal amendment or notice to that effect, from year to year for successive periods of one year each from the present or any future expiration date hereof, unless not less than sixty (60) days prior to the present or any future expiration we shall notify the City of Guelph in writing, delivered by courier or by prepaid registered mail, that the Bank elects not to renew this Letter of Credit beyond its current expiry. Upon receipt by the City of Guelph of such notice, the City of Guelph may draw before 5:00 p.m. on or before the current expiry date the full amount hereunder by the written demand for payment.

This Letter of Credit may be cancelled prior to the expiry date by returning the original Letter of Credit to the Bank at the address stated above together with the City’s signed request for cancellation.

Except as otherwise expressly stated, this Letter of Credit is subject to the International Standby Practices (ISP98). This Letter of Credit shall also be governed by and construed in accordance with the laws of the Province of Ontario and the applicable laws of Canada except to the extent that such laws are inconsistent with the International Standby Practices (ISP98).

Authorized Bank Signature

Authorized Bank Signature