

**APPENDIX 2**  
**City of Hamilton**  
**Letter of Credit Policy**

BANK LETTERHEAD

To: City of Hamilton  
Finance & Corporate Services  
71 Main St. W. 1<sup>st</sup> Floor  
Hamilton ON L8P 4Y5

Subdivision/Site Plan: \_\_\_\_\_  
Letter of Credit Number: \_\_\_\_\_  
Total Amount: \_\_\_\_\_  
Date: \_\_\_\_\_  
Branch: \_\_\_\_\_

Beneficiary: City of Hamilton

**UNCONDITIONAL IRREVOCABLE LETTER OF CREDIT**

We hereby authorize you to draw on \_\_\_\_\_  
for account of our customer, \_\_\_\_\_ up to an aggregate amount of  
\_\_\_\_\_ dollars (\$ \_\_\_\_\_) available by your written demand as follows:

Pursuant to the request of our customer, the said \_\_\_\_\_,  
\_\_\_\_\_, we, the \_\_\_\_\_ hereby establish and give to you this unconditional irrevocable letter of credit in your favour 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 enquiring whether you have a right as between yourself and our said customer to make such demand without recognizing any claim of our said client.

Provided, however, that you are to deliver to the \_\_\_\_\_  
\_\_\_\_\_ at such time as a written demand for payment is made upon us a certificate signed by you agreeing and/or confirming that monies drawn pursuant to this Letter of Credit are to be used to perform outstanding obligations of our said customer to you or to ensure that any outstanding obligations of our said customer to you are performed pursuant to this Agreement, being, **(Insert name of development here)**, dated \_\_\_\_\_, 20XX.

It is understood and agreed that the obligation of the undersigned under this 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 obligations to you.

The amount of the 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 in full force and effect until \_\_\_\_\_ and will expire at the close of business on that day upon notice of expiry being given by us as provided herein 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 and should this Letter of Credit not be renewed.

We agree to notify you in writing on or before \_\_\_\_\_ (one month prior to expiry date set out above) if this Letter of Credit is to expire on the original expiry date and if we fail to give notice of expiry then this Letter of Credit shall be deemed to be **automatically renewed** for a further year from the original expiry date and so on from year to year thereafter.

Partial Drawings hereunder are permitted.

Written demand must be presented to us no later than close of business on the expiry date or renewed expiry date hereunder as the case may be.

The written demands drawn under this Letter of Credit shall state on their face that they are drawn under \_\_\_\_\_, Letter of Credit No. \_\_\_\_\_.

Dated: \_\_\_\_\_ For: \_\_\_\_\_

\_\_\_\_\_  
Authorized Signing Officer