



## MEMORANDUM

TO: Clackamas County Board of County Commissioners  
FROM: Nancy Bush, County Operating Officer  
RE: Oregon City Intergovernmental Agreement for OR 213/Redland Road  
DATE: March 18, 2025

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**REQUEST:** Staff requests approval of an intergovernmental agreement and accompanying \$3.6 million letter of credit with Oregon City for a traffic flow project necessitated by the new courthouse.

**BACKGROUND:** The opening of the new Red Soils campus courthouse will increase traffic at the intersection of OR 213 and Redland Road in Oregon City. The County is required to construct capacity improvements at this intersection as a condition of Oregon City's March 2023 land use permit approval for the replacement courthouse.

Since the intersection improvements required to satisfy the Type II permitting condition cannot be constructed before the new courthouse opens, the County must secure an agreement with Oregon City and provide a letter of credit for 120% of the estimated costs of the proposed improvements.

The Oregon City Commission will consider the agreement on March 19, 2025. If/when the Oregon City Commission signs, the Board's prompt counter approval will be required for temporary occupancy of the courthouse to commence as planned on April 1, 2025. The finalized documents are also needed for the state to provide the courthouse construction payment.

Due to the Board recess the week of March 24, 2025, staff requests the Board authorize Chair Roberts or County Administrator Schmidt to sign both documents once approved by Oregon City.

**RECOMMENDATION:** Staff recommends the Board authorize Chair Roberts or the County Administrator to sign the attached documents.

Respectfully Submitted,

Nancy Bush  
County Operation Officer

**ATTACHMENTS:**

Attachment A: Clackamas County/Oregon City Intergovernmental Agreement  
Attachment B: Letter of Credit

**Attachment A**  
Clackamas County/Oregon City Intergovernmental Agreement

**INTERGOVERNMENTAL AGREEMENT  
BETWEEN CLACKAMAS COUNTY AND THE CITY OF OREGON CITY  
REGARDING REDLAND ROAD / OR 213 IMPROVEMENTS  
FOR THE COURTHOUSE PROJECT**

THIS AGREEMENT is made and entered into by and between CLACKAMAS COUNTY, a political subdivision of the State of Oregon, hereinafter referred to as “the County,” and the CITY OF OREGON CITY, a municipal corporation of the State of Oregon, hereinafter referred to as “the City,” both herein referred to individually or collectively as “Party” or “Parties.”

**RECITALS**

A. ORS 190.003 to 190.030 allow units of local government to enter into an agreement for the performance of any or all functions and activities which such units have authority to perform.

B. On March 2, 2023, the City issued a Staff Report and Decision (the “Decision”) in File Nos. GLUA-22-00033, MAS-22-00004, and NROD-22-00020, approving with conditions an application for Detailed Development Plan and Natural Resources Overlay District Review for a new 250,000-square-foot, six-story courthouse building, new loop road, parking areas, utilities, landscaping, and associated improvements on the Red Soils campus in Oregon City (the “Courthouse Project”).

C. Condition of Approval No. 47 of the Decision (“Condition 47”) requires the County to construct certain capacity improvements at an off-site intersection at Redland Road and Oregon Highway 213 in Oregon City (the “Redland/213 Improvements”). The Redland/213 Improvements may consist of (i) a third southbound through lane or (ii) alternative intersection capacity improvements to alleviate projected operations deficiencies. Due to their impact on Oregon Highway 213, these improvements require acceptance by the Oregon Department of Transportation (“ODOT”).

D. Condition 47(c) requires the County to provide an assurance bond, for the benefit of the City, in the amount of \$1,000,000 prior to issuance of a building permit for the Courthouse Project (the “Assurance Bond”). The County provided the Assurance Bond on March 27, 2024, and the City issued a building permit on April 3, 2024.

E. Condition 47(e) provides:

“If the selected capacity improvements are not made prior to issuance of a temporary certificate of occupancy for the new Courthouse, subject to ODOT and City concurrence, the applicant shall provide a performance bond or other form of financial guarantee as may be acceptable to ODOT and the City of Oregon City, for the benefit of ODOT in the amount of the engineered estimated cost of work in the ODOT right-of-way and executed Intergovernmental Agreement (IGA), accepted by ODOT and the City for these requirements. Once in place, this performance bond or financial guarantee shall allow for release of the assurance

bond, subject to the overall five-year construction completion deadline as noted above.”

