

**PART D**

**SUPPLEMENTAL CONDITIONS**

## **PART D - SUPPLEMENTAL CONDITIONS**

### **GENERAL**

#### **D1. GENERAL CONDITIONS**

- D1.1 In addition to the *General Conditions for Construction Contracts*, these Supplemental Conditions are applicable to the Work of the Contract.
- D1.2 The General Conditions are amended by striking out "The City of Winnipeg Act" wherever it appears in the General Conditions and substituting "The City of Winnipeg Charter".
- D1.3 The General Conditions are amended by striking out "Tender Package" wherever it appears in the General Conditions and substituting "Bid Opportunity".
- D1.4 The General Conditions are amended by striking out "Tender Submission" wherever it appears in the General Conditions and substituting "Bid Submission".
- D1.5 The General Conditions are amended by deleting GC:6.16 and GC:6.17. The City of Winnipeg is now within the jurisdiction of the Manitoba Ombudsman pursuant to The Ombudsman Act.

#### **D2. SCOPE OF WORK**

- D2.1 The Work to be done under the Contract shall consist of watermain renewals and land drainage sewer relief Work on Main Street from Lombard Avenue to Alexander Avenue.
- D2.2 The major components of the Work are as follows:
- (a) Watermain installation by trenchless methods;
  - (b) Abandonment of existing watermains;
  - (c) Installation of gate valves and hydrant assemblies;
  - (d) Reconnection of renewal of water service connections;
  - (e) Installation on new land drainage sewer lines on the west side of Main Street;
  - (f) Installation of new manholes;
  - (g) Installation of new catch basins;
  - (h) Existing catch basins on the east side of Main Street connecting to the proposed west side LDS;
  - (i) Installation of sewer PVC plugs.

#### **D3. CONTRACT ADMINISTRATOR**

- D3.1 The Contract Administrator is Stantec Consulting Ltd., represented by:
- Cameron Dyck, P.Eng.  
Project Engineer  
905 Waverley Street,  
Winnipeg, MB R3T 5P4
- Telephone No. (204) 489-5900  
Facsimile No. (204) 453-9012
- D3.2 At the pre-construction meeting, the Contract Administrator will identify additional personnel representing the Contract Administrator and their respective roles and responsibilities for the Work.

**D4. CONTRACTOR'S SUPERVISOR**

- D4.1 At the pre-construction meeting, the Contractor shall identify his designated supervisor and any additional personnel representing the Contractor and their respective roles and responsibilities for the Work.

**D5. NOTICES**

- D5.1 Except as provided for in GC:23.2.2, all notices, requests, nominations, proposals, consents, approvals, statements, authorizations, documents or other communications to the Contractor shall be sent to the address or facsimile number identified by the Contractor in Paragraph 2 of Form A: Bid.
- D5.2 All notices, requests, nominations, proposals, consents, approvals, statements, authorizations, documents or other communications to the City, except as expressly otherwise required in D5.3, D5.4 or elsewhere in the Contract, shall be sent to the attention of the Contract Administrator at the address or facsimile number identified in D3.1.
- D5.3 All notices of appeal to the Chief Administrative Officer shall be sent to the attention of the Chief Financial Officer at the following address or facsimile number:

The City of Winnipeg  
Chief Administrative Officer Secretariat  
Administration Building, 3rd Floor  
510 Main Street  
Winnipeg MB R3B 1B9  
Facsimile No.: (204) 949-1174

- D5.4 All notices, requests, nominations, proposals, consents, approvals, statements, authorizations, documents or other communications required to be submitted or returned to the City Solicitor shall be sent to the following address or facsimile number:

The City of Winnipeg  
Corporate Services Department  
Legal Services Division  
185 King Street, 3rd Floor  
Winnipeg MB R3B 1J1  
Facsimile No.: (204) 947-9155

**D6. FURNISHING OF DOCUMENTS**

- D6.1 Upon award of the Contract, the Contractor will be provided with five (5) complete sets of the Bid Opportunity. If the Contractor requires additional sets of the Bid Opportunity, they will be supplied to him at cost.

