

[NAME AND ADDRESS OF ISSUER]

ATTN: Sussex Conservation District  
23818 Shortly Road  
Georgetown, DE 19947

**RE: IRREVOCABLE COMMERCIAL LETTER OF CREDIT NO.**  
\_\_\_\_\_ **(WARRANTY LOC)**

**AGREEMENT NO.** \_\_\_\_\_

**AGREEMENT NAME:** \_\_\_\_\_

To Whom it May Concern:

We hereby establish our Irrevocable Commercial Letter of Credit ("Letter of Credit") in favor of Sussex Conservation District, a governmental subdivision of the State of Delaware ("District"), as beneficiary, at the request of \_\_\_\_\_, of \_\_\_\_\_ ("Principal"), for an amount(s) not to exceed \_\_\_\_\_ Dollars (\$\_\_\_\_\_) (the "Credit"), to be accepted by your signed statement that drawing is due to the default or failure to perform by the Principal the obligations contained in the above-referenced Agreement.

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

1. Effective Date: \_\_\_\_\_.
2. Expiration Date: \_\_\_\_\_. THE EXPIRATION DATE OF THIS LETTER OF CREDIT SHALL BE AUTOMATICALLY EXTENDED FOR ADDITIONAL ONE (1) YEAR PERIODS BEGINNING WITH THE EXPIRATION DATE AND EACH ANNIVERSARY OF SUCH DATE, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO SUCH EXPIRATION DATE OR ANNIVERSARY OF SUCH DATE, AS THE CASE MAY BE, WE NOTIFY DISTRICT, IN WRITING, BY CERTIFIED MAIL OR OVERNIGHT COURIER, ADDRESSED TO THE DISTRICT AT 23818 SHORTLY ROAD GEORGETOWN, DE 19947, THAT WE ELECT NOT TO EXTEND THIS LETTER OF CREDIT.
3. This Credit is to be available by sight draft being presented to \_\_\_\_\_ (NAME OF BANK) at its main office at \_\_\_\_\_. All drafts so drawn must bear the clause "Drawn under \_\_\_\_\_ (NAME OF BANK) letter of credit number \_\_\_\_\_, dated \_\_\_\_\_."

4. Principal is obligated to warrant that said materials and labor shall remain free from defects in materials and workmanship and shall continue to effectively function and endure without the need for repair and replacement for a period of two (2) years from the completion and approval thereof, or until One Hundred Percent (100%) of the site is at the point of Final Stabilization, as defined by the Delaware Sediment and Stormwater Regulations (7 Del. Admin. Code § 5101), which ever should occur first (hereinafter the “Warranty Period”).

5. The sight draft must be signed by an authorized representative of the District stating, “\_\_\_\_\_ (PRINCIPAL) has failed in its obligation to ensure that all materials and labor provided pursuant to the Agreement between Principal and District (Agreement No. \_\_\_\_\_), and all plans and specifications attendant thereto, remain free from defects in materials and workmanship and shall continue to effectively function and endure without the need for repair and replacement for the Warranty Period. Demand is hereby made in the amount of the enclosed draft.”

6. Except as otherwise stated herein, no modifications or revocations may be made by the undersigned to the irrevocable credit created hereby, without the express written approval of District.

7. Drafts drawn in favor of District shall not relieve Principal of any other liability it may have for the satisfactory repair and/or replacement of the improvements called for under the Agreement or otherwise required.

8. Except insofar as otherwise expressly stated, this Letter of Credit is to be governed and construed in accordance with Delaware law, and to the extent not inconsistent therewith, the Uniform Customs and Practices for Documentary Credits, 2007 Revision, ICC Publication no. 600.

Very truly yours,

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Bank