FORM 4
LETTER OF CREDIT UNDER SUBSECTION 22(4) OF THE ACT
*Construction Act*

Draft Irrevocable Letter of Credit regarding Holdback Repayment

[Insert name of financial institution]

Date of Issue:

Irrevocable Standby Letter of Credit

No.:

Financial Institution Branch No.:

Amount: Not exceeding CAD $

Date of Expiry:

Applicant:

Name of contractor:

Address of the contractor:

Description of the improvement:

Address of the improvement:

To:

Pursuant to the request of       (hereinafter called “the Applicant”), we, the bank of, [insert name and address of financial institution] hereby establish and give to you an irrevocable standby letter of credit no.       in your favour in the total amount of $      (Canadian 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 the said applicant to make such demand, and without recognizing any claim of the said applicant for objection by it to payment by us.

Your drawing by written demand for payment must bear reference to this letter of credit no.       and be accompanied by:

1. A Certificate signed by two officers of the beneficiary certifying that the Applicant is in default of its contractual obligation having failed to make a holdback reimbursement and that you are entitled to draw on this irrevocable standby letter of credit and that an amount of up to $      (Canadian dollars) be paid; and
2. Presentation of the original of this letter of credit.

Partial drawings are permitted under this letter of credit.

This irrevocable standby letter of credit no.       shall expire on the       day of       subject to the following:

This letter of credit shall be deemed to be automatically extended, without amendment for successive one year periods from the present day or any future expiration date, unless cancelled upon receipt of this original letter of credit accompanied by your written authorization to us to cancel same;

[Add any additional commercial conditions]

The drawings under this irrevocable standby letter of credit are to state that they are drawn under [insert name of financial institution] irrevocable standby letter of credit no.      .

 Yours very truly,

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| Authorization/Signature ofFinancial Institution |  | Authorization/Signature ofFinancial Institution |