## TERMS AND CONDITIONS

NOW, THEREFORE, it is agreed by the Parties as follows:

1. **RECITALS INCORPORATED.** The recitals above are hereby incorporated into the terms of this Agreement by the Parties.
2. **EFFECTIVE DATE.** This Agreement becomes effective as of the last date of signature by a Party indicated below.
3. **DURATION OF AGREEMENT.** The term of this Agreement shall expire on December 30, 2029. If the County fails to satisfy the obligations in Section 6 below, then the City’s sole remedy shall be the right to call upon and demand payment under the bond or irrevocable letter of credit contemplated by Condition 47 and discussed in Section 5.4 below (the “bond”). If the City issues a temporary certificate of occupancy under Section 7.2 below, it shall not revoke or refuse to extend the temporary certificate of occupancy based solely on any failure by the County to comply with the terms of this Agreement.
4. **CONTROLLING OBLIGATIONS.** Nothing in this Agreement shall be interpreted to change or otherwise modify Condition 47 or any other portion of the Decision.
5. **REDLAND/213 IMPROVEMENTS.**
  - 5.1. To date, the only alternative identified to address the Redland/213 capacity constraints is the construction of a third left-turn lane from Redland Road onto Oregon Highway 213 (the “Triple Left Alternative”).
  - 5.2. Attached as Exhibit A is the conceptual plan for the Triple Left Alternative.
  - 5.3. Attached as Exhibit B is the engineered estimated cost for the Triple Left Alternative.
  - 5.4. Attached as Exhibit C is the mutually agreed upon draft form for the bond. The County agrees to provide a bond in substantially the same form as Exhibit C, which shall be recorded no later than 10 days after the execution of this Agreement. The bond shall name as beneficiaries the City and ODOT and shall be in the amount of 120% of the engineered estimated cost of the Triple Left Alternative. If ODOT declines to be added as a beneficiary to the bond, the County may omit them from the bond. The bond shall remain in place until either (i) the Redland/213 Improvements are completed and accepted by the City and ODOT, and the County provides a maintenance bond as may be required by ODOT; (ii) the County enters into an intergovernmental agreement with ODOT for ODOT to complete the Redland/213 Improvements, and the County provides an advance payment to ODOT for the engineered estimated cost of completing them; (iii) the Decision is modified to

remove the requirement for completing the Redland/213 Improvements; or (iv) the City has recovered under the bond due to the County failure to meet any of the milestones set forth in this section or the County terminates this Agreement.

- 5.5.** Nothing in this Agreement restricts the Parties from reaching agreement on any other alternative for the Redland/213 Improvements, as contemplated by Condition 47. The obligations in the Decision are the only obligations outstanding that the County must satisfy in order for the City to issue a permanent certificate of occupancy for the Courthouse Project.

## **6. OBLIGATIONS OF THE COUNTY.**

- 6.1.** County staff shall actively, and with all due diligence, work with ODOT staff to obtain concurrence on the Triple Left Alternative and provide quarterly updates to City staff on their progress in this effort, with a final determination no later than December 1, 2025.
- 6.2.** If ODOT does not accept the Triple Left Alternative for the Redland/213 Improvements by December 1, 2025, documented in writing from ODOT, the County may seek alternative solutions, including, but not limited to, alternative designs, alternative funding, changes to the Regional Transportation Plan, changes to the financially constrained project list, and/or removal of the intersection from the financially constrained project list, which must be finally determined on or before December 1, 2027.
- 6.3.** By December 1, 2027, the County shall obtain final land use approval modifying the Decision to either (i) remove the requirement for completing the Redland/213 Improvements or (ii) change the project completion date to December 30, 2029.
- 6.4.** If the City, ODOT, and the County agree on an accepted alternative for the Redland/213 Improvements, the County shall complete the design, permitting, and construction of the Redland/213 Improvements no later than December 30, 2029, unless the Decision and this Agreement are modified, as necessary.

