

Sample Letter of Credit for Bid Guarantee

Money Bank
123 Main Street
Anytown, USA

Date:

Irrevocable Letter of
Credit No.

(Note to Bank: This No.
is mandatory; Letters of
Credit without a number
cannot be accepted.)

USDA Forest Service (Beneficiary)

U.S. Forest Service
605 West Main St.
Russellville, AR 72801-3614

Gentlemen:

NAME OF ISSUING AND PAYING INSTITUTION has established an irrevocable Letter-of-Credit in your favor, at the request of and for the account of NAME OF PRINCIPAL, to the extent of TWENTY THREE THOUSAND SIX HUNDRED DOLLARS (\$23,600.00) to secure the bid guarantee on the HIGH ROAD timber sale.

Said funds are available by presentation of your sight draft(s) which:

- (a) clearly specify the number of this credit,
- (b) are drawn in favor of USDA Forest Service for the secured obligation cited above.

Draft(s) drawn in conformity with the conditions of this credit will be honored by us if presented at our office (list location(s) if other than one cited in address) on or before Date (**DATE - MUST BE AT LEAST 60 DAYS FROM DATE OF BID OPENING**). This letter of credit will be automatically extended without amendment for periods of one year from the then relevant expiry date unless at least 60 days prior to that relevant expiry date we notify you in writing, by certified mail or courier, that we elect not to extend this Letter of Credit. Upon receipt of such notice, you may immediately draw upon this Letter of Credit by means of your sight draft and referencing our letter of credit number.

The deposits of NAME OF FINANCIAL INSTITUTION are insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation or National Credit Union Association.

(Corporate Seal) Sincerely,

TITLE
Name of Bank