

Ref: {LU/BLD}

Return to: Public Works Permitting, 1900 SW 4th Avenue, Room 5000, Portland OR 97201

SAMPLE LETTER OF CREDIT

(Please fill in blanks and retype on bank letterhead)

Date: _____

City of Portland

Pursuant to the request of our Customer _____

We the undersigned _____
(Bank name and address)

hereby establish our Irrevocable Letter of Credit No. _____ in your favor in the total amount of _____ Dollars (\$ _____) which guarantees the construction of _____ improvements on _____, as a condition of approval for _____, per plans and specifications for permit no. _____.

These funds may be drawn upon by our customer, with the written permission of the City, as construction progresses, up to 80% of the Chief Engineer's estimate of the actual completed cost of said improvements. Upon completion and acceptance of the entire improvement, the remaining 20% will be released in exchange for an acceptable maintenance bond with duration of at least two years in an equivalent sum. This maintenance bond must be submitted to and accepted by the City Attorney before the City signs the Certificate of Completion and before this Letter of Credit expires. The maintenance bond will be held for a period of two years commencing with the date of acceptance of the work,

In the event the City deems it necessary to draw upon this letter of credit to properly complete the improvements in accordance with the terms of the above referenced permit no. {PERMITNO} the City may request payment by submitting a written demand indicating the number of this Letter of Credit and the amount, payable at:

(Bank name and address, if local, or 1220 SW 5th Ave., if bank is not local)

This demand for payment will state the clauses of the permit considered in default. We shall honor your demand without inquiring whether you have a right between yourself and our said Customer to make such demand and without recognizing any claim of our said Customer.

This Letter of Credit guarantees the payment of monies only and will expire at our Counter only after all of said improvements are constructed and accepted by the City and a Certificate of Completion is signed by the City stating that said improvements have been constructed according to the terms and provisions of the said permit in accordance with the City of Portland's specifications and standards.

For: _____
(Bank name) _____
Signature

Letter of Credit Number _____
_____ Title

CHANGES TO THIS FORM REQUIRE APPROVAL FROM THE CITY ATTORNEY'S OFFICE