Maryland Department of Agriculture
Grain Law Section
50 Harry S. Truman Parkway
Annapolis, MD 21401-7080

RE: Letter of Credit:_____
Issue Date:_____
Letter of Credit Amount:_____
Applicant:_____
Address:_____
_____
Expiration Date:_____

Dear Beneficiary:

We, _____(name of bank), hereby establish our irrevocable standby letter of credit in favor of the Maryland Department of Agriculture (MDA), as beneficiary, placing a hold on funds in Account _____ (account number of licensee/applicant). MDA may draw on these funds in the form of a sight draft, not to exceed, $_____, when the following conditions are met:

The licensee, _____, has failed to satisfy a grain producer's lawful claim for all grain delivered; (1) The producer has filed suit and a judgment has been docketed in the producer's favor against the licensee over the producer's claim in a court of competent jurisdiction; and the producer has been unsuccessful in collecting the amount of the judgment; or (2) a producer's claim filed in a bankruptcy proceeding against the licensee is unsatisfied after the proceeding is closed.
Therefore, MDA demands payment of USD $_____ under the _____(name of bank) Letter of Credit #_____.

Sincerely,

_____
(Name of Bank)

_____ BY:_____
(Witness) (Authorized Bank Official)

Authorized to honor sight draft on account #_____(account of licensee/applicant) under the terms outlined in this letter.

_____ BY:_____
(Witness) (Licensee/Applicant)