**PENNSYLVANIA MILK MARKETING BOARD**

**SAMPLE COPY – LETTER OF CREDIT**

**(MUST BE ON FINANCIAL INSTITUTION’S LETTERHEAD)**

IRREVOCABLE LETTER OF CREDIT NO. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

INITIAL LICENSING PERIOD: JULY 1, \_\_\_\_\_\_ through JUNE 30, \_\_\_\_\_\_

AMOUNT: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ US DOLLARS

Commonwealth of Pennsylvania

Milk Marketing Board

2301 North Cameron Street

Harrisburg, PA 17110-9408

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

We hereby authorize you to draw on (Name of Financial Institution) for the account of (Name of Licensee) up to an aggregate amount of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ US Dollars available by your drafts at sight.

Drafts must be accompanied by a Pennsylvania Milk Marketing Board (PMMB) Citation or Order alleging that the above named milk licensee is in violation of the Milk Marketing Law, the Milk Producers’ Security Act, PMMB regulations, PMMB Official General Orders, or the bond secured by this letter, with respect to payment for milk purchased during the licensing period above or subsequent annual renewals thereafter.

Drafts must indicate “Drawn against Letter of Credit No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_.” Partial drawings are permitted.

The Expiration Date is December 31 following the initial licensing period above and December 31 of subsequent years for each annual renewal thereafter. This letter automatically renews annually on July 1, unless the Bank notifies PMMB prior to June 15 of the then current licensing period, in writing, of its intent not to renew this letter for a subsequent licensing period. This letter is irrevocable and will remain in effect through December 31, following the last covered license period, unless released in writing PMMB.

This letter is governed by Pennsylvania law, and the forum for settling any disputes arising from it shall be Pennsylvania.

Intending to be legally bound, the financial institution has signed below by an authorized signer.

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name and Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone and email: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_