

# RFP EXHIBIT 1

(BANK LETTERHEAD)

## STANDBY LETTER OF CREDIT

Letter of Credit No.: \_\_\_\_\_ Issue Date \_\_\_\_\_

Iowa Lottery Authority  
Attn: VP of Finance  
2323 Grand Avenue  
Des Moines, IA 50312-5307

To Whom It May Concern:

At the request of \_\_\_\_\_ (the "Applicant"), we hereby establish this irrevocable Letter of Credit in favor of the Iowa Lottery Authority.

**1. Credit Amount.** The maximum credit available under this letter of credit is USD \$\_\_\_\_\_. Partial and multiple drawings may be made under this Letter of Credit. Each drawing honored shall reduce the amount available to be drawn under this Letter of Credit dollar for dollar.

**2. Expiration and Automatic Renewal.** This Letter of Credit shall be effective immediately on the issue date and shall expire at the close of business on the first Business Day on or after \_\_\_\_\_ (the "Expiration Date"). However, this Letter of Credit shall automatically and annually renew on the Expiration Date (the "Annual Renewal Date"). Under no circumstances shall we be required to honor this Letter of Credit after \_\_\_\_\_ (the "Final Expiration Date"). In addition, the Letter of Credit may be terminated by us before the Final Expiration Date as follows:

**a)** At least ninety (90) calendar days prior to the Expiration Date or any Annual Renewal Date we provide written notice not to renew this Letter of Credit. Any such notice or any other communication shall be sent by certified mail, to:

Iowa Lottery Authority  
Attn: VP of Finance  
2323 Grand Avenue  
Des Moines, IA 50312-5307

If we elect not to renew this Letter of Credit, we will also provide notice to Applicant simultaneously by certified mail; or,

**b)** You provide a signed statement on agency letterhead waiving the right to payment under this Letter of Credit prior to the next automatic renewal.

Irrespective of any other provision of this paragraph, if we receive a Drawing Certificate from you within the last 30 calendar days of any current term, the current term shall be extended automatically for a period of thirty (30) calendar days.

**3. Document to Be Presented.** Funds under this Letter of Credit are available to you upon presentation of a Drawing Certificate substantially in the form attached to this letter as Attachment A. The Drawing Certificate need not be identical to the attachment but must be signed by the CEO or CEOs designee of the Iowa Lottery Authority.

**4. Method and Notice of Presentment.** A Drawing Certificate shall be presented during our business hours on any Business Day prior to the expiration of this Letter of Credit. A Drawing Certificate may be delivered to us in the manner of your choice from the following methods:

At the following physical Iowa address:

By certified or express mail to the following physical Iowa address:

By electronic presentation via facsimile to this number \_\_\_\_\_.

By other electronic presentation means as follows:

A Drawing Certificate may be delivered to another physical Iowa address or fax number designated by us after providing at least ten (10) Business Days' prior written notice, delivered to you by certified mail. It is understood that drawings made by electronic presentation shall be deemed the operative instrument without the need of originally signed documents.

**5. Time and Method for Payment.** Payment shall be made to you in the amount demanded in the Drawing Certificate by the end of the third Business Day following the date the Drawing Certificate was presented to us. Payments shall be made with cashier's check sent by certified mail, postage pre-paid, return receipt requested, or by express delivery to the following address:

Iowa Lottery Authority  
Attn: VP of Finance  
2323 Grand Avenue  
Des Moines, IA 50312-5307

If we do not honor the Drawing Certificate for any reason, we will contact you prior to the end of the third Business Day. This contact will be followed by a written notice sent by certified mail to the address provided in paragraph 2.

**6. Jurisdiction and Choice of Law.** By presenting you with this Letter of Credit, we confirm that we are registered to do business in the State of Iowa. Further, we consent to the jurisdiction of the State of Iowa regarding any legal matters arising from this Letter of Credit. Any and all litigation commenced in connection with this Letter of Credit shall be brought and maintained solely in Polk County District Court for the State of Iowa, Des Moines, Iowa, or in the

United States District Court for the Southern District of Iowa, Central Division, Des Moines, Iowa, wherever jurisdiction is appropriate. This provision shall not be construed as waiving any immunity to suit or liability including without limitation sovereign immunity in State or Federal court, which may be available to you or the State of Iowa. Unless otherwise expressly stated herein, this Letter of Credit is subject to the International Standby Practices, International Chamber of Commerce ("ISP 98"), Publication No. 590. Matters not governed by the ISP 98 shall be governed by the laws of the State of Iowa without regard to the conflict of law provisions of Iowa law.

**7. Amendment.** This Letter of Credit may be amended from time to time by mutual consent of the parties. Any such Letter of Credit amendment shall only be made pursuant to a formal written amendment signed by both parties.

We hereby confirm to you that a Drawing Certificate presented in compliance with the terms and conditions of this Letter of Credit will be honored on sight in accordance with the provisions of this Letter of Credit.

Very truly yours,

By: \_\_\_\_\_ Title: \_\_\_\_\_

\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
(Issuing Bank)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, year \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

**Letter of Credit Attachment A: Drawing Certificate**

Letter of Credit No. \_\_\_\_\_

Date \_\_\_\_\_

*[Name and address of Issuing Bank]*

At sight, pay to the order of the Iowa Lottery Authority, the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_). Payment by the Issuing Bank pursuant to this drawing shall be made by cashier's check delivered to the Iowa Lottery Authority, at the address provided in the Letter of Credit.

\_\_\_\_\_  
Authorized Signature for the Iowa Lottery Authority

\_\_\_\_\_  
(Typed Name)

Title: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, year \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State of Iowa