## **7. OBLIGATIONS OF THE CITY.**

- 7.1.** The City agrees to work cooperatively with the County to advance the Triple Left Alternative for acceptance by ODOT.
- 7.2.** Once the County provides the bond, the City shall release the Assurance Bond and issue a temporary certificate of occupancy for the Courthouse Project.
- 7.3.** The City shall issue a final certificate of occupancy upon the earlier of (i) the County satisfying all of its obligations under this Agreement; (ii) the County satisfying all of the conditions of approval in the Decision, including any modifications thereto; or (iii) the City calling upon and receiving payment under the bond.

**8. NOTICE/CONTACTS.** Any notice provided under this Agreement shall be delivered by email or by first class US mail to the individuals identified below. Any communication or notice mailed by first class US mail shall be deemed to be given three days after the date it is sent. Any communication or notice sent by electronic mail is deemed to be received on the date sent, unless the sender receives an automated message or other indication that the email has not been delivered. Either Party may change the Party contact information, or the invoice or payment addresses, by giving prior written notice to the other Party.

Nancy Bush or their designee shall act as liaison for the County.

**Contact Information:**

2051 Kaen Road  
Oregon City, OR 97045

Phone: 503-655-8893  
Email: nbush@clackamas.us

Copy to:  
County Counsel  
2051 Kaen Road  
Oregon City, OR 97045

Dayna Webb or their designee shall act as liaison for the City:

**Contact Information:**

625 Center Street  
Oregon City, OR 97045

Phone: 971-204-4633  
Email: dwebb@orcitey.org

**9. GENERAL PROVISIONS.**

**9.1. Oregon Law and Forum.** This Agreement, and all rights, obligations, and disputes arising out of it shall be governed by and construed in accordance with the laws of the State of Oregon and the ordinances of Clackamas County, without giving effect to the conflict of law provisions thereof. Any claim between the Parties that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Clackamas County for the State of Oregon; provided, however, if a claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. In no event shall this section be construed as a waiver by the County of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction

of any court. The City, by execution of this Agreement, hereby consents to the in personam jurisdiction of the courts referenced in this section.

- 9.2. Compliance with Applicable Law.** The Parties shall comply with all applicable local, state, and federal ordinances, statutes, laws, and regulations. All provisions of law required to be a part of this Agreement, whether listed or otherwise, are hereby integrated and adopted herein. Failure to comply with such obligations is a material breach of this Agreement.
- 9.3. Non-Exclusive Rights and Remedies.** Except as otherwise expressly provided herein, the rights and remedies expressly afforded under the provisions of this Agreement shall not be deemed exclusive, and shall be in addition to and cumulative with any and all rights and remedies otherwise available at law or in equity. The exercise by either Party of any one or more of such remedies shall not preclude the exercise by that Party, at the same or different times, of any other remedies for the same default or breach, or for any other default or breach, by the other Party.
- 9.4. Severability.** If any provision of this Agreement is found to be unconstitutional, illegal, or unenforceable, this Agreement shall nevertheless remain in full force and effect, and the offending provision shall be stricken. The Court or other authorized body finding such provision unconstitutional, illegal, or unenforceable shall construe this Agreement without such provision to give effect, to the maximum extent possible, the intentions of the Parties.
- 9.5. Integration, Amendment, and Waiver.** Except as otherwise set forth herein, this Agreement constitutes the entire agreement between the Parties on the matter of the Decision as it relates to the temporary and final certificates of occupancy for the Courthouse Project. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification, or change of terms of this Agreement shall bind either Party unless it is in writing and signed by both Parties, and all necessary approvals have been obtained. Such waiver, consent, modification, or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of either Party to enforce any provision of this Agreement shall not constitute a waiver by such Party of that or any other provision.
- 9.6. Interpretation.** The titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.
- 9.7. No Third-Party Beneficiary.** The City and the County are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

- 9.8. Counterparts.** This Agreement may be executed in several counterparts (electronic or otherwise), each of which shall be an original, all of which shall constitute the same instrument.
- 9.9. Survival.** All provisions in Sections 9.1, 9.3, 9.4, 9.6, 9.7 and 9.10, shall survive the termination of this Agreement, together with all other rights and obligations herein which by their context are intended to survive.
- 9.10. No Attorney Fees.** In the event any arbitration, action, or proceeding, including any bankruptcy proceeding, is instituted to enforce any term of this Agreement, each party shall be responsible for its own attorney fees and expenses.

