

**STATE OF GEORGIA  
GEORGIA NONPUBLIC POSTSECONDARY EDUCATION COMMISSION  
IRREVOCABLE STANDBY LETTER OF CREDIT**

**Issuing bank:**

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Telephone Number:** \_\_\_\_\_

**To Beneficiary:**

State of Georgia  
Georgia Nonpublic Postsecondary Education Commission  
2082 E Exchange Pl # 220  
Tucker, GA 30084

**Date:** \_\_\_\_\_

**Institution:** \_\_\_\_\_

**Amount:** \_\_\_\_\_

**Expiration Date:** \_\_\_\_\_

Dear Sir or Madam:

We establish our Irrevocable Standby Letter of Credit, **Identification Number:** \_\_\_\_\_ (“Letter of Credit”) in favor of the State of Georgia and the Georgia Nonpublic Postsecondary Education Commission (“GNPEC”), (“Beneficiary”) for the account of [*Name of Institution*] (“Institution”) in the amount of [*U.S. Dollars*], available by your draft (or drafts drawn on us) at sight accompanied by:

- (a) The original of this Letter of Credit, together with any executed amendments to same; and
- (b) A statement of the Executive Director of GNPEC certifying the following:
  - 1. A person or governmental subdivision or trust fund of the State of Georgia has suffered loss or damage as a result of any act or practice which is in violation of the Nonpublic Postsecondary Educational Institutions Act of 1990, O.C.G.A. § 20-3-250.1, et seq. or the rules and regulations of GNPEC; and
  - 2. The amount of loss or damage incurred by such person or governmental subdivision or trust fund as determined by the Executive Director of GNPEC in his or her sole discretion, and confirmation of the amount of loss or damage which has been paid by the Institution (if any).

Without limiting the effect of any provision herein which is not in conflict therewith, this Letter of Credit shall be interpreted as a statutory “bank standby letter of credit” in accordance with O.C.G.A. § 20-3-250.10(b).

We acknowledge and agree that the amount of this Letter of Credit is determined in accordance with the formula set forth in O.C.G.A. § 20-3-250.10(b).

The undersigned certifies to Beneficiary that the bank is a federally insured financial institution (**FDIC no.:** \_\_\_\_\_).

We acknowledge and agree that Beneficiary may make partial and multiple drawings on this Letter of Credit and that drafts drawn in compliance with the terms herein will be duly honored upon due presentation at

our offices on or before the expiration date of this Letter of Credit. **All drafts must be marked as follows: (Attach Bank's instructions; Example: Drawn under Bank Standby Letter of Credit No.)**

The expiration date of this Letter of Credit shall be deemed automatically extended, without amendment, for one (1) year from the expiration date hereof and from any future expiration date unless, at least sixty (60) days prior to any expiration date, we send notification to GNPEC to its address indicated herein in writing by certified mail, return receipt requested, UPS or FEDEX that the expiration date of this Letter of Credit will not be extended beyond its current expiration date. We agree to notify GNPEC in writing sent via certified mail, return receipt requested, UPS or FEDEX if Institution fails to take any necessary action which is required to renew or extend this Letter of Credit within sixty (60) days of its expiration. Upon any such notice described herein, Beneficiary may make a draft, up to the then current expiration date, at sight accompanied by:

1. A statement signed by GNPEC's Executive Director, stating: "The undersigned, being the Executive Director of GNPEC, a beneficiary of **Letter of Credit No.** \_\_\_\_\_, hereby certifies that GNPEC is in receipt of a written notice from \_\_\_\_\_ **Bank** that the expiration date of the aforementioned Letter of Credit will not extend beyond its current expiration date and GNPEC has not received a replacement letter of credit or other acceptable security."
2. This original Letter of Credit, together with any executed amendments to same.

We agree to provide Beneficiary immediate notice of the (1) the insolvency or bankruptcy of the our bank or (2) any violations of regulatory requirements that could result in suspension or revocation of the bank's charter or license to conduct business. The bank also shall give immediate notice, if the bank, for any reason, becomes unable to fulfill its obligation under the Letter of Credit.

Except as expressly stated herein, this undertaking is not subject to any agreement, condition, or qualification. Our obligation under this Letter of Credit is the individual obligation of our bank, and is no way contingent upon our bank's reimbursement from the Institution.

This Letter of Credit is subject to International Standby Practices (ISP98) and shall be governed by Georgia law. In the event of a conflict between ISP98 and Georgia law, Georgia law shall control.

Sincerely,

**NAME OF BANK:** \_\_\_\_\_

By (Signature): \_\_\_\_\_

Name: \_\_\_\_\_

Its (Title): \_\_\_\_\_

**Accepted by:**

**STATE OF GEORGIA  
GEORGIA NONPUBLIC POSTSECONDARY  
EDUCATION COMMISSION**

By (Signature): \_\_\_\_\_

Name: \_\_\_\_\_

Its (Title): \_\_\_\_\_

**Approved as to form:**

**INSTITUTION**

By (Signature): \_\_\_\_\_

Name: \_\_\_\_\_

Its (Title): \_\_\_\_\_