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LETTERS OF CREDIT GUIDELINES

The City of Duncan will accept letters of credit issued by the Royal Bank of Canada, The Toronto Dominion Bank, the Bank of Nova Scotia, the Bank of Montreal, the Canadian Imperial Bank of Commerce, HSBC Bank of Canada, Island Savings Credit Union and the Coastal Community Credit Union. **The issuing institution must be located on Vancouver Island.**

A letter of credit, to be acceptable by the City of Duncan, must be on bank letterhead and shall contain the following:

1. The correct mailing address and phone number of the issuing institution.
2. The name and mailing address of the person or corporation who has requested the letter of credit.
3. The letter of credit must be addressed to the City of Duncan.
4. The expiry date and time of the letter of credit; the Letter of Credit must be in force for a minimum of one year from the date of issue.
5. The following clause: "It is a condition of this Irrevocable Standby Letter of Credit that it shall be deemed to be automatically extended without amendment for a further one (1) year period from the present or any future expiration date hereof, unless, at least 30 days prior to the present or any future expiration date, the issuer notifies the City of Duncan in writing by registered mail that it does not elect to consider this Irrevocable Standby Letter of Credit to be renewable for any additional period."
6. The amount of the letter of credit.
7. The purpose for which the letter of credit is being established, including if applicable, the legal description and the street address of any properties to which the letter of credit pertains.
8. The fact that drawings against the letter of credit are to be made by way of a letter on City of Duncan letterhead stating the amount of the draw requested, attached to which shall be the original letter of Credit.
9. The fact that partial drawings may be made.
10. The fact that the Bank will not enquire as to whether or not the City of Duncan has a right to make demand on the letter of credit.
11. The fact that the Letter of Credit may be reduced from time to time as advised by written notice on City of Duncan letterhead addressed to the issuing institution.
12. The fact that the letter of credit is irrevocable up to the expiry date. This statement must be contained within the text of the letter of credit.
13. Document must say "Issued subject to the Uniform Customs and Practices for Documentary Credits being ICC Publication UCP 500" (or most recent revision).