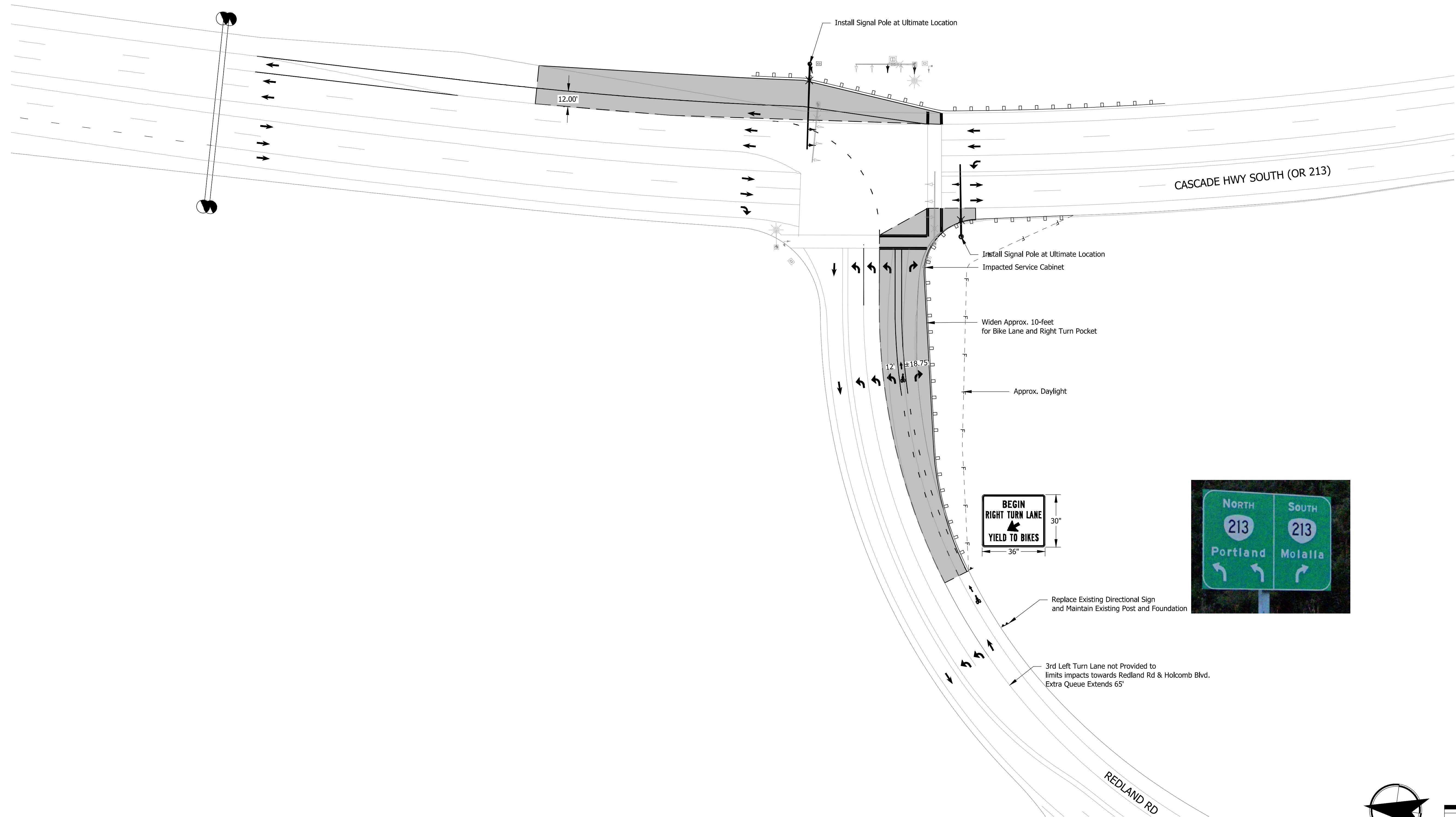
**IN WITNESS HEREOF**, the Parties have executed this Agreement by the dates set forth beneath their names below.