**SUBMISSIONS**

**D7. PERFORMANCE SECURITY**

- D7.1 The Contractor shall provide and maintain performance security until the expiration of the warranty period in the form of:
- (a) a performance bond of a company registered to conduct the business of a surety in Manitoba, in the form attached to these Supplemental Conditions (Form H1: Performance Bond), in the amount of fifty percent (50%) of the Contract Price; or

- (b) an irrevocable standby letter of credit issued by a bank or other financial institution registered to conduct business in Manitoba and drawn on a branch located in Manitoba, in the form attached to these Supplemental Conditions (Form H2: Irrevocable Standby Letter of Credit), in the amount of fifty percent (50%) of the Contract Price; or
- (c) a certified cheque or draft payable to "The City of Winnipeg", drawn on a bank or other financial institution registered to conduct business in Manitoba, in the amount of fifty percent (50%) of the Contract Price.

D7.2 If the bid security provided in his Bid Submission was not a certified cheque or draft pursuant to B11.1(c), the Contractor shall provide the City Solicitor with the required performance security within seven (7) Calendar Days of notification of the award of the Contract by way of letter of intent and prior to the commencement of any Work on the Site but in no event later than the date specified in GC:4.1 for the return of the executed Contract.

## **D8. INSURANCE**

D8.1 The Contractor shall provide and maintain the following insurance coverage:

- (a) commercial general liability insurance, in the amount of at least two million dollars (\$2,000,000.00) all inclusive, with The City of Winnipeg being added as an additional insured, with a cross-liability clause, such liability policy to also contain a contractual liability, an unlicensed motor vehicle liability and a products and completed operations endorsement to remain in place at all times during the performance of the Work and throughout the warranty period;
- (b) automobile liability insurance for owned and non-owned automobiles used for or in connection with the Work in the amount of at least two million dollars (\$2,000,000.00) at all times during the performance of the Work and until the date of Total Performance;

D8.2 Deductibles shall be borne by the Contractor.

D8.3 The Contractor shall provide the City Solicitor with a certified true copy or a certificate of insurance of each policy, in a form satisfactory to the City Solicitor, at least two (2) Business Days prior to the commencement of any Work on the Site but in no event later than the date specified in GC:4.1 for the return of the executed Contract.

D8.4 The Contractor shall not cancel, materially alter, or cause each policy to lapse without providing at least fifteen (15) Calendar Days prior written notice to the Contract Administrator.

## **D9. DETAILED WORK SCHEDULE**

D9.1 The Contractor shall provide the Contract Administrator with a detailed Work schedule at least two (2) Business Days prior to the commencement of any Work on the Site but in no event later than the date specified in GC:4.1 for the return of the executed Contract.

D9.2 The detailed Work schedule shall consist of the following:

- (a) a Gantt chart for the Work based on the C.P.M. schedule acceptable to the Contract Administrator.

## **D10. SECURITY CLEARANCE**

D10.1 Each person proposed to perform Work under the Contract within City facilities and on private property shall be required to obtain a security clearance by the police service having jurisdiction at his/her place of residence.

- D10.2 Prior to the commencement of any Work, and during the term of the Contract if additional or replacement persons are proposed to perform Work, the Contractor shall supply the Contract Administrator with a written security clearance, obtained not earlier than one (1) year prior to the Submission Deadline, or a certified true copy thereof for each person proposed to perform Work within City facilities and on private property.
- D10.3 No person for whom a security clearance is not provided, or who has any convictions or pending charges related to property offences or crimes against another person, will be permitted to perform any Work within City facilities and on private property.
- D10.4 Any security clearance obtained thereby will be deemed valid for the duration of the Contract subject to a repeated records search as hereinafter specified.
- D10.5 Further to D10.1, the City may, at its sole discretion and acting reasonably, conduct a background investigation, including but not limited to, banking and medical information, for any person proposed to perform Work under the Contract.
- D10.6 In addition, at any time during the term of the Contract, the City may, at its sole discretion and acting reasonably, require a records search, and/or perform a background investigation. Any person who fails to obtain a security clearance or background investigation clearance as a result of a repeated records search or a background investigation, shall not be permitted to continue to perform Work under the Contract.

## **SCHEDULE OF WORK**

### **D11. COMMENCEMENT**

- D11.1 The Contractor shall not commence any Work until he is in receipt of a letter of intent from the Award Authority authorizing the commencement of the Work.
- D11.2 The Contractor shall not commence any Work on the Site until:
- (a) the Contract Administrator has confirmed receipt and approval of:
    - (i) evidence that the Contractor is in good standing under The Corporations Act (Manitoba), or properly registered under The Business Names Registration Act (Manitoba), or otherwise properly registered, licensed or permitted by law to carry on business in Manitoba;
    - (ii) evidence of the Workers compensation coverage specified in GC:6.14;
    - (iii) the performance security specified in D7;
    - (iv) evidence of the insurance specified in D8;
  - (b) the Contractor has attended a pre-construction meeting with the Contract Administrator, or the Contract Administrator has waived the requirement for a pre-construction meeting.
- D11.3 The Contractor shall not commence the Work on the Site prior to April 26, 2004.
- D11.4 The City intends to award this contract by April 16, 2004.

