

To be typed on bank letterhead

LETTER OF CREDIT NO.:

DATE:

TO: THE CORPORATION OF THE CITY OF KITCHENER

UNCONDITIONAL IRREVOCABLE LETTER OF CREDIT

We hereby authorize you to draw on the (name of bank, **Kitchener-Waterloo branch**) for account of (name of client) an aggregate amount of (\$) DOLLARS of lawful money of Canada available by drafts at sight. Pursuant to the request of our customer (name), we hereby establish and give to you an irrevocable letter of credit in your favour pursuant to an Agreement between the Corporation of the City of Kitchener and (name of subdivider/developer) dated the day of , 20 with respect to (project) in the total amount of (\$) DOLLARS, 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 inquiring 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.

This letter of credit will continue in full force and effect for one year from the date hereof and thereafter from year to year unless we notify you in writing by registered mail not less than 30 days prior to the expiration of each year's term that this letter of credit will not be renewed. Upon receipt by you of such notice you may draw hereunder.

Partial drawings are permitted. Drafts must be drawn at any time not later than the close of business at our counters on the date upon which this letter of credit will expire.

Drafts shall state on their face that they are drawn under the (name of bank, **Kitchener-Waterloo branch**) Letter of Credit No. dated the day of , 20 .

The amount of this letter of credit may be reduced from time to time as you advise us by notice in writing.

We hereby agree with the drawers, endorsers and bona fide holders of the bills drawn in compliance with the terms of this letter of credit that the bills shall be duly honoured upon presentation to us.