<b>CLACKAMAS COUNTY</b>	<b>CITY OF OREGON CITY</b>
_____ Craig Roberts Chair, Board of County Commissioners	_____ Denyse C. McGriff Mayor
_____ Date	_____ Date
_____ Approved as to legal sufficiency:	_____ Approved as to legal sufficiency:
_____ County Counsel	_____ City Attorney

Exhibit A: Concept Plan & Engineered Estimated Cost for Triple Left Alternative  
 Exhibit B: Letter of Credit Form (Separate, Attachment B of Memo)



## Exhibit A Concept Plan & Engineered Estimated Cost for Triple Left Alternative



**HWY 213 & Redland Rd Intersection Improvements**  
**Redland Rd Triple Lefts**



Engineers Estimate

Prepared By: Jamestaun Kraupp, PE Date: January 30, 2025

Reviewed By: Tony Roos, PE

This Estimate has a Rating of: **2B** (See rating scale guide below.)

ITEM	UNIT	TOTAL QUANTITY	UNIT PRICE	Quantities
<b>MOBILIZATION AND TRAFFIC CONTROL (00200)</b>				
1	Mobilization (00210)	LS	ALL	\$ 123,000.00 \$ 123,000.00
2	Temporary Work Zone Traffic Control, Complete (00225)	LS	ALL	\$ 91,000.00 \$ 91,000.00
3	Erosion Control (00280)	LS	ALL	\$ 40,000.00 \$ 40,000.00
<b>MOBILIZATION AND TRAFFIC CONTROL SUBTOTAL</b>				<b>\$ 254,000</b>
<b>ROADWORK (00300)</b>				
4	Construction Survey Work (00305)	LS	ALL	\$ 60,000.00 \$ 60,000.00
5	Removal of Structures and Obstructions (00310)	LS	ALL	\$ 26,000.00 \$ 26,000.00
6	Clearing and Grubbing (00320)	LS	ALL	\$ 10,000.00 \$ 10,000.00
7	General Excavation (00330)	CY	1,300	\$ 70.00 \$ 91,000.00
8	General Embankment (00330)	CY	125	\$ 150.00 \$ 18,750.00
9	Subgrade Geotextile (00350)	SY	2,000	\$ 2.50 \$ 5,000.00
<b>ROADWORK SUBTOTAL</b>				<b>\$ 210,750</b>
<b>DRAINAGE AND SEWERS (00400)</b>				
10	Stormwater Improvements (Structures, Pipes, WQ Facility)	LS	ALL	\$ 200,000.00 \$ 200,000.00
<b>DRAINAGE AND SEWERS SUBTOTAL</b>				<b>\$ 200,000</b>
<b>BASES (00600)</b>				
11	Cold Plane Pavement Removal, 2-inches Deep (00620)	SY	4,300	\$ 10.00 \$ 43,000.00
12	Aggregate Base (00641)	TONS	1,200	\$ 80.00 \$ 96,000.00
<b>BASES SUBTOTAL</b>				<b>\$ 139,000</b>
<b>WEARING SURFACES (00700)</b>				
13	Level 4, 1/2-Inch Dense ACP, PG 64-22 (00744)	TONS	1,460	\$ 140.00 \$ 204,400.00
<b>WEARING SURFACES SUBTOTAL</b>				<b>\$ 204,400</b>
<b>PERMANENT TRAFFIC SAFETY AND GUIDANCE DEVICES (00800)</b>				
14	Midwest Guardrail System, Type 2A (00810)	LF	700	\$ 35.00 \$ 24,500.00
15	Guardrail Terminals (00810)	EA	4	\$ 6,900.00 \$ 27,600.00
16	Thermoplastic, Wet Weather, Surface, Non-Profiled (00865)	LF	1,400	\$ 3.50 \$ 4,900.00
17	Pavement Legend, Type C-HS: Arrows (00867)	EA	10	\$ 400.00 \$ 4,000.00
18	Pavement Legend, Type CB-HS: Bicycle Lane Stencil (00867)	EA	2	\$ 375.00 \$ 750.00
19	Pavement Bar, Type C-HS (00867)	SF	260	\$ 25.00 \$ 6,500.00
<b>PERMANENT TRAFFIC SAFETY AND GUIDANCE DEVICES SUBTOTAL</b>				<b>\$ 68,250</b>
<b>PERMANENT TRAFFIC CONTROL AND ILLUMINATION SYSTEMS (00900)</b>				
20	Sign Support Footings (00920)	CY	1	\$ 6,500.00 \$ 6,500.00
21	Perforated Steel Square Tube Anchor Sign Support (00930)	LB	280	\$ 25.00 \$ 7,000.00
22	Signs, Standard Sheeting, Sheet Aluminum (00940)	SF	100	\$ 55.00 \$ 5,500.00
23	Traffic Signal Modification, Hwy 213 & Redland Rd (00960)	LS	ALL	\$ 250,000.00 \$ 250,000.00
<b>PERMANENT TRAFFIC CONTROL AND ILLUMINATION SYSTEMS SUBTOTAL</b>				<b>\$ 269,000</b>
<b>RIGHT OF WAY DEVELOPMENT (01000)</b>				
24	Permanent Seeding (01030)	ACRE	0.02	\$ 45,000.00 \$ 900.00
<b>RIGHT OF WAY DEVELOPMENT SUBTOTAL</b>				<b>\$ 900</b>
<b>ESTIMATED CONSTRUCTION COSTS</b>				<b>\$ 1,346,300</b>
<b>ENGINEERING SUPPORT</b>				
	Engineering, Design, and Construction Admin	LS	ALL	35% \$ 471,205.00
	ODOT Staff Management	LS	ALL	\$ 50,000.00 \$ 50,000.00
<b>ESTIMATED ENGINEERING SUPPORT COSTS</b>				<b>\$ 521,205</b>
<b>40% Contingency</b>				<b>\$ 747,010</b>
<b>ESTIMATED PROJECT COSTS</b>				<b>\$ 2,614,515</b>

