City of Springfield, Oregon
Irrevocable Letter of Credit in Lieu of Bond

City of Springfield
DPW Permit Projects
225 Fifth Street
Springfield, OR 97477

Project Title: *Insert the complete project title as shown on the Final City of Springfield Public Improvement Project Permit Agreement*

Project Number: *Insert the complete Public Improvement Project Number*

Project Description: *Insert a brief description of what is being secured with this Irrevocable Letter of Credit*

Project Location: *Insert the location of the project secured with this Irrevocable Letter of Credit*

Financial Institution - Bank: *Insert the complete legal name of Bank*

Developer: *Insert the complete legal name of Developer*

THIS AGREEEMENT made and entered into this _____ day of _____, 20_____ by and between _*Insert complete legal name of Developer*_____, hereinafter referred to as "Developer," and __*Insert complete legal name of Bank*_ _____, hereinafter referred to as "Bank" and the City of Springfield, Oregon, a municipal corporation of the state of Oregon, hereinafter referred to as "City" for the purpose of guaranteeing the Completion and Acceptance of Project Number _*Insert Project Number (will not be accepted without accurate Project Number.)*_, titled _*Insert the complete project title as shown on the Final City of Springfield Public Improvement Project Permit Agreement (will not be accepted without complete and accurate project title)*_____, hereinafter referred to as "Project."

WHEREAS, City requires a Guaranty by Developer insuring the completion and formal acceptance of Project as specified in the Engineering Design Standards and Procedures Manual, Chapter 12.00 et al; including any warranty period that may be required.

WHEREAS, Developer herein, in lieu of bond, wishes to provide such a guarantee through an Irrevocable Letter of Credit from the Bank named above, until released by City.

IN CONSIDERATION of the mutual covenants set forth below, the undersigned parties do covenant and agree as follows:

1. City agrees that Developer, in lieu of posting a Performance Bond with respect to Project, may provide an Irrevocable Letter of Credit with the above named Bank for the sum of _____ _____ ($_____) to guaranty the completion and formal City acceptance of Project in accordance with all terms and specifications including, but not limited to, the warranty period as set forth in the Engineering Design Standards and Procedures Manual.

2. Bank agrees to provide an Irrevocable Letter of Credit upon the following conditions:

   2.1 The Irrevocable Letter of Credit contains no expiration date and shall remain in force until released by written approval of an authorized agent of the City of Springfield, Oregon.

   2.2 Release of the funds secured by the Irrevocable Letter of Credit will not be made to the Developer or any other party without the written approval of an authorized agent of the City of Springfield, Oregon.

   2.3 Developer shall be responsible for any and all charges or costs charged by the Bank for the Irrevocable Letter of Credit.

   2.4 City shall notify the Bank of any known condition that in City's opinion constitutes a lawful claim against said funds for repair or replacement deemed necessary. Funds shall be released by Bank to City upon the written demand of an authorized agent of the City of Springfield stating that the City has determined that the required work has not been performed within applicable time limits, or that the work has not been properly performed. The Bank shall not have the duty or right to evaluate the correctness or appropriateness of any such written demand, notice or determination by City, and shall not interplead or in any manner delay payment of said funds to City.

2.5 Bank acknowledges that the Developer understands that the purpose of this Irrevocable Letter of Credit in lieu of bond is to guaranty the completion and formal acceptance of Project by the City, as well as its corresponding warranty period and until released by City, and agrees to the conditions as specified in this Irrevocable Letter of Credit.

2.6 By signing this agreement the Bank acknowledges the creation of an Irrevocable Letter of Credit Account in the Bank by Developer under Account No. _____ for the purposes stated herein and under the terms and conditions stated. This assignment of funds is irrevocable and cannot be canceled by the Bank or the Developer without the express written approval of an authorized agent of the City of Springfield.

3. Developer hereby agrees to this provision of a guarantee through the Irrevocable Letter of Credit, and that its obligation to perform the required project work is not limited to the amount of the Irrevocable Letter of Credit. Developer agrees that the cost of completion, repair, or replacement of the defects as required by Project is not limited to the amount of the Irrevocable Letter of Credit. Developer agrees that in the event the cost of completion, repair or replacement of the defects exceeds such amount of the Irrevocable Letter of Credit, the Developer is responsible for and shall immediately submit to the City sufficient funds, as specified by the City, to pay for the necessary completion, repair and replacement.

Financial Institution - Bank *(Please Print)*	Name of Developer *(Please Print)*
Address *(Please Print)*	Address *(Please Print)*
City State Zip Code	City State Zip Code
( )	( )
Phone Number	Phone Number
E-mail Address	E-mail Address
Financial Institution Representative *(Please Print)*	Name of Developer *(Please Print)*
Signature of Financial Institution Representative	Signature of Developer
Title *(Please Print)*	Title *(Please Print)*
Date	Date
City of Springfield	Date