

This is an Amendment to an Agreement between the CITY OF PORTLAND, OREGON (City), PORTLAND ENERGY CONSERVATION, INC. (PECI), and the PORTLAND DEVELOPMENT COMMISSION (PDC).

RECITALS:

A. City, PEGI and PDC have entered into an Agreement to Establish a Low-Interest Energy Conservation Retrofit Loan Program, dated May 11, 1981.

B. The parties to said Agreement wish to more precisely specify their respective roles and responsibilities thereunder.

C. It is the intent of the parties to this Amendment that nothing herein shall be construed to be inconsistent with any of the terms, exhibits or administrative notebooks pertaining to the Urban Development Action Grant Agreement, between City and the U.S. Department of Housing and Urban Development (Grant No. B-80-AA-41-0002).

D. In consideration of the mutual promises and covenants stated herein, City, PEGI and PDC agree to Amend the May 11, 1981 Agreement as follows:

AMENDMENT:

A. City, PEGI and PDC will, through December 31, 1982, continue implementation of the low-income, low-interest energy conservation retrofit loan program, as described in the May 11, 1981 Agreement, in accordance with the attached outline of responsibilities, entitled "Weatherization Loan Program - Administrative Process."

B. It is further agreed and understood that City, PEGI and PDC will implement said program in a manner consistent with the Urban Development Act Grant Agreement No. B-80-AA-41-0002.

DATED this ___ day of _____, 1982.

APPROVED AS TO FORM:

CITY OF PORTLAND

City Attorney

By _____
Mayor

By _____
Auditor

PORTLAND ENERGY CONSERVATION, INC.

By _____

APPROVED AS TO FORM:

PORTLAND DEVELOPMENT COMMISSION

Commission Legal Counsel

By _____
Executive Director

WEATHERIZATION LOAN PROGRAM - ADMINISTRATIVE PROCESSMarketing/Outreach

1. PECI will be responsible for the program marketing and information dissemination relating to the Weatherization Loan Program.

Initial Contact (Telephone or Walk-Ins)

1. If PECI, contact Ray Classen - 248-4636.

PECI describes program; makes preliminary determination as to income and eligible areas.

If positive, PECI suggests interested homeowner contact Portland Development Commission (Bill Kincaid or Bob Yocum - 248-4900) to proceed.

2. If PDC, contact Bill Kincaid or Bob Yocum - 248-4900.

PDC described program; makes preliminary determination as to income and eligible areas.

If positive, applicant to fill out preliminary application.

Application Intake

1. Applicant completes preliminary application.
2. PDC staff to pre-screen application.

Verifications: Tract Search
Income Eligibility
Area Eligibility
Mortgage (ownership)

3. Determination Letter:

Letter sent to applicant by PDC stating if he/she is pre-qualified, with a copy to PECI. Letter includes next steps to follow:

- a. Contact PECI to have audit scheduled.
- b. If applicant does not qualify, it is suggested they contact PECI for other programs that might be available.

Energy Audit

1. Applicant calls PECI to arrange for audit.
2. PECI schedules audit.
3. Independent auditor, approved by PECI, performs audit and submits completed audit to PECI.
4. PECI forwards completed audit with an informational package (includes owner assistance and contractor selection).
5. Applicant solicits and submits bids (PECI recommends three) to PECI.
6. PECI checks bids against checklist of eligible improvements as established by audit. PECI certifies eligibility and adequacy of proposals.
7. PECI sends applicant to PDC with approved bids; PECI sends certification of eligibility and adequacy to PDC.

Loan Origination

1. Applicant completes formal application.
2. PDC matches bids against checklist.
3. PDC follows normal PIL underwriting procedures; makes loan approval.
4. PDC prepares loan closing documents. (See attachments as Exhibit "A".)
5. Applicant signs documents and receives authorization to proceed.

Rehab Monitoring

1. No inspections undertaken by PDC.

Disbursement of Funds

1. Payment released upon certification of completion submitted by contractor and approved by applicant. (Copy sent to PECI).
2. PDC issues two-part check as payment.

Administrative Drawdown Process/Accounting

1. PDC will make a request for UDAG funds to PECI at the time of individual homeowner loan closing (weekly). PDC drawdown request will attach list of homeowner loan requests to fund.

2. PECEI will process loan funding request and transfer check payable to PDC in the amount requested.
3. Upon receipt of funds from PECEI, PDC will deposit UDAG subsidy amount to be used as the funding resource for the weatherization principal reduction grant.

Loan Calculation Methodology and Accounting Process

The Weatherization Loan Program is funded on the basis that public investment (UDAG) is used in conjunction with private investment (in this case funds from the PIL VIII Agreement) for the purpose of providing low-income energy weatherization loans to qualified homeowners. The UDAG Agreement says a 2.5:1 leverage ratio must be maintained with each loan. This simply means for every \$1 of UDAG funds \$2.50 of PIL funds must be used in each loan.

