

The Corporation of the Town of Oakville
1225 Trafalgar Road
Oakville, ON L6H 0H3

Letter of Credit No: _____
Total Amount: _____
Date: _____
Branch: _____ (address of bank)
Customer: _____ (name of developer)

UNCONDITIONAL IRREVOCABLE LETTER OF CREDIT

We hereby authorize The Corporation of the Town of Oakville to draw on _____ (name of bank and address) for account of our customer, _____ (name of developer and address), up to an aggregate amount of _____ (amount of letter of credit) Canadian dollars (\$ _____) on written demand as follows:

Pursuant to the request of our customer, the said _____ (name of developer), we, the _____ (name of bank) 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 _____ (name of bank and location of branch) at such time as a written demand for payment is made upon us, a certificate signed by your Treasurer or Deputy Treasurer, agreeing and/or confirming that monies drawn pursuant to this Letter of Credit are to be used to perform any outstanding obligations _____ (type of agreement (i.e. subdivision, site plan, etc.) and number) Agreement between _____ (name of developer) and the Corporation of the Town of Oakville.

It is understood and agreed that the obligation of the undersigned under the 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 by you from time to time.

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.

We agree to advise the Town Treasurer by registered mail, on or before 30 days prior to _____ (date of expiry) as to whether this Letter of Credit has been or will be renewed by us and if we fail to do so, then this Letter of Credit shall be deemed to be automatically renewed for a further year and so on from year to year thereafter.

Partial drawings are permitted.

Drafts must be drawn and negotiated not later than close of business on the expiry date or renewed expiry date hereunder as the case may be.

The drafts drawn under this Letter of Credit are to be endorsed thereon and shall state on their face that they are drawn under _____ (name of bank and address), Letter of Credit no: _____, dated _____ (date of Letter of Credit).

(Authorized signing officer(s) of Bank)