

**IRREVOCABLE LETTER OF ADVICE AND CONFIRMATION OF
CREDIT No. _____ (Maintenance 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 Maintenance Obligations, attached 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 identified in Exhibit A 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_____.

IRREVOCABLE LETTER OF ADVICE AND CONFIRMATION OF CREDIT NO. _____

APPLICANT

Name: _____

Title: _____

Approved and accepted this _____ day of _____, 20____.

CITY OF LYNDEN

Name: _____

Title: _____

Approved and accepted this _____ day of _____, 20____.

EXHIBIT A

AGREEMENT IN LIEU OF BOND FOR MAINTENANCE OBLIGATIONS (attach to Irrevocable Letter of Advice and Confirmation of Credit for Maintenance Obligations)

Project Name and Location: _____

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

The purpose and intent of this Agreement is to define Applicant’s maintenance 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 maintenance 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 has caused to be constructed _____ and all appurtenances thereto (“Improvements”) as part of the project known as _____ located at _____ according to City standards and as specified and in accordance with all conditions and requirements related to the Project.

Applicant warrants the performance and guarantees the workmanship and materials used in the construction of the Improvements and will make repairs, correct deficiencies, and perform other than routine maintenance for a period of two (2) years from the date of acceptance of said Improvements by the City as constructed to City standards, and in conformance with requirements of any plat or permit of the City. If the Improvements require repair or maintenance within the two (2) year period, the parties agree to reimbursement as follows:

1. The City shall perform all emergency repairs. If damage was caused by faulty workmanship, materials or design, then the City shall be reimbursed for its efforts. If the emergency did not relate to the workmanship, materials, or design, then the City shall bear the costs of the repair.

2. If the repair or maintenance is not of an emergency nature but still is the result of faulty workmanship, materials, or design, then the City shall give the undersigned a seven (7) day written notice to repair the damage which will be repaired by the undersigned at undersigned’s expense. If, after seven (7) days, the repairs are not done or efforts to rectify the situation are not agreed to, the City shall then do the work at the expense of the undersigned.

3. If it is routine maintenance or repair not related to the workmanship, materials, or design of the Improvements, then the City shall perform the work at its own expense.

AGREEMENT IN LIEU OF BOND FOR MAINTENANCE OBLIGATIONS

4. Damage from expected usage shall be considered “defects” for purposes of this obligation.

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.

Until written release of this obligation by the City, this obligation may not be terminated or canceled by the Principal or Surety for any reason.

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: _____.

AGREEMENT IN LIEU OF BOND FOR MAINTENANCE OBLIGATIONS

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: _____.