

SAMPLE

APPROVED FORM OF LETTER OF CREDIT

[Bank Letterhead]

IRREVOCABLE STANDBY LETTER OF CREDIT

TO: City of Toronto, Revenue Services Division  
5100 Yonge Street  
Toronto ON M2N 5V7

Letter of Credit No.  
Issue Date:

We, the [Insert name and address of Bank – the address must be in Ontario]

(either "We" or the "Bank") hereby issue to and in favour of the City of Toronto (either "You" or the "City") our Irrevocable Standby Letter of Credit for the account of [Insert exact legal name of taxpayer] (the "Customer") for an amount not to exceed [Insert dollars in text] (\$ [Insert dollars in figures])

in lawful money of Canada.

This Letter of Credit is given for the obligations of the Customer incurred or to be incurred to You under City of Toronto By-law No. 1423-2007, as amended and any successor legislation.

You are authorized, subject only to the terms of this Letter of Credit, to draw on the Bank from time to time and at any time, in the event that You require payment under this Letter of Credit. We shall issue payment without enquiring whether You have a right as between the City and the Customer to make such draw, and without recognizing any claims of the Customer or other remedies available to You at any time and from time to time.

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

All drawing requests under this Letter of Credit shall be made by a written demand for payment by the City that shall state the Letter of Credit No. and Issue Date and shall state that the amount drawn is in connection with the obligations of the Customer incurred or to be incurred under City of Toronto By-law No. 1423-2007, as amended. All drawings must be made payable to the Treasurer, City of Toronto. The Treasurer for the City of Toronto is duly authorized to sign the written demand by and for the City.

We shall honour your demand for payment not later than the second business day following receipt of the written demand for payment, provided the drawing request is presented at the address of the Bank stated above before 5 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 You and over the signature of the Treasurer of the City of Toronto.

This Letter of Credit will expire on (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 ninety days prior to the present or any future expiration We shall notify You in writing, delivered by courier or by prepaid registered mail to the attention of the:

Manager of Revenue Accounting and Collections  
(Revenue Services Division)  
City of Toronto  
5100 Yonge Street  
Toronto ON M2N 5V7

that the Bank elects not to renew this Letter of Credit beyond its current expiry. Upon receipt by You of such notice, You may draw before 5 p.m. on or before the current expiry date the full amount hereunder by the written demand for payment.

We acknowledge and agree that this Letter of Credit is irrevocable.

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).

SAMPLE

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AUTHORIZED SIGNATURE

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