

[Bank letterhead]

**IRREVOCABLE STANDBY LETTER OF CREDIT
(Bank Name and Address)**

To: Clackamas County Service District No. 1
150 Beavercreek Rd. Suite 430
Oregon City, OR 97045

DATE: _____
CREDIT NO.: _____
AMOUNT U.S.: \$ _____

To Whom It May Concern:

At the request of (Applicant's Name), (Bank's Name/Issuer) hereby establishes in your favor an Irrevocable Standby Letter of Credit ("Credit") for a total amount of U.S. \$ _____ available by your sight draft, drawn on (Bank's Name/Issuer), expiring on (Expiration Date – typically 2 years) unless automatically renewed as herein provided.

The Credit shall be automatically extended for additional periods of one year from the present or future expiration date, unless we notify you and (Applicant's Name) that we have elected to not renew the Credit via Courier or certified mail at least one hundred twenty (120) calendar days prior to the then expiration date. Thirty (30) days after receipt of such notice, you may draw on this Letter of Credit by presentation of the documents mentioned herein.

The Credit is issued in connection with the obligation of (Applicant's Name) for improvements to property located at (Address) within Clackamas County, Oregon. A drawing under this Credit shall be made by you presenting this Letter of Credit to us, and a demand in writing signed by a person who is duly authorized to sign on behalf of Clackamas County Service District No. 1.

The demand shall refer to this Credit by the above number, shall state the amount demanded, and shall certify one of the following:

1. That the account holder/customer has failed to comply with the conditions placed on the improvement or permit, after thirty (30) days' written notice to the account holder/customer demanding compliance with those conditions; or
2. The work authorized by Permit has been left in a hazardous condition; or
3. The work remains incomplete and Clackamas County Service District No. 1 has received written notice that the Bank has elected not to renew this Letter of Credit.

Upon receipt of these documents, we shall pay to you the amount stated in the demand to be payable to you without inquiring whether you have a right to such amount as between yourself and the account holder/customer, provided that such amount, together with other amounts paid to you under this Credit, if any, do not exceed the aggregate amount of the Credit.

This Credit shall be terminated upon receipt of your letter certifying that the subject improvement has been completed in a satisfactory manner.

_____, Bank

By: _____
(Authorized Representative)
(Notarized Signature Required)