

**PORTLAND DEVELOPMENT COMMISSION
LEAD PAINT REDUCTION FORGIVABLE LOAN AGREEMENT**

(Rental)

Property: _____ Project No.: _____
Owner(s): _____ Amount: \$ _____
_____ Rental Property Location: _____ Number of Units: _____
Current Monthly Rents: _____

This Agreement is made this ____ day of _____, 2000 by and between the Portland Development Commission (PDC) and _____ (Owner). In consideration of a commitment of funds and other assistance provided by PDC, the Owner and PDC agree as follows:

LOAN AMOUNT: This Agreement represents a commitment of funds, not to exceed _____. The actual loan amount is the sum of the following: (1) amount of necessary and reasonable costs to complete the scope of work, herein described; and (2) any applicable relocation costs, which may be indicated and incorporated as Attachment 1 herein by this reference, and may include additional costs incurred by the actual project needs not indicated on Attachment A. If rental payments for the unit during the preceding year commencing by this agreement meet affordability guidelines, 20% of the loan will annually be converted to a grant. At the end of the fifth year, if the property has been maintained as affordable, the entire loan will then be forgiven and will not require repayment. At any time that affordability is not maintained, the balance of the loan will remain as a loan.

WORK TO BE PERFORMED: The purpose of this Agreement is to fund work necessary for the residence to obtain Clearance on the scope of work authorized by PDC by an individual certified to perform lead reduction clearance testing. The repairs and improvements to be performed upon the property will be more particularly described in the Scope of Work, attached as Exhibit A to the Lead Paint Reduction Agreement between Owner and the Contractor to be hired by Owner (Contractor), and to be herein incorporated by this reference.

OWNER'S COVENANTS:

1. Owner covenants that he/she is the owner of the residence to be repaired, and that Owner has Home Owner's Insurance covering the residence. Owner agrees to provide PDC with a Certificate of Proof of Insurance evidencing such insurance coverage.
2. Owner will allow PDC staff to inspect Owner's subject property as necessary to evaluate the progress of the work.
3. Owner covenants all repairs and improvements will be completed no later than 180 days from the date of this Agreement, unless PDC grants an extension. Any unspent funds after expiration of the Agreement will revert to PDC.
4. Owner covenants that he/she will assist the Contractor in obtaining Clearance for the residence. If the Owner is the cause of the residence not obtaining Clearance, Owner agrees to repay all funds expended by PDC, including relocation expenses.
5. Owner will provide PDC with the means to reimburse the contractor for completed work not more than seven (7) days after receiving a bill from the Contractor, unless Owner objects to Contractor's work or charges. If Owner objects to Contractor's work or charges, Owner will provide PDC with timely written notice of Owner's objections. It will be Owner's sole responsibility to resolve such objections with Contractor.
6. Owner agrees that acceptance from PDC of the funding for the lead reduction project will constitute acceptance of, and willingness to abide by, PDC's General Practices and Conditions.

DISBURSEMENT OF FUNDS: Owner will authorize PDC to disburse funds to the Contractor by either attaching Contractor's bill to a signed Grant Disbursement form indicating Owner's approval of Contractor's work performed and submitting to PDC for disbursement of funds to Contractor, or signing the Contractor's invoice indicating the same. PDC reserves the right to confirm, as necessary, that the work for which the Contractor is to be reimbursed is performed in compliance with the Scope of Work and within industry standards of workmanship. Only upon satisfaction of the foregoing conditions of disbursement will the funds be disbursed to the Contractor or the payee as instructed by Owner in said Grant Disbursement form. For each progress payment made, PDC may, at its discretion, retain 10% to ensure the residence obtains Clearance. In no case shall total payments made by PDC exceed the grant amount.

NO CONTRACT BETWEEN PDC AND CONTRACTOR: It is expressly understood that neither this Agreement nor any other document pertaining to Owner's residence creates a contract between PDC and any contractor employed by Owner; nor do any of these documents create any obligation by PDC to pay any money directly from PDC to the Contractor.

REPAYMENT: The funding will begin as a Deferred Payment Loan at 0% interest until Clearance is obtained. Upon obtaining Clearance the funding will convert to a non-amortizing 0% loan for a term of five years. If the affordable rental agreement is regularly met, 20% of the loan will be forgiven annually. At the end of the fifth year, if the property has been maintained as affordable the entire loan will be forgiven and will not require repayment. If the units do not remain affordable, the proportionate principal of the loan will be due at the end of the fifth year.

In Witness Whereof, the Owner and PDC have executed this Grant on the date first above written.

Portland Development Commission

Owner(s)

RELOCATION EXPENSES

Property: _____

Project No.: _____

Owner(s): _____

Rental Property:

Tenants Name:

In order to facilitate the work to be completed pursuant to the Lead Paint Reduction Contract and Lead Paint Reduction Grant Agreement, and in consideration of the relocation benefits provided for below, PDC and Owner agrees as follows:

1. PDC shall provide the following relocation benefits:
2. The parties estimate that the tenant(s) will be provided relocation benefits for _____ days. In the event that the Scope of Work is not completed in this time, either PDC or Contractor will provide additional relocation benefits, as provided for in the Lead Paint Supplementary Agreement between Owner and Contractor.
3. The parties agree that any funds expended by PDC in conjunction with the provision of relocation benefits to Owner shall become a grant to Owner if/when the premises obtain clearance by a certified lead paint risk assessor and if the units remain meet affordability requirements. If the units are not affordable, expenses will be included in the principal amount due at the end of the 5 year loan period.
4. Owner agrees that in the event the premises do not obtain clearance due to the acts/omissions of Owner, Owner will repay all funds expended by PDC including the relocation benefits provided for herein.