

SAMPLE LETTER OF CREDIT
FOR
COMMERCIAL ENTRANCE CONSTRUCTION

Bank Letterhead

Address to Public Works Engineer in appropriate District as follows:

| | | |
|---|---|---|
| New Castle County (DelDOT Canal District) 250 Bear-Christiana Road Bear, DE 19701 (302) 326-4679 | Kent County (DelDOT Central District) 930 Public Safety Blvd. Dover, DE 19901 (302) 760-2433 | Sussex County (DelDOT South District) 23697 DuPont Blvd. Georgetown, DE 19947 (302) 853-1340 |
|---|---|---|

RE: Irrevocable Commercial Letter of Credit No. _____

_____ *(name of Development)*
in _____ County.

Dear Sir or Madam:

We hereby establish our Irrevocable Commercial Letter of Credit in favor of the State of Delaware, Department of Transportation as beneficiary at the request of and for an account of _____ (applicant),
for an amount or amounts not to exceed _____
(\$ _____).

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This Letter of Credit is subject to the following terms and conditions:

Effective Date: _____

This credit is to be available by sight draft being presented to

_____ (Name of Bank)

at its main office at _____ (Address).

All drafts so drawn must bear the clause “Drawn Under” and the following information: Bank Name, Letter of Credit Number, and date.

The sight draft must be signed by the Director of the Division of Maintenance and Operations stating that “ _____ (applicant) has failed to perform construction of the site entrance, in accordance with the entrance construction permit and the irrevocable Letter of Credit in favor of the State of Delaware, Department of Transportation, pertaining thereto. Demand is hereby made in the amount of the enclosed draft.”

This Letter of Credit will expire on _____. The bank agrees to notify the State sixty (60) calendar days prior to expiration to permit a request for an extension or to permit the State to draw thereon. Bank agrees that such notice will be sent by registered mail to the appropriate Public Works Engineer as indicated in the table below and shall contain the Development name, applicant name, and County where the property is located.

| | | |
|--|--|--|
| <p>New Castle County (DelDOT Canal District) Public Works Engineer 250 Bear-Christiana Road Bear, DE 19701 (302) 326-4679</p> | <p>Kent County (DelDOT Central District) Public Works Engineer 930 Public Safety Blvd. Dover, DE 19901 (302) 760-2433</p> | <p>Sussex County (DelDOT South District) Public Works Engineer 23697 DuPont Blvd. Georgetown, DE 19947 (302) 853-1340</p> |
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Bank agrees that such notice would be effective only if it is sent by registered mail. In the event such notice is not given, this Letter of Credit shall automatically renew until such notice is received. It shall then expire (60) sixty calendar days from the receipt of such notice. This credit will automatically terminate as of the date the State of Delaware, Department of Transportation, notifies Bank that it has accepted the entrance and exit appurtenances.

Except as otherwise stated herein, no modification or revocations may be made by the undersigned to the irrevocable credit created hereby, without the express written approval of the Public Works Engineer, Delaware Department of Transportation.

All bank charges connected with this Letter of Credit are for the account of the applicant.

This Letter of Credit is neither negotiable nor assignable.

Very Truly Yours,

(Signature)

(Printed Name)

SURETY AGREEMENT
FOR
COMMERCIAL ENTRANCE CONSTRUCTION

KNOW ALL PERSONS BY These Presents that: _____ (applicant) whose address is _____

hereinafter called "Developer" and

_____ as surety legally authorized to do business in Delaware,

whose address is _____

hereinafter called "Surety" are held firmly bound unto the State of Delaware

in the sum of _____ (\$ _____)

(said sum being 150 percent of the total price agreed upon by DelDOT and the Developer for the construction of the entrance and exit appurtenances as set forth in this Agreement), to be paid to the State of Delaware for the use and benefit of DelDOT if the Developer fails to meet the conditions of this obligation.

SEALED with our seals and dated this _____ day of _____, _____.

NOW THE CONDITIONS OF THIS OBLIGATION ARE SUCH that if the Developer, who is responsible for the construction of the entrance and exit appurtenances set forth in this Agreement for the property located at: _____,

known as _____,

DelDOT Project Number _____, fails to construct such entrance and exit appurtenances in accordance with the provisions of the fully executed permit for entrance construction, as determined by DelDOT, the bond shall be forfeited in favor of the State of Delaware. Bond forfeiture shall occur within sixty (60) days of receipt of written notification by DelDOT. Should the Developer complete all construction in accordance with the aforesaid permit, then this obligation shall be void and of no effect, or else shall be and remain in full force and virtue until such entrance and exit appurtenances are accepted by DelDOT.

EXECUTED by the parties hereto the day and year first herein written.

For Surety Company:

Attest:

(Signature)

(Typed Name)

(Position Title)

For Developer:

Attest:

(Signature)

(Typed Name)

(Position Title)

ESCROW AGREEMENT

FOR

COMMERCIAL ENTRANCE CONSTRUCTION

KNOW ALL PERSONS by These Presents that: _____ (Property Owner)
whose address is _____
and whose Employer Federal Identification Number is _____,
hereinafter call "Developer" having furnished DelDOT a certified check

in the amount of _____ (\$ _____)
(said sum being 150 percent of the total price agreed upon by DelDOT and the Developer for the
construction of the entrance and exit appurtenances as set forth in this Agreement), to be deposited into
DelDOT's Escrow Account, does hereby relinquish said amount to the State of Delaware for the use and
benefit of DelDOT, to which payment will and truly be made we bind ourselves, our successors and
assigns, firmly by these presents.

SEALED with our seals and dated this _____ day of _____, _____.

NOW THE CONDITIONS OF THIS OBLIGATION are such that if the Developer, who is responsible
for the construction of the entrance and exit appurtenances set forth in this Agreement for the property
known as _____,
fails to construct such entrance and exit appurtenances in accordance with the provisions of the fully
executed permit for entrance construction, as determined by DelDOT, the funds shall be forfeited in favor
of the State of Delaware. Forfeiture shall occur within sixty (60) days of receipt of written notification by
DelDOT. Should the Developer complete all construction in accordance with the aforesaid permit, then
this obligation shall be void and of no effect, or else shall be and remain in full force and virtue until such
entrance and exit appurtenances are accepted by DelDOT. Upon completion of all work to the
satisfaction of DelDOT the funds held in escrow shall be released by DelDOT.

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EXECUTED by the parties hereto the day and year first herein written.

Attest: DelDOT

(Signature)

(Typed Name)

(Position Title)

Attest: Owner/Developer

(Signature)

(Typed Name)

(Position Title)

Sworn and subscribed before me this ____ day of _____, 20____

Notary Public Signature _____