

**SAMPLE FORM OF LETTER OF CREDIT**

[Issuing Bank Name & Address]

**Date of Issue:** [Date]

Irrevocable Standby Letter of Credit

No. [Number]

**Applicant:**

**Beneficiary:**

[Customer Name and Address]

British Columbia Hydro and Power Authority

[Address]

**Amount:**

[Currency and Amount both in letters and numbers]

At the request of and for the account of the Applicant, we, hereby establish in favour of the Beneficiary our irrevocable standby Letter Of Credit No. [Number] (hereinafter called the "Letter of Credit") for an amount not exceeding [Currency and Amount both in letters and numbers].

We, [Issuing Bank Name & Address] hereby unconditionally and irrevocably undertake and bind ourselves, and our successors and assigns, to pay you immediately, the sum, which you claim upon receipt of the following documents:

- (1) A copy of a commercial invoice issued to the Applicant by you, marked "Unpaid";
- (2) Your signed written demand certifying that the Applicant has failed to pay you in accordance with the terms and provisions of the contract(s) between you and the Applicant and that the original or facsimile of the above referenced invoice was presented to the Applicant and remains unpaid at the time of drawing and thus you are drawing upon the letter of credit in an amount equal to \$\_\_\_\_\_; and
- (3) This original Letter of Credit, including any amendments.

Partial drawings are allowed. The amount of this Letter of Credit shall be automatically reduced by the amount of any drawing paid hereunder.

This Letter of Credit takes effect from the Date of Issue set forth above, and shall remain valid until [Date]. However, it is a condition of this Letter of Credit that it will be automatically extended without notice for a further one year period from the present or any future expiry date unless at least ninety (90) days prior to such expiry date we notify you in writing by courier or registered mail at your address above that we elect not to consider this Letter of Credit to be extended for any additional period.

This Letter of Credit is subject to the International Standby Practices 1998 ("ISP98"). All matters not covered by ISP98 will be governed by the laws applicable in the Province of British Columbia. The parties hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of British Columbia. The number of this Letter of Credit must be quoted on all documents required hereby.

\_\_\_\_\_  
Authorized Signing Officer  
[Bank Name]

\_\_\_\_\_  
Authorized Signing Officer  
[Bank Name]