**HWY 213 & Redland Rd Intersection Improvements**  
**Redland Rd Triple Lefts**



Engineers Estimate

Prepared By: Jamestaun Kraupp, PE		Date: January 30, 2025		
Reviewed By: Tony Roos, PE				
		This Estimate has a Rating of:		2B (See rating scale guide below.)
ITEM	UNIT	TOTAL QUANTITY	UNIT PRICE	Quantities

**Assumptions:**

- General Excavation (00330) Assumes the Full Rebuild Area is all Excavated
- Drainage and Sewers Quantities based on a 50% scaled approach based on the OR213: I-205 - Redland Rd O'xing (Oregon City) Plans from 2010. An additional 10% added to the contingency. No Right of Way area was identified for this estimate for a future stormwater facility.
- Assumed 2-inch Grind and Inlay within project limits in its entirety
- Aggregate Base (00641) and Level 4, 1/2-Inch Dense ACP, PG 64-22 (00744) Based on Typical Sections from OR213: I-205 - Redland Rd O'xing (Oregon City) Plans from 2010
- Sign Support Footings (00920), Perforated Steel Square Tube Anchor Sign Support (00930), and Signs, Standard Sheeting, Sheet Aluminum (00940) based on OR213: I-205 - Redland Rd O'xing (Oregon City) Plans from 2010
- There are no known contaminated areas based on documentation and design developed by for the OR213: I-205 - Redland Rd O'xing (Oregon City) plans from 2010.

**Scope Accuracy:**

**Level 1:** Project scope well understood and well defined.

**Level 2:** Project scope conceptual. Scope lacks detail due to potential permit requirements; Unknown project conditions; limited knowledge of external impacts.

**Level 3:** Project scope is a "vision" with limited detail.

**Engineering Effort:**

**Level A:** Preliminary engineering performed. Technical information is available, engineering calculations have been performed; clear understanding of the materials size and quantities needed to execute job. Schedule understood; staff and permitting is fairly clear, (however this element may still need refining). Project Development & Construction Contingencies ranges between 10%-20%.

