

**LAKE WORTH DRAINAGE DISTRICT  
OPERATING POLICIES**

**Chapter 3: Engineering & Permitting Requirements**

**3.2 Bonds or Letters of Credit**

**3.2.1 Cash Bonds**

Cash bonds given to LWDD shall be deposited in a LWDD approved account. LWDD will retain all interest earned during the time of investment.

**3.2.2 Bonds and Letters of Credit**

**3.2.2.1**

Letters of Credit shall be submitted to LWDD on standard bank approved performance obligation type letters. Letters of Credit must be signed by bank officers and have the appropriate bank seal affixed. **See the sample Letter of Credit at the end of this section.**

**3.2.2.2**

Bonds shall be submitted to LWDD on standard insurance approved performance obligation type bonds. Bonds must be signed by authorized agents. **See the sample Performance Bond at the end of this section.**

**3.2.2.3**

All Bonds or Letters of Credit shall be returned within ninety (90) days after acceptance, by LWDD, of record drawings for the project.

**3.2.3 Amounts**

All Bonds or Letters of Credit shall be for 110% of the construction cost. All Bonds or Letters of Credit shall be submitted with a certified construction cost estimate, signed and sealed by a Florida registered professional engineer.

**IRREVOCABLE LETTER OF CREDIT**

DATE OF ISSUE:

APPLICANT:

BENEFICIARY: Lake Worth Drainage District  
13081 Military Trail, Delray Beach, FL 33484

AMOUNT:

EXPIRATION DATE:

We hereby open our Irrevocable Letter of Credit No. \_\_\_\_\_ in favor for the account of \_\_\_\_\_, which such credit may be drawn by said Beneficiary at \_\_\_\_\_ (Address) \_\_\_\_\_ on us.

Demands on the Letter must be accompanied by a statement from the **Executive Director of Lake Worth Drainage District**, certifying either: (1) that said Letter of Credit is about to expire and has not been renewed; or (2) that work has not been completed in accordance with the plans, specifications and agreements (including any amendments thereof) for the following project:

\_\_\_\_\_ (Name of Project)

The initial expiry date of this Letter of Credit is \_\_\_\_\_.

We hereby agree with the drawers, endorsers, and bona fide holders of all drafts under and in compliance with the terms of the credit, that such drafts will be duly honored upon presentation to \_\_\_\_\_ (Name of Florida Bank) at \_\_\_\_\_ (address) \_\_\_\_\_, in accordance with the terms hereof. If this draft is not honored upon presentation, \_\_\_\_\_ (Name of Florida Bank) agrees to pay costs incurred by the Lake Worth Drainage District in enforcing this Letter of Credit, including attorney fees.

This credit is subject to the "Uniform Customs and Practice for Documentary Credits" (1993 revision), International Chamber of Commerce Publication No. 500 and to the provisions of Florida Law. If a conflict between the Uniform Customs and Practice for Documentary Credits and Florida Law should arise, Florida Law shall prevail. If a conflict between the law of another state or country and Florida Law should arise, Florida Law shall prevail.

BY: \_\_\_\_\_ (Name of Florida Bank)

\_\_\_\_\_  
(Signature of Authorized Bank Officer)

\_\_\_\_\_  
(Printed Name and Title of Officer)

To be Prepared on Surety Letterhead

## PERFORMANCE BOND

**KNOW ALL MEN BY THESE PRESENTS:** That \_\_\_\_\_ (Principal) \_\_\_\_\_, having an address of \_\_\_\_\_ as ("Principal"), and \_\_\_\_\_ (Surety) \_\_\_\_\_, having an address of \_\_\_\_\_ (Local Address) \_\_\_\_\_ as ("Surety"), having heretofore complied with all requirements of the laws of the State of Florida regulating the admission of such transacted business in this State, as Surety, are held and firmly bond unto the Lake Worth Drainage District, a special taxing district of the State of Florida, having an address of 13081 Military Trail, Delray Beach, Florida 33484-1105, in the full and just sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), lawful money funds of the United States of America, for which sum well and truly to be paid to said Lake Worth Drainage District ("LWDD"), the said Principal and the said Surety do hereby bind themselves, their heirs, executors, administrators, successors or assigns respectively, as the case may be, jointly and severally, firmly by these presents.

**WHEREAS**, the said Principal is required to furnish a Performance Bond to guarantee the completion of the project as required by the permit/agreement Principal executed with Lake Worth Drainage District.

Drafts made under this Performance Bond shall be marked as "Drawn under Performance Bond Number \_\_\_\_\_", and must be accompanied by written notice from LWDD that Principal failed to meet its obligation under the terms of its permit/agreement.

Venue for any administrative proceeding or judicial action from this Performance Bond, including any action to enforce its terms against the Surety, shall be in Palm Beach County, Florida.

This Performance Bond shall be in effect, without amendment, until the date set forth herein. If the Surety elects to terminate the Performance Bond, notice to LWDD that this Performance Bond will expire prior to performance of the Principal's obligations shall be deemed a default by the Principal.

This Performance Bond shall remain in full force until completion of the project and approval of the project by LWDD, pursuant to the terms of the Principal's permit/agreement.

**IN WITNESS WHEREOF**, the parties have hereunto set their hands and seals, by action causing their authorized representatives to sign these presents, pursuant to the authority of their governing bodies on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Principal Name (Printed)

Attested by: \_\_\_\_\_  
Principal's Authorized Agent

\_\_\_\_\_  
Surety Name (Printed)

Attested by: \_\_\_\_\_  
Surety's Authorized Agent

**SIGNED AND SEALED  
IN THE PRESENCE OF:**

\_\_\_\_\_  
Witness Name (Printed)

Witnesses: \_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Witness Name (Printed)

Witnesses \_\_\_\_\_  
Witness Signature