### **D12. WORKING DAYS**

- D12.1 Further to GC:1.1(gg), the Contract Administrator's determination of whether or not atmospheric and Site conditions are such that a Working Day is deemed to have elapsed may be based at one time on one type of Work while at another time a Working Day may be based on another type of Work. When more than one type of major Work is involved, the quantity of equipment that must be able to Work in order to meet the requirements of a Working Day may vary considerably from that specified in the General Conditions.

- D12.2 In the event that incidental Work is behind schedule which, in the opinion of the Contract Administrator, should have been or could have been carried out by the Contractor in conjunction with or immediately following Work of a major type, the City hereby reserves the right to charge Working Days on the incidental Work until such time as it is up to schedule.
- D12.3 When the major type of Work involves restoration of the Site to the condition it was prior to rainfall, Working Days shall not be charged.
- D12.4 The Contract Administrator will furnish the Contractor with a daily record for each major type of Work showing various information concerning the equipment, the time it Worked, could have Worked and Working Days charged. This report is to be signed each day by an authorized representative of the Contractor.

### **D13. WORK BY OTHERS**

- D13.1 Work by others on or near the Site will include by not necessarily be limited to:
- (a) Reconstruction Main Street Southbound Pavement from Sta. 1 + 00 to Sta. 8 + 28.
  - (b) Winnipeg Jazz Festival from June 18, 2004 to June 26, 2004.
  - (c) Winnipeg Fringe Festival from July 14, 2004 to July 25, 2004.
  - (d) Installing new street lights at west property line by Manitoba Hydro.
  - (e) Removing existing street lights behind the curb by Manitoba Hydro.
  - (f) Adjusting / replacing / abandoning existing Manitoba Hydro, All stream manholes.
  - (g) Lowing / wrapping Manitoba Hydro-Gas Divison gas mains, as required.
  - (h) Installing new traffic signal plant at existing signalized intersections.
  - (i) Movie shoot at City Hall – June 2, 2004 after 6:30pm.

### **D14. SEQUENCE OF WORK**

- D14.1 Further to CG 6.1, the sequence of Work shall be as follows:
- D14.1.1 The Work shall be divided into two phases. The phases are further divided into major items of Work.
- D14.1.2 Phase 1 – Underground Work - Sta. 5 + 25 (William Ave) to Sta. 1 + 00 (Lombard Ave.) (The Work shall proceed in a north to south direction)
- 1) Renewal of existing 300 Combined Sewer on Lombard Ave.
  - 2) Construction of new catch basin leads across main street connecting existing east-side catch basins
  - 3) Construction of 300mm PVC Watermain including hydrants and valves
  - 4) Disinfection and hydrostatic pressure testing of new 300 PVC watermain
  - 5) Renewal and/or reconnection of all commercial water services
  - 6) Reconnection of new 300 PVC watermain to east-west water main interconnection and side street watermains on McDermot Ave and William Ave
  - 7) Construction of New Land Drainage Sewer including catchbasins and manholes.

- D14.1.3 Phase 2 – Underground Work - Sta. 8 + 00 (Alexander Ave.) to Sta. 5 + 25 (North of William) ( The Work shall proceed in a north to south direction).
- 1) Construction of 300mm PVC Watermain including hydrants and valves
  - 2) Disinfection and hydrostatic pressure testing of new 300 PVC Watermain
  - 3) Renewal and/or reconnection of all commercial water services
  - 4) Reconnection of new 300 PVC Watermain to east-west watermains on James, Rupert and Pacific Avenues.
  - 5) Construction of new Land Drainage Sewers including catchbasins and manholes.

**D15. CRITICAL STAGES**

- D15.1 The Contractor shall achieve critical stages of the Work in accordance with the following requirements:
- (a) All underground Work (watermain and land drainage sewers) between Sta. 5+25 (North of William) Bannatyne Ave. to be completed and in service by May 15, 2004 to allow for pavement reconstruction Works by others to commence.
  - (b) All catch basin leads connecting catch basins on the east side of Main Street (Northbound) lanes including pavement restoration are to be completed by May 15, 2004 to allow pavement reconstruction Work by others to commence.
  - (c) The 300mm Combined Sewer reconstruction on Lombard Avenue including pavement restoration must be completed by May 15, 2004 to allow pavement reconstruction Work on the southbound lanes by others to commence.

