

Letter of Credit Example

Financial Institution Letterhead

(Date)

Irrevocable Standby
Letter of Credit No. _____

Beneficiary:

City of Coquitlam
3000 Guildford Way
Coquitlam, BC V3B 7N2

Applicant:

(Company Name)
(Company mailing address)

Re: (Coquitlam File number, Folder reference, Legal description, property address, type of work to be performed)

At the request of, and for the account of _____, we hereby establish in your favor our Irrevocable Clean Letter of Credit No. _____ for a sum not exceeding _____.

The credit shall be available to you by sight drafts drawn on (Metro Vancouver branch location) when supported by your written demand for payment made upon us.

We hereby agree with the drawers, endorsers and holders, in due course, of the draft drawn under this credit, that such draft will be duly honored provided that the drafts are drawn and presented not later than (Date: minimum one year)

The bank shall honor the demand without enquiring whether or not the City has a right, between the City and the individual for whom the credit has been established.

Partial Drawings are permitted.

This Letter of Credit will remain in the possession of the City of Coquitlam until full payment has been received or the Letter of Credit has been superseded. At that time this document will be returned to (Issuing Bank) .

It is a condition of this Letter of Credit that it shall be deemed to be automatically extended without amendment for a further one (1) year term from the present or any future expiration date hereof, unless at least 30 days prior to the present or any future expiration date, we notify you in writing by courier or registered mail that we elect not to consider this Letter of Credit to be extended for any additional period.

(2 signing officers)

(Title)

(Title)

- * Letter of Credit must not contain a statement to the effect that any special certificates or documents need accompany any draw on the Letter.
- * In the event of a draw on a Letter of Credit we shall provide a signed sight draft. Coquitlam will not forward the original Letter of Credit.
- * Issuing bank or credit union must be in the Metro Vancouver area.
- * Coquitlam's sight drafts will be signed but not endorsed.