

Sample Securities for Commercial entrances

Three Types of Securities to choose from:

1) Letter of Credit

2) Surety

3) Certified check

Submit check to DeIDOT Finance section at 800 Bay Road, Dover, DE 19901 contact person Danielle Dixon. (with escrow agreement and W-9 Form filled out on line at...

http://accounting.delaware.gov/w9_notice.shtml

)

Irrevocable Commercial Letter of Credit

(Name of Bank)

(Address)

(Phone Number) _____
(Date)

DelDOT Central District
c/o Public Works Engineer
930 Public Safety Boulevard
Dover, DE 19901

Ref: Irrevocable Commercial Letter of Credit No. ()
_____ (name of project) in Kent 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
_____ (\$_____).

This letter of credit is subject to the following terms and conditions:

- 1. Effective Date: _____
- 2. This credit is to be available by sight draft being presented to _____ (Name of Bank) at the 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.
- 3. The sight draft must be signed by the Director of Maintenance and Operations stating that " _____(applicant) has failed to perform construction of the following 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."

Letter of Credit Continued:

4. This letter of credit will expire on _____. The bank agrees to notify the State thirty (30) 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 below and shall contain the Projects name, applicant name and county where the property is located.

**State of Delaware
Department of Transportation
Central District
c/o Public Works Engineer
930 Public Safety Blvd
Dover, DE 19901**

Bank agrees that such notice will 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.

5. 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, Department of Transportation.
6. All bank charges connected with this Letter of Credit are for the account of the applicant.
7. This Letter of Credit is neither negotiable nor assignable.

Attest: Notary Public

**SWORN TO AND SUBSCRIBED,
Before Me This _____ Day,
Of _____,
(Month) (Year)**

**Very Truly Yours,
Attest:**

(Signature)

(Printed Name)

(Notary Public)

Surety for Entrance Construction

KNOW ALL MEN by These Presents that: _____
(property owner) whose address is _____

_____ hereinafter called "Developer" and _____ as surety legally authorized to do business in Delaware, whose address is _____

_____ hereinafter called "Surety" is held firmly bound unto the State of Delaware in the sum of _____ (\$ _____) (said sum being 150% of the total price agreed upon by the Division of Highway and the Developer for the construction of the entrance and exit appurtenances as set forth in this agreement,) to be paid to the said 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 IS 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 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 the Delaware Department of Transportation. 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.

Attest: Secretary

Attest: Owner/Developer

BY: _____
(Signature)

BY: _____
(Signature)

(Printed Name)

(Printed Name)

Attest: Notary Public

SWORN TO AND SUBSCRIBED,
Before Me This _____ Day, Of _____, 20____,

(Notary Public)

Escrow Agreement for Entrance Construction

KNOW ALL MEN by These Presents that:

(property owner) whose address is _____ and whose
Employee Federal Identification Number is _____,
hereinafter call "Developer" having furnished DelDOT a certified check in the amount of

(\$ _____) to be deposited in the Department Escrow Account (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, 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.

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

Attest: Witness

Attest: Owner/Developer

BY: _____

BY: _____

(Signature)

(Signature)

(Printed Name)

(Printed Name)

Attest: Notary Public

SWORN TO AND SUBSCRIBED,
Before Me This _____ **Day,**
Of _____, _____.

(Signature)