**D16. SUBSTANTIAL PERFORMANCE**

- D16.1 The Contractor shall achieve Substantial Performance within Fifty (50) consecutive Working Days of the commencement of the Work as specified in D11.
- D16.2 When the Contractor considers the Work to be substantially performed, the Contractor shall arrange, attend and assist in the inspection of the Work with the Contract Administrator for purposes of verifying Substantial Performance. Any defects or deficiencies in the Work noted during that inspection shall be remedied by the Contractor at the earliest possible instance and the Contract Administrator notified so that the Work can be reinspected.
- D16.3 The date on which the Work has been certified by the Contract Administrator as being substantially performed to the requirements of the Contract through the issue of a certificate of Substantial Performance is the date on which Substantial Performance has been achieved.

**D17. TOTAL PERFORMANCE**

- D17.1 The Contractor shall achieve Total Performance within Fifty-Five (55) consecutive Working Days of the commencement of the Work as specified in D11.
- D17.2 When the Contractor or the Contract Administrator considers the Work to be totally performed, the Contractor shall arrange, attend and assist in the inspection of the Work with the Contract Administrator for purposes of verifying Total Performance. Any defects or deficiencies in the Work noted during that inspection shall be remedied by the Contractor at the earliest possible instance and the Contract Administrator notified so that the Work can be reinspected.

D17.3 The date on which the Work has been certified by the Contract Administrator as being totally performed to the requirements of the Contract through the issue of a certificate of Total Performance is the date on which Total Performance has been achieved.

#### **D18. LIQUIDATED DAMAGES**

D18.1 If the Contractor fails to achieve critical stages, Substantial Performance or Total Performance in accordance with the Contract by the days fixed herein for same, the Contractor shall pay the City the following amounts per Working Day for each and every Working Day following the days fixed herein for same during which such failure continues:

- (a) All underground Works (Watermain and Land Drainage Sewers) between sta. 5+25 (North of William) Bannatyne Ave. completed and in service by May 15, 2004. – Three-thousand five-hundred dollars (\$3,500.00);
- (b) All catch basin leads connecting catch basins on the east side of Main Street (Northbound lanes) completed by May 15, 2004 - Three-thousand five-hundred dollars (\$3,500.00);
- (c) The 300mm combined sewer reconstruction on Lombard Avenue including pavement restoration completed by May 15, 2004 - Three-thousand five-hundred dollars (\$3,500.00);
- (d) Substantial Performance - Three-thousand five-hundred dollars (\$3,500.00);

D18.2 The amounts specified for liquidated damages in D18.1 are based on a genuine pre-estimate of the City's losses in the even that the Contractor does not achieve critical stages, Substantial Performance or Total Performance by the days fixed herein for same.

D18.3 The City may reduce any payment to the Contractor by the amount of any liquidated damages assessed.

#### **CONTROL OF WORK**

##### **D19. JOB MEETINGS**

D19.1 Regular weekly job meetings will be held at the Site. These meetings shall be attended by a minimum of one representative of the Contract Administrator, one representative of the City and one representative of the Contractor. Each representative shall be a responsible person capable of expressing the position of the Contract Administrator, the City and the Contractor respectively on any matter discussed at the meeting including the Work schedule and the need to make any revisions to the Work schedule. The progress of the Work will be reviewed at each of these meetings.

D19.2 The Contract Administrator reserves the right to cancel any job meeting or call additional job meetings whenever he deems it necessary.

##### **D20. PRIME CONTRACTOR – THE WORKPLACE SAFETY AND HEALTH ACT (MANITOBA)**

D20.1 For the purpose of determining Prime Contractor Phase 1 shall be the construction project Site for the limit of Work at Sta. 5+ 25 (north of William) to the limit of Work at Lombard Ave. and Phase 2 shall be the Construction Project Site from the limit of Work at Alexander Ave. to Sta. 5 + 25 (north of William).

D20.2 Further to GC: 6.26, the Contractor shall be the Prime Contractor and shall have the duties of the Prime Contractor in accordance with the Workplace Safety and Health Act (Manitoba) as follows:

- (a) For Phase 1 Construction Project Site from commencement of Work until notified in writing by the Contract Administrator, the Contract will be Prime Contractor. When Work on



(Southbound) Lombard Avenue to Disraeli Freeway commences, that Contractor for the Contract will become the Prime Contractor.

