

Division of Regulation
and Inspection



107 Corporate Drive
Frankfort, KY 40601
Phone: (502) 573-0282
Fax: (502) 573-0303

Kentucky Department of Agriculture

FILING IN LIEU OF BOND **UNDER KRS 251.355** **(LETTER OF CREDIT)**

Irrevocable Letter of Credit #: _____

Purchaser: _____

Drawn under (bank or person): _____

Beneficiary: **Commonwealth of Kentucky**
Department of Agriculture,
State Board of Agriculture, Commissioner or Authorized Agent

Last Date for Draw: _____

Amount of Credit: _____

I, _____, authorized agent for _____, a licensed grain dealer do hereby certify that the above information is true, have attached a copy of the above described irrevocable letter of credit hereto, and submit the same to the Kentucky Department of Agriculture in lieu of bond pursuant to KRS 251.355.

By: _____

Authorized Agent

Subscribed and sworn before me this _____ day of _____, _____.

Notary Public

My commission expires: _____.

Date: _____

Irrevocable Credit No. _____

Our Customer: _____

Gentlemen:

We hereby open our Irrevocable Letter of Credit in your favor for the principal amount of (\$ _____) for a sum or sums not exceeding a total of (\$ _____) (\$ _____) available by your written demand(s) for payment or your draft(s) on us at Sight when accompanied by Notice of Insufficient Grain and an Authorization to Receive Payment Letter signed by the State Board of Agriculture, Commissioner of Agriculture or Authorized Agent per draft or per demand.

It is a condition of this Letter of Credit that it will be automatically extended for additional period of up to one (1) year from the then relevant expiry date unless ninety (90) days prior to that relevant expiry date, we notify you that we elect not to extend this Letter of Credit whereupon you may elect either to obtain cash collateral by drawing your one sight draft on us for an amount not to exceed the unused balance of the letter of Credit, or to let the Letter of Credit expire.

For the purposes of this credit, our notice not to extend shall mean:

- 1) that we send our notification to you at the above listed address by registered mail (return receipt requested) dated not less than ninety (90) days prior to expiration; and**
- 2) that, in the event, prior to fifteen (15) days before the then relevant expiry date, we have not received either your draft on us, we will hand deliver our notification to and obtain a receipt from: Manager, Grain, Department of Agriculture, or the official's designated representative, not less than five (5) days prior to the then relevant expiry date. In the event we shall have failed to notify you as described above, this Letter of Credit shall be automatically extended for a period of one (1) year; and**
- 3) that, in the event you draw your draft upon us in response to our notice not to extend, such draft need not be accompanied by a Notice of Insufficient Grain. Drafts must be negotiated not later than (date of expiration) (/ /). All drafts or written demand(s) for payment drawn under this credit shall state that they are "drawn under**

(Name of issuer) _____ Irrevocable Letter of Credit:

No. _____ Dated ____/____/____.

We hereby agree with the drawers, endorsers, bona fide holders, and assignees of drafts drawn under and in compliance with the terms of this credit or written demand(s) for payment that such drafts will be duly honored on due presentation to the drawee.

The terms “we” or “us” as used in this Irrevocable Letter of Credit means (name of Issuer) _____. The terms “you” or “yours” as used in this Irrevocable Letter of Credit means an authorized representative of the Commonwealth of Kentucky, Department of Agriculture.

Yours very truly,

**Authorized Signature
Of: (Corporate seal)**

