

BANK LETTERHEAD
BANK ADDRESS

IRREVOCABLE STANDBY LETTER OF CREDIT NO.
(Sample – **EXACT** wording required)

Montana Department of Labor & Industry
Employment Relations Division
Workers' Compensation Regulation Bureau
P.O. Box 8011
Helena, MT 59604

RE: Customer Name
Deposit as Security for Professional Employer Organization (PEO)

Dear Sir:

We hereby issue in your favor this Irrevocable Standby Letter of Credit (hereinafter called the Letter of Credit) in an amount up to but not exceeding \$_____ at the request of our customer, _____, effective immediately and expiring at this bank on _____. The purpose of this Letter of Credit is to create a primary obligation on the part of the bank to the Montana Department of Labor & Industry, Employment Relations Division (hereinafter called the Department) relating to the above captioned matter. This instrument is not a guaranty and is independent of any subsequent contract or rights thereunder between _____ and the Department.

This Letter of Credit shall be deemed **automatically extended without amendment** for one year from the expiry date hereof, or any future expiry date, unless sixty (60) days prior to any expiry date we shall notify you by Registered Mail or Express Courier that we elect not to consider this Letter of Credit renewed for any such additional period. Notice of non-renewal will be sent to the Department.

Funds are available at any time prior to the expiry date, and we agree to honor this Letter of Credit upon receipt of a properly dated and signed letter demanding payment similar to the attached sample. No other documentation or substantiation will be requested or required. Our check for the amount requested will be transmitted within ten (10) days of the receipt of your letter so long as it is presented at our bank on or before the close of business on the expiry date.

This Letter of Credit is drafted and issued in accordance with the terms and provisions of the Uniform Commercial Code as enacted in the State of Montana (Sections 30-5-101, MCA, et seq.).

This Letter of Credit is subject to and governed by the uniform customs and practice for documentary credits International Chamber of Commerce Publication no. 500 and the laws of the state of Montana. In the event of any conflict the laws of the state of Montana will control with venue in Lewis and Clark County, Montana.

Yours truly,
BANK NAME
By: _____
Authorized Bank Rep.

SAMPLE DEMAND LETTER

_____, _____
(month, day, year)

Bank President
Bank Name
Address

RE: Irrevocable Standby Letter of Credit No. _____
dated _____, _____

Dear Sir:

This letter is a demand for payment as required by your Irrevocable Standby Letter of Credit captioned above. The Montana Department of Labor and Industry, Employment Relations Division (hereinafter called the Department) is hereby drawing on said Letter of Credit and demanding that you pay the Department forthwith the amount of \$_____. Your check for that amount must be transmitted to our office within ten (10) days of your receipt of this letter.

Sincerely,

Signature for Department

(Type name and title)

Workers' Compensation Regulation Bureau

CERTIFICATE

____ Name _____ certifies: That he/she is the duly authorized representative of the Department; that he/she has authority to take all necessary and proper action on behalf of the Department including execution and delivery of the above demand letter; and that the above demand letter is a proper exercise of his/her authority on behalf of the Department.

DATED this _____ day of _____, _____.

By: _____
Signature for Department

(Type name and title)

(Notary Seal)

Notary Public for State of Montana
Residing at Helena, Montana.
My commission expires on _____.