- (b) For Phase 2 Construction Project Site from commencement of Work until Total Performance of the Contract as notified in writing by the Contract Administrator.

**D21. WORK PRACTICES ON ASBESTOS-CEMENT PIPE**

D21.1 Further to GC.6.28(d), the Contractor's attention is directed to the possible health dangers associated with Working with asbestos cement pipe and all Work associated with the existing AC watermains shall conform to the following publications:

D21.2 "Work Practices for Asbestos-Cement Pipe", AWWA No. M16, published by the American Water Works Association

D21.3 "Recommended Work Practices for AC Pipe", 1977, published by the AC Pipe producers Association.

**D22. TRAFFIC CONTROL AND MAINTENANCE OF ACCESS**

D22.1 Traffic control shall be carried out in accordance with Section 3.7 of CW 1130 of the General Requirements.

D22.2 Further to Section 3.7 of CW 1130 of the General Requirements, should the Public Works Department require that Work be carried out at night, on Sundays, on public holidays or that Work be restricted or suspended during peak traffic hours, the Contractor shall comply without additional compensation being considered to meet these requirements.

D22.3 Traffic control during construction shall be as follows:

(a) Main Street

(i) Maintain two (2) lanes of traffic in each direction at all times.

(ii) Construction activities shall be restricted to the curb lanes only between 07:00 and 0:900 hours and 15:30 to 17:30 hours Monday to Friday and other hours as directed by the Contract Administrator.

(iii) The Contractor will have access to the open lanes of traffic during non-restricted hours provided flag persons are used in accordance with Section 3.12 of The City of Winnipeg. "Manual of Temporary Traffic Control in Work Areas of the City Streets", to maintain traffic safety.

(b) All side streets connecting onto Main Street whether they be one way or two way streets

(i) Maintain one lane of traffic in each direction, at all times.

(c) Pedestrian and ambulance/emergency vehicular access must be maintained at all times.

D22.4 Further to Section 3.6 of CW 1130 of the General Requirements, the Contractor shall maintain safe pedestrian crossing at intersections at all times. If possible, only one pedestrian crossing at an intersection is to be blocked by construction at any one time. If more than one pedestrian crossing is blocked by construction at an intersection at the same time, the Contractor shall provide flag persons to safely escort pedestrians across the intersection. The Contractor shall leave pedestrian crossing locations safe and free of equipment that may hamper pedestrians when no construction activities are being performed at a particular crossing location.

D22.5 The Contractor shall not park company or private vehicles inside the barricaded Work zone in a manner that will block sightlines for vehicles and pedestrians approaching and crossing intersections.

- D22.6 Further to Section 3.6 of CW 1130 of the General Requirements, the Contractor shall provide flag persons to safely escort school children in the vicinity of construction activities.
- D22.7 In accordance with the Manual of Temporary Traffic Control, the Contractor ("Agency" in the Manual) shall not be responsible for any cost incurred from required meter hooding, parking restriction signs and traffic diversion signs erected by The City of Winnipeg, Traffic Services Branch. The Contractor will provide a minimum of forty-eight (48) hours notice to the Contract Administrator when meter hooding or parking restrictions are required. The Contract Administrator will contact Traffic Services to arrange for the implementation of the parking restrictions. Immediately upon completion of the Work, the Contractor will notify the Contract Administrator who will instruct Traffic Services to reinstate the parking. Traffic Services will submit their invoice to the Contract Administrator for payment. The placement of all other traffic control devices and the associated costs shall be the Contractor's responsibility.

**FORM H1: PERFORMANCE BOND**  
(See D7)

KNOW ALL MEN BY THESE PRESENTS THAT

\_\_\_\_\_ ,  
(hereinafter called the "Principal"), and

\_\_\_\_\_ ,  
(hereinafter called the "Surety"), are held and firmly bound unto **THE CITY OF WINNIPEG** (hereinafter called the "Obligee"), in the sum of

\_\_\_\_\_ dollars (\$\_\_\_\_\_)

of lawful money of Canada to be paid to the Obligee, or its successors or assigns, for the payment of which sum the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS the Principal has entered into a written contract with the Obligee dated the

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, for:

BID OPPORTUNITY NO. 139-2004

2004 MAIN STREET WATERMAIN RENEWALS (WESTSIDE), STORM RELIEF WORKS AND  
COMBINED SEWER RENEWAL - LOMBARD AVENUE TO ALEXANDER AVENUE

which is by reference made part hereof and is hereinafter referred to as the "Contract".

