NC DEPARTMENT of INSURANCE

Special Entities Division

Professional Employer Organization Irrevocable Letter of Credit

Full Name of Issuing Bank: _____

Street Address of Issuing Location: _____

City: _____

State: _____

Zip Code: _____

Telephone Number: _____

Date: _____

Full Legal name of Applicant and DBA if any. (If application is for a Group PEO License, insert the name of each member of the group.

Irrevocable Letter of Credit No.: _____

To: North Carolina Commissioner of Insurance

We (hereinafter the "Bank") hereby establish this Irrevocable Letter of Credit in your favor for drawings up to U.S. $ _____ effective immediately. This Letter of Credit is issued, presentable, and payable at our office at _____, North Carolina (the "Bank Address") and expires with our close of business on _____ (the "Expiration Date").

We hereby undertake to promptly honor your sight draft(s) drawn on us indicating our Irrevocable Letter of Credit No. _____ for all or any part of this Credit, if presented at the Bank Address on or before the Expiration Date or any automatically extended Expiration Date. Except as stated herein, this undertaking is not subject to any agreement, condition,

or qualification. The obligation of the Bank under this Irrevocable Letter of Credit is the individual obligation of the Bank and is in no way contingent upon reimbursement with respect thereto.

It is a condition of this Irrevocable Letter of Credit that it is deemed to be automatically extended without amendment for one (1) year from the Expiration Date, or any future Expiration Date, unless at least ninety (90) days prior to any Expiration Date, we notify you by letter addressed to PEO Administrator, Financial Oversight and Special Entities Division, North Carolina Department of Insurance, 1203 Mail Service Center, Raleigh, North Carolina 27699-1203, (the "Commissioner's Address") or via electronic mail addressed to Christine.Williams@ncdoi.gov, that we elect not to consider this Irrevocable Letter of Credit extended for any such additional period and such notification is acknowledged by letter or via electronic mail by the Commissioner of Insurance.

It is a further condition of this Irrevocable Letter of Credit that if this Irrevocable Letter of Credit expires during an interruption of the Bank's conduct of business caused by an Act of God, riot, civil commotion, insurrection, war, or other cause beyond the Bank's control, or by any labor strike or lockout, the Expiration Date will automatically be extended by the period of the interruption(s).

This Irrevocable Letter of Credit is subject to and governed by the laws of the State of North Carolina and the 2007 Revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce (Publication 600) and, in the event of any conflict, the laws of the State of North Carolina will control.

Should you have occasion to communicate with us regarding this Irrevocable Letter of Credit, kindly direct your communication to the attention _____ of making specific reference to our Irrevocable Letter of Credit No. _____.

If any legal proceedings are initiated with respect to payment of this Irrevocable Letter of Credit, it is agreed that such proceedings shall be subject to the courts and laws of the State of North Carolina.

Print name and title of authorized bank official: _____

Bank Seal

Signature of authorized bank official*: _____

*By separate letter accompanying this irrevocable letter of credit, the Bank has certified the authenticity of the officer's signature and the authority of the officer.