**Level B:** Conceptual engineering performed. Technical information is available, rough engineering calculations may have been performed, or similar information from previous similar work is compared and used. Project Development Contingencies ranges between 15% to 25% and Construction Contingencies ranges between 20% to 30%.

**Level C:** No engineering performed. Educated guesstimating. Limited technical information available and/or analysis performed. Project Development and Construction Contingencies should be selected appropriately by Project Manager. Contingency may range up to 50%.

**Attachment B/Exhibit B**  
**Letter of Credit Form**

U.S. BANK NATIONAL ASSOCIATION  
GLOBAL TRADE & STANDBY SERVICES, EP-MN-01ID  
1200 ENERGY PARK DRIVE  
ST. PAUL, MN 55108

SWIFT: USBKUS44  
TELEPHONE: 612-303-7395  
612-303-7374  
FACSIMILE: 612-303-5226

**IRREVOCABLE STANDBY LETTER OF CREDIT**  
**NUMBER SLC10011729**

[ISSUE DATE]

**BENEFICIARY:**  
CITY OF OREGON CITY  
625 CENTER STREET  
OREGON CITY, OR 97045  
ATTN: MATT ZOOK, FINANCE DIRECTO

**APPLICANT:**  
CLACKAMAS COUNTY  
2051 KAEN ROAD, SUITE 460  
OREGON CITY, OR 97045  
ATTENTION: BRIAN NAVA,  
CLACKAMAS COUNTY TREASURER

AND/OR

OREGON DEPARTMENT OF TRANSPORTATION  
123 NW FLANDERS STREET  
PORTLAND, OR 97209  
ATTN: REGION 1 MANAGER

**AMOUNT:**  
USD 3,600,000.00

**EXPIRATION DATE:**  
DECEMBER 30, 2029

FOR INFORMATIONAL PURPOSES ONLY:  
THIS LETTER OF CREDIT RELATES TO THE SITE AGREEMENT FOR REDLAND ROAD AND  
213 CONSTRUCTION BETWEEN THE BENEFICIARY AND APPLICANT.

AT THE REQUEST AND FOR THE ACCOUNT OF CLACKAMAS COUNTY ("APPLICANT"), WE  
U.S. BANK NATIONAL ASSOCIATION ("ISSUER") ISSUE THIS STANDBY LETTER OF  
CREDIT NUMBER SLC10011729 ("STANDBY") IN FAVOR OF CITY OF OREGON CITY  
AND/OR OREGON DEPARTMENT OF TRANSPORTATION ("BENEFICIARY") IN THE  
MAXIMUM AGGREGATE AMOUNT OF USD 3,600,000.00 (THREE MILLION SIX HUNDRED  
THOUSAND AND NO/100 U.S. DOLLARS).

ISSUER UNDERTAKES TO BENEFICIARY TO PAY BENEFICIARY'S DEMAND FOR  
PAYMENT IN THE CURRENCY AND FOR AN AMOUNT AVAILABLE UNDER THIS STANDBY  
AND IN THE FORM OF THE ANNEXED PAYMENT DEMAND COMPLETED AS INDICATED  
AND PRESENTED TO ISSUER AT THE FOLLOWING PLACE FOR PRESENTATION: U.S.  
BANK NATIONAL ASSOCIATION, 1200 ENERGY PARK DRIVE, ST. PAUL, MN 55108, ATTN:  
GLOBAL TRADE & STANDBY SERVICES, EP-MN-01ID, ON OR BEFORE THE EXPIRATION  
DATE.

PAYMENT AGAINST A COMPLYING PRESENTATION SHALL BE MADE WITHIN 3 BUSINESS  
DAYS AFTER PRESENTATION BY WIRE TRANSFER TO A DULY REQUESTED ACCOUNT  
OF BENEFICIARY. AN ADVICE OF SUCH PAYMENT SHALL BE SENT TO BENEFICIARY'S  
ABOVE-STATED ADDRESS.

