

SAMPLE LETTER OF CREDIT

ISSUING BANK: [BANK'S NAME]
[BANK'S ADDRESS]

APPLICANT: [APPLICANT'S NAME]
[APPLICANT'S ADDRESS]

BENEFICIARY: THE GEORGIA DEPARTMENT OF COMMUNITY HEALTH
2 MARTIN LUTHER KING JR DRIVE SE, EAST TOWER
18TH FLOOR
ATLANTA, GA 30334
ATTN: DIRECTOR OF CONTRACTS ADMINISTRATION

AT THE REQUEST AND FOR THE ACCOUNT OF [CONTRACTOR], WE HEREBY ESTABLISH IN YOUR FAVOR IRREVOCABLE STANDBY LETTER OF CREDIT NO. ----- IN THE AMOUNT OF [DOLLAR AMOUNT], WHICH IS AVAILABLE BY YOUR REQUEST FOR PAYMENT UPON THE PRESENTATION OF YOUR DRAFT ACCOMPANIED BY THE FOLLOWING DOCUMENT:

A STATEMENT THAT HAS BEEN SIGNED AND DATED BY AN AUTHORIZED OFFICER OF THE BENEFICIARY STATING:

1. "WE CERTIFY THAT OUR DRAWING IN THE AMOUNT OF _____ US DOLLARS (\$_____) UNDER IRREVOCABLE STANDBY LETTER OF CREDIT #---- -, REPRESENTS FUNDS DUE AND OWING TO US AS A RESULT OF THE FAILURE OF [CONTRACTOR] TO COMPLY WITH ONE OR MORE OF ITS OBLIGATIONS UNDER CONTRACT #[NUMBER] DATED [EFFECTIVE DATE]."
2. "WE CERTIFY THAT THE AMOUNT OF THE DRAFT PRESENTED DOES NOT EXCEED THE GREATER OF THE AMOUNT ALLOWED PURSUANT TO THE CONTRACT OR THE AMOUNT IN DISPUTE LESS ANY AMOUNTS PREVIOUSLY DRAWN UNDER THIS LETTER OF CREDIT."
3. "WE CERTIFY THAT A LETTER DATED AT LEAST SEVENTY-TWO (72) HOURS PRIOR TO THE DRAWING UNDER THIS LETTER OF CREDIT ADDRESSED TO [CONTRACTOR] READING AS FOLLOWS: 'WE HEREBY INDICATE OUR INTENTION TO DRAW UNDER IRREVOCABLE STANDBY LETTER OF CREDIT #----', HAS BEEN SENT TO THE REPRESENTATIVE FOR [CONTRACTOR] WHO HAS BEEN DESIGNATED TO RECEIVE NOTICES ON BEHALF OF [CONTRACTOR] UNDER CONTRACT #[NUMBER]."

WE HEREBY AGREE WITH THE BENEFICIARY THAT ALL DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF

CREDIT WILL BE DULY HONORED IF PRESENTED TOGETHER WITH THE DOCUMENTS AS SPECIFIED HEREIN – EITHER IN PERSON AT OUR OFFICE LOCATED AT [ADDRESS] OR BY EXPRESS MAIL OR OVERNIGHT COURIER.

PARTIAL DRAWINGS AND MULTIPLE PRESENTATIONS ARE PERMITTED.

ALL AMOUNTS DRAWN IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT WILL BE TRANSFERRED BY WIRE TRANSFER INTO THE BENEFICIARY'S BANK ACCOUNT NUMBER PROVIDED AT THE TIME OF DRAWING.

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 600.