

COMMONWEALTH OF KENTUCKY  
Department of Education  
Office of District Support Services

**Bond of "Depository" for Public School Funds**

The undersigned, **Citizens Bank & Trust Co. of Jackson, Kentucky**, hereinafter referred to as the Depository, hereby acknowledges itself bound to the Commonwealth of Kentucky, and the **Breathitt County Board of Education**, in the penal sum of **Four Million Two Hundred Thousand Dollars and no cents (\$4,200,000.00)\*** that it, as depository of the Board of Education, shall well and truly discharge the duties of said office according to law, account for, to the proper authorities, and pay over to all parties legally entitled thereto on proper warrants all funds that may come into its hands as Depository of the Board of Education aforesaid for a period not to exceed two (2) years, beginning July 1, 2019.

As collateral for this undertaking the undersigned hereby pledges **Federal Home Loan Bank Line of Credit** (type of collateral \*\*) in the principal sum of **Four Million Two Hundred Thousand Dollars and no cents (\$4,200,000.00)**, on standby at the Federal Home Loan Bank, Cincinnati, OH hereinafter referred to as the Escrow Agent, evidenced by the letter of credit issued to the local board of education, provided, however, that at no time shall the letter of credit be reduced without the execution of a new bond which shall have prior approval by the Commissioner of Education.

The undersigned, the Depository, hereby reserves the right unto itself, (1) to detach and collect for its own use and benefit all coupons of said bonds as they mature; (2) to substitute for any of said bonds, other United States Government bonds and/or Kentucky School Revenue Bonds of the same face or par value; (3) to terminate all liability under this bond and escrow deposit by giving a thirty (30) day notice, in writing, of its intention to do so to the chairperson of the Breathitt County Board of Education, by registered mail, addressed to such chairperson at the Local Board of Education, and to the chairperson of the Kentucky Board of Education, by registered mail, addressed to such chairperson at Frankfort, Kentucky. Within the thirty days, the Depository shall make statements with the board, pay over all funds in its hand to the board, and exhibit to the Escrow Agent a copy of the settlement, duly receipted by the secretary and chairperson of the board. The Board of Education shall cancel this bond only by giving a thirty (30) day notice in writing, of its intention to do so, to the Depository, by registered mail, and to the chairperson of the Kentucky Board of Education by registered mail.

It is further conditioned that liability of this bond is not to be effectual until Federal Deposit Insurance Corporation (FDIC) protection is exhausted.

IN WITNESS WHEREOF, the undersigned has caused its corporate name to be subscribed and its corporate seal to be affixed hereof, this 10th day of June, 2019.

Name of Bank: **Citizens Bank & Trust Co. of Jackson**

By (Bank Official): *Diane Dunahoo* Title: **Executive Vice President**

We hereby certify to the Commissioner of Education that the bond appearing hereon is a true copy of the bond executed and delivered by the Depository of this Board of Education, and it was approved by the \_\_\_\_\_ Board of Education on \_\_\_\_\_, 20\_\_\_\_.

Chairperson \_\_\_\_\_ Secretary \_\_\_\_\_

\* Should agree with penal sum for either METHOD 1 or METHOD 2.

\*\* This collateral shall consist of investments that conform to KRS 41.240 and KRS 66.480.

\*\*\* May not be less than penal sum.

**TO BE RETAINED AT THE LOCAL SCHOOL BOARD OFFICE**