ANY ONE BENEFICIARY OR COMBINATION OF BENEFICIARIES, ACTING INDIVIDUALLY OR COLLECTIVELY, MAY DRAW ON THIS LETTER OF CREDIT IN FULL OR IN PART, AND ANY ACTION TAKEN BY ANY OR ALL BENEFICIARIES HEREUNDER SHALL BIND EACH OF THEM.

PARTIAL AND MULTIPLE DRAWINGS ARE PERMITTED.

THIS STANDBY IS EFFECTIVE IMMEDIATELY AND EXPIRES UPON THE EARLIER OF (A) DECEMBER 30, 2029 OR (B) THE DATE ON WHICH THE AMOUNT OF THE STANDBY IS REDUCED TO ZERO BY BENEFICIARY'S DRAWS HEREUNDER, OR (C) THE DATE ON WHICH THE ORIGINAL STANDBY AND AMENDMENTS (IF ANY) HAVE BEEN RETURNED TO ISSUER TOGETHER WITH IRREVOCABLE INSTRUCTIONS FROM BENEFICIARY TO CANCEL THIS STANDBY.

THIS STANDBY IS ISSUED SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES 1998 (ISP98) (INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590) AND, U.S. BANK NATIONAL ASSOCIATION'S OBLIGATIONS UNDER THIS STANDBY ARE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. THE COURTS LOCATED IN THE STATE OF NEW YORK SHALL HAVE EXCLUSIVE JURISDICTION OVER ANY ACTION TO ENFORCE U.S. BANK NATIONAL ASSOCIATION'S OBLIGATIONS UNDER THIS STANDBY.

ISSUER SHALL NOT BE LIABLE FOR ANY DELAY, NON-RETURN OF DOCUMENTS, NON-PAYMENT, OR OTHER ACTION OR INACTION COMPELLED BY A JUDICIAL ORDER OR BY ANY LAW OR REGULATION APPLICABLE TO ISSUER.

U.S. BANK NATIONAL ASSOCIATION

<b>DRAFT</b>	<b>X</b>
_____ AUTHORIZED SIGNATURE	_____ AUTHORIZED SIGNATURE, CLACKAMAS COUNTY AS AUTHORIZATION TO ISSUE IN THIS FORM

**Delivery:**

The original letter of credit to:  
CITY OF OREGON CITY  
625 CENTER STREET, OREGON CITY, OR 97045  
ATTN: MATT ZOOK, FINANCE DIRECTOR

With a copy to:  
OREGON DEPARTMENT OF TRANSPORTATION  
123 NW FLANDERS STREET, PORTLAND, OR 97209  
ATTN: REGION 1 MANAGER

ANNEXED PAYMENT DEMAND

[INSERT DATE]

TO: U.S. BANK NATIONAL ASSOCIATION  
GLOBAL TRADE & STANDBY SERVICES, EP-MN-01ID  
1200 ENERGY PARK DRIVE  
ST. PAUL, MN 55108

RE: STANDBY LETTER OF CREDIT NO. SLC10011729, DATED [INSERT DATE], ISSUED BY  
U.S. BANK NATIONAL ASSOCIATION ("STANDBY")

THE UNDERSIGNED BENEFICIARY DEMANDS PAYMENT OF [INSERT  
CURRENCY/AMOUNT] UNDER THE STANDBY.

BENEFICIARY STATES THAT:

"CLACKAMAS COUNTY IS OBLIGATED TO PAY THE BENEFICIARY THE AMOUNT  
DEMANDED IN CONNECTION WITH THE AGREEMENT FOR REDLAND ROAD AND 213  
CONSTRUCTION BETWEEN THE BENEFICIARY AND APPLICANT."

BENEFICIARY REQUESTS THAT PAYMENT BE MADE BY WIRE TRANSFER TO AN  
ACCOUNT OF BENEFICIARY AS FOLLOWS: [INSERT NAME, ADDRESS, AND ROUTING  
NUMBER OF BENEFICIARY'S BANK, AND NAME AND NUMBER OF BENEFICIARY'S  
ACCOUNT].

[BENEFICIARY'S NAME AND ADDRESS]

BY ITS AUTHORIZED OFFICER:

[INSERT ORIGINAL SIGNATURE]

[INSERT TYPED/PRINTED NAME AND TITLE]