

TO BE TYPED ON YOUR BANK'S LETTERHEAD OR LETTER OF CREDIT FORM

EXECUTION DATE: _____
Day Month Year

IRREVOCABLE LETTER OF CREDIT NO. _____

First Indemnity of America Insurance Company
(Or Any Quota Share Partner)
2740 Rt. 10 West, Suite 205
Morris Plains, New Jersey 07950

Beneficiaries,

By order of our client, _____, as Principal, we hereby establish this Irrevocable Letter of Credit No. _____ in your favor for an amount up to but not exceeding the aggregate sum of _____ Dollars, (\$ _____), effective immediately.

Funds under this Letter of Credit are available to you against your sight draft(s) signed by your authorized corporate officer, drawn on us bearing the clause "Drawn under Credit No. _____." This shall be accompanied by a statement signed by said authorized corporate officer stating that you, as Surety, have executed a bond or bonds or undertakings at the request of your principal who is our account party and that said bonds or undertakings remain in full force and effect and, additionally, your principal has failed to abide by the terms of the Agreement of Indemnity executed and delivered to you in connection with such bonds or undertakings. We hereby engage with you that all drafts drawn under and in compliance with the terms of this credit will be duly honored if drawn and presented for payment at our office in _____.

We further acknowledge that this Letter of Credit will remain in effect for one (1) year period from the Execution Date set forth above and will be automatically extended for subsequent annual anniversaries of said Execution Date unless at least sixty (60) days prior to such anniversary date we notify both you and our account party in writing by Certified Mail that we elect not to further extend this credit. We further acknowledge that upon receipt by you of our notice of election not to further extend this credit, you may draw down hereunder by your sight draft(s) drawn on us and bearing the clause, "Drawn down under Credit No. _____."

This Letter of Credit sets forth in full the terms of our undertaking. Such undertaking shall not in any way be modified, amended or amplified by reason of any documents or instruments referred to herein or in which this Letter of Credit is referred to or to which this Letter of Credit relates and any such reference shall not be deemed to incorporate herein by reference and document or instrument.

All bank charges and commissions incurred in this transaction are for the applicant's account. Any funds drawn hereunder and unused at the time you are discharged as Surety on all bond(s) or undertaking(s) provided on behalf of our account party will be repaid to us by you, providing our account party is no longer in default of the Agreement of Indemnity.

Except as otherwise expressly stated herein, this credit is subject to the Uniform Customs and Practice for Commercial Documentary Credits (1993 Revision) U.C.C. Publication No. 500.

Very Truly Yours,