The Principal Reduction method is used to write down the effective interest rate paid by the homeowner on the total cost of rehabilitation. It is calculated by computing the monthly cost of the loan at the subsidized rate (4.75%), then determining the principal that this monthly payment could support at the PIL rate. The difference between the principal amount and the total cost of rehabilitation is the UDAG subsidy. An example that illustrates how this method works is attached as "Case A".

Recommended Calculation

The Principal Reduction approach is recommended for the following reasons:

1. Administratively, the leverage ratio is easy to calculate.
2. Loan servicing is simplified.
 - a. The first loan (PIL VIII-B) would be serviced the same as we are presently servicing PIL loans. This translates to fewer chances for accounting error and reduced administrative costs.
 - b. The Deferred Energy Loan (DEL) requires no servicing. Loan origination would be the same as our existing DPL process.
 - c. No amendments to the PIL Agreement is required. The homeowner's note on the "first loan" would bear an interest rate of 11% per year and collections would continue to be turned over to the agent in precisely the manner as PIL VIII-A loans.
3. The second loan as illustrated in "Case A" will be a Deferred Energy Loan (DEL) equal to the UDAG subsidy. In the event of a prepayment on the first loan, the qualified homeowner will be responsible for the repayment of a portion of the DEL to the Portland Development

Commission. The amount owing in the event of any early payment of the outstanding balance is calculated subject to the terms of DEL Trust Deed. (See memorandum references in Exhibit "A".)

4. Conditions for Repayment of Deferred Energy Loan (DEL). The Deferred Energy Loan is repayable only upon the following two conditions: 1) Upon any transfer (or attempted transfer) of all of, or any interest, the property for which this loan is made, or any part of the property. 2) Upon repayment prior to maturity of the principal balance of the concurrent Public Interest Lender (PIL) loan for any reason.

The amount of the Deferred Energy Loan owing at any time during its term shall be equal to the principal balance owing on the total amount borrowed calculated a 4.75% per year interest rate minus the principal balance owing on the Public Interest Lender (PIL) loan calculated at an 11% per year interest rate over the same period. In the case of prepayment of the principal balance of the Public Interest Lender loan prior to maturity, the amount owing on the Deferred Energy Loan immediately prior to such prepayment becomes due and payable.

The amount of the Deferred Energy Loan shall be payable to the Portland Development Commission. This amount, if any, shall be deposited in the Urban Redevelopment Fund administered by the Commission to be reprogrammed for use as part of its housing and community development programs.

"CASE A"

PRINCIPAL REDUCTION METHODOLOGY (Up front subsidy)

Example:

\$3,500 loan @ 4.75% \$36.70 (pymt.)

Find PV of \$36.70 (homeowner's pymt.)
based on PIL rate of 11%

= \$2,664.01

Total Loan Request	3,500.00
	2,664.01

UDAG Subsidy	835.99
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Leverage Ratio Test
\$2,664.01 ÷ = 3.19

ADMINISTRATIVE PROCEDURE

The Principal Reduction approach requires two loans. Using the above example:

First Loan - PIL VIII-B

Loan	\$2,664.01
Terms (months)	120
Rate (%)	11
Payment	36.70

Deferred Energy Loan

Loan	\$ 835.99
Term (months)	120
Rate (%)	-0-
Payment	None, except in the case of prepayment. Lien required.

ELIGIBLE INCOME AND PROPERTY GUIDELINES

Income: To qualify, each household must not exceed 110% of the area median income. Household income is based on family size. (Note: Applicant must be a homeowner.)

<u>Family Size</u>	<u>Income Limits</u>
1	\$20,800
2	23,750
3	26,750
4	29,700
5	31,550
6	33,450
7	35,250
8	37,100

Eligible Areas - CITY WIDE

Exhibit A

153095

Memorandum

TO: Ray Wilson

FROM: Dean Mielke *(initials)*

DATE: February 17, 1982

SUBJECT: Loan Closing Documents for the
Deferred Energy Loan (DEL)

This memorandum describes the loan closing documents referenced to as part of the loan origination process for the Weatherization Loan Program. This memorandum should be included as part of your administrative notebook which includes all other guidelines used to implement the program.

You will note that in order for a homeowner to benefit from low interest energy loan of approximately 4.75% per annum, two separate loans are made; first, a PIL loan at 11% per annum; second, a Deferred Energy Loan at 0% per annum. The methodology to calculate the principal amount borrowed under each loan instrument is described including an example in your administrative guidelines for the Weatherization Loan Program.

Loan Closing Documents: The documents required at closing for PIL loans will remain unchanged, including the necessary affidavits required under the existing PIL agreement. In addition, the homeowner will sign a separate set of documents for the Deferred Energy Loan (DEL). These documents include:

1. Disclosure with regard to Deferred Energy Loans.
2. Deferred Energy Loan Agreement.
3. Memorandum of Deferred Energy Loan Trust Deed.

These documents have been prepared and approved by our legal counsel. Copies of these documents are attached.

Loan Security: Each loan (PIL and DEL) