

**IRREVOCABLE LETTER OF ADVICE AND CONFIRMATION OF
CREDIT No. _____
(Performance Obligations)**

**To: City of Lynden
300 4th Street
Lynden, Washington 98264**

We have been requested by: _____

_____ (“Applicant”)

To advise you that the Applicant has obtained this Irrevocable Letter of Credit No. _____
in the aggregate amount of _____ DOLLARS
and _____ CENTS (\$_____._____) (“Funds”) in your favor. The
Funds will be released only under the following terms and conditions.

1. The Funds are reserved and held for the purpose of ensuring that the Applicant completes the obligations identified in the Agreement in Lieu of Bond for Performance Obligations, attached to this letter as Exhibit A and fully incorporated herein.
2. The Funds shall be released upon written request or confirmation from the City of Lynden that said Funds are needed to pay for work performed in connection with one or more of the tasks outlined in Exhibit A. The Funds shall not be released for any other purpose without the express written approval of the City of Lynden. Nothing contained herein shall limit the release of Funds for partial payment.
3. This Advice and Confirmation of Credit shall be automatically extended without amendment from year to year until the obligations are completed to the satisfaction of the City of Lynden.

We confirm the credit and undertake that disbursements made from this account will comply with the provisions contained herein.

BANK NAME: _____

Bank Authorization

Name: _____

Title: _____

Dated this _____ day of _____, 20_____.

PERFORMANCE BOND IN LIEU OF CONSTRUCTION

APPLICANT

By: _____
Its: _____
Approved and Accepted this _____ day of _____, 20 _____

CITY OF LYNDEN

By: _____
Its: _____
Approved and Accepted this _____ day of _____, 20 _____

EXHIBIT A

AGREEMENT IN LIEU OF BOND FOR PERFORMANCE OBLIGATIONS

(attach to Irrevocable Letter of Advice and Confirmation of Credit for Performance Obligations)

Project Name and Location: _____

The City of Lynden (“City”) and _____ (“Applicant”) agree that Applicant shall be responsible for the performance obligations set forth herein.

The purpose and intent of this Agreement is to define Applicant’s performance obligations for the below identified improvements, to be secured by an irrevocable letter of credit or assignment of savings, as approved by the City.

This Agreement and accompanying irrevocable letter of credit or assignment of savings is executed in lieu of a performance bond. This Agreement does not create a joint venture or partnership of any kind between the parties, nor does it create any third-party beneficiary rights.

Applicant shall construct _____ and all appurtenances thereto (“Improvements”) to City standards and as specified and in accordance with all conditions and requirements related to the project known as _____ (“Project”). The Improvements will be constructed for the Project, located at _____.

Upon full completion of the Improvements, Applicant shall request the City to cause an inspection of the Improvements and, if found satisfactory and accepted in writing by the City, then these obligations shall expire and any remaining funds shall be returned to Applicant; otherwise these obligations shall remain in full force and effect until the Improvements are constructed and accepted in writing as satisfactory by the City.

Dated this _____ day of _____, 20_____.

City of Lynden

Applicant

By: _____

By: _____

Its: _____

Its: _____

State of Washington)
) ss
County of Whatcom)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the ___ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this ____ day of _____, 20____.

Notary Public in and for the state of Washington.
Residing at _____.
My appointment expires: _____.

State of Washington)
) ss
County of Whatcom)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the ___ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this ____ day of _____, 20____.

Notary Public in and for the state of Washington.
Residing at _____.
My appointment expires: _____.