NOW THEREFORE the condition of the above obligation is such that if the Principal shall:

- (a) carry out and perform the Contract and every part thereof in the manner and within the times set forth in the Contract and in accordance with the terms and conditions specified in the Contract;
- (b) perform the Work in a good, proper, Workmanlike manner;
- (c) make all the payments whether to the Obligee or to others as therein provided;
- (d) in every other respect comply with the conditions and perform the covenants contained in the Contract; and
- (e) indemnify and save harmless the Obligee against and from all loss, costs, damages, claims, and demands of every description as set forth in the Contract, and from all penalties, assessments, claims, actions for loss, damages or compensation whether arising under "The Workers Compensation Act", or any other Act or otherwise arising out of or in any way connected with the performance or non-performance of the Contract or any part thereof during the term of the Contract and the warranty period provided for therein;

THEN THIS OBLIGATION SHALL BE VOID, but otherwise shall remain in full force and effect. The Surety shall not, however, be liable for a greater sum than the sum specified above.

AND IT IS HEREBY DECLARED AND AGREED that the Surety shall be liable as Principal, and that nothing of any kind or matter whatsoever that will not discharge the Principal shall operate as a discharge or release of liability of the Surety, any law or usage relating to the liability of Sureties to the contrary notwithstanding.

IN WITNESS WHEREOF the Principal and Surety have signed and sealed this bond the

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ .

SIGNED AND SEALED  
in the presence of:

\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
(Name of Principal)

Per: \_\_\_\_\_ (Seal)

Per: \_\_\_\_\_

\_\_\_\_\_  
(Name of Surety)

By: \_\_\_\_\_ (Seal)  
(Attorney-in-Fact)

**FORM H2: IRREVOCABLE STANDBY LETTER OF CREDIT  
(PERFORMANCE SECURITY)  
(See D7)**

\_\_\_\_\_  
(Date)

The City of Winnipeg  
Corporate Services Department  
Legal Services Division  
185 King Street, 3rd Floor  
Winnipeg MB R3B 1J1

RE: PERFORMANCE SECURITY - 139-2004

2004 MAIN STREET WATERMAIN RENEWALS (WESTSIDE), STORM RELIEF WORKS AND  
COMBINED SEWER RENEWAL - LOMBARD AVENUE TO ALEXANDER AVENUE

Pursuant to the request of and for the account of our customer,

\_\_\_\_\_  
(Name of Contractor)

\_\_\_\_\_  
(Address of Contractor)

WE HEREBY ESTABLISH in your favour our irrevocable Standby Letter of Credit for a sum not exceeding  
in the aggregate

\_\_\_\_\_  
Canadian dollars.

This Standby Letter of Credit may be drawn on by you at any time and from time to time upon written demand for payment made upon us by you. It is understood that we are obligated under this Standby Letter of Credit for the payment of monies only and we hereby agree that we shall honour your demand for payment without inquiring whether you have a right as between yourself and our customer to make such demand and without recognizing any claim of our customer or objection by the customer to payment by us.

The amount of this Standby Letter of Credit may be reduced from time to time only by amounts drawn upon it by you or by formal notice in writing given to us by you if you desire such reduction or are willing that it be made.

Partial drawings are permitted.

We engage with you that all demands for payment made within the terms and currency of this Standby Letter of Credit will be duly honoured if presented to us at:

\_\_\_\_\_  
(Address)

and we confirm and hereby undertake to ensure that all demands for payment will be duly honoured by us.

All demands for payment shall specifically state that they are drawn under this Standby Letter of Credit.

Subject to the condition hereinafter set forth, this Standby Letter of Credit will expire on

May 22, 2004  
(Date)

It is a condition of this Standby Letter of Credit that it shall be deemed to be automatically extended from year to year without amendment from the present or any future expiry date, unless at least 30 days prior to the present or any future expiry date, we notify you in writing that we elect not to consider this Standby Letter of Credit to be renewable for any additional period.

This Standby Letter of Credit may not be revoked or amended without your prior written approval.

This credit is subject to the Uniform Customs and Practice for Documentary Credit (1993 Revision), International Chamber of Commerce Publication Number 500.

\_\_\_\_\_  
(Name of bank or financial institution)

Per: \_\_\_\_\_  
(Authorized Signing Officer)

Per: \_\_\_\_\_  
(Authorized Signing Officer)