

IRREVOCABLE LETTER OF CREDIT

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

ISSUING BANK NAME	BANK LETTER OF CREDIT NUMBER
ISSUING BANK ADDRESS (city, state, zip code)	LONG TERM BANK DEPOSIT RATING OF ISSUING BANK (as stated in Moody's Bank Credit Research Monthly Ratings List)
PLACE FOR PRESENTATION OF DOCUMENTS	EXPIRY DATE
PLACE OF ISSUE	DATE OF ISSUE

BENEFICIARY

California Department of Tax and Fee Administration
 Compliance Branch
 PO Box 942879, Sacramento, CA 94279-0088

APPLICANT NAME	ACCOUNT NUMBER
APPLICANT ADDRESS (city, state, zip code)	
BANK NAME	AMOUNT (U.S. \$ spell out amount in U.S. dollars)
BANK CONTACT NAME	PHONE NUMBER
BANK ADDRESS (city, state, zip code)	

Credit available with _____ by payment at sight against presentation of the documents detailed below and your draft(s) during normal business hours at _____ drawn on _____ at the request and for the account of the following named parties _____ the undersigned issuing bank hereby establishes in your favor this irrevocable letter of credit in the amount of U.S. dollars \$ _____ payable within three (3) business days (as hereinafter defined) after presentation to _____ of demand(s) for payment in the form described above.

Drawings honored by the issuing bank under this letter of credit shall not, in the aggregate, exceed the total amount of credit set forth above and each drawing honored by the issuing bank shall reduce the amount set forth pro tanto. Partial drawings are permitted.

DOCUMENTS REQUIRED

- A signed beneficiary's statement executed by the Director of the California Department of Tax and Fee Administration (CDTFA) or authorized representative of the Director that _____ has done any of the following:
 - failed to comply with its obligations under Part 13 of Division 2 of the California Revenue and Taxation code including, without limitations, payment of all taxes, interest, and penalties;
 - filed for bankruptcy; and/or
 - failed to renew or substitute acceptable security for tax liabilities within the ten (10) day requirement before the expiration date of this letter of credit.
- A draft signed by the Director of the California Department of Tax and Fee Administration or authorized representative of the Director for the amount of the drawing requested under this letter of credit and including a reference to the letter of credit number and original date of issue of this letter of credit; and
- The original letter of credit documents and all amendments thereto and any confirming bank's original letter of credit document and all amendments thereto.

Note: A draft accompanied by a statement indicating that the named taxpayer listed in paragraph 1 under "Documents Required" has failed to renew or substitute acceptable security for tax liabilities within the ten (10) day requirement before the expiration date of this letter may not be presented to the issuer of this letter of credit earlier than ten (10) calendar days before the expiration of the letter of credit.

IRREVOCABLE LETTER OF CREDIT

EXTENSION OF EXPIRATION DATE (EVERGREEN CLAUSE)

The expiration date of this letter of credit will automatically extend for an additional period of one (1) year from the present or each future expiration date, unless not less than 45 days prior to such date the issuing bank notifies the beneficiary in writing sent by registered mail or overnight delivery service to the beneficiary’s address, the issuing bank elects not to so renew the credit.

PAYMENT BY FED WIRED TRANSFER ONLY

A Federal Reserve Wire Transfer is an electronic payment system used by federal reserve banks to transfer funds instantaneously.

Payment of any amount under this letter of credit by the issuing or a confirming bank shall be made by fed wire transfer to the California Department of Tax and Fee Administration. Banking account number will be provided at the time payment is requested.

The issuing bank will be responsible for all wire transfer fees.

LEGAL PROCEEDINGS

If legal proceedings are initiated by any party with respect to the payment of the letter of credit, the issuing bank agrees that such proceedings shall be subject to the jurisdiction of California courts and administrative agencies and subject to California law.

MISCELLANEOUS PROVISIONS

Except as stated herein, this *Irrevocable Letter of Credit* is not subject to any condition or qualification and is the issuing bank’s individual obligation which is in no way contingent upon reimbursement.

We hereby issue this Documentary Credit in your favor. It is subject to the Uniform Customs and Practice for Documentary Credits, 1993 revision, ICC publication 500, and engages us in accordance with the terms thereof. The number and the date of the credit and the name of our bank must be quoted on all draft required.

A letter of credit must be issued by

THIS DOCUMENT CONSISTS OF <i>(number of signed pages)</i>	AUTHORIZED SIGNATURE 
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INFORMATION

- A State of California chartered bank or savings institution; or
- A federally chartered bank or savings institution; or
- Any other foreign or domestic bank or savings institution; or
- A group (syndication) of domestic or foreign bank or savings institutions.

The irrevocable letter of credit must be issued by and payable at a branch in the continental United States, Alaska, or Hawaii. The issuing branch or savings institution, in any event, shall have at the time of issuance of the letter of credit an acceptable credit rating as set forth below:

- An “Aaa,” “Aa,” or “A” long term bank deposit rating for the bank or savings institution in the current monthly edition of *Moody’s Bank Credit Research Monthly Rating List* prepared by Moody’s Investor Service, Inc., New York.

If a bank’s or savings institution’s ratings subsequent to the issuance of the letter of credit falls below an acceptable rating level, the California Department of Tax and Fee Administration shall require the letter of credit to be replaced by a bank with an acceptable rating within 45 days of the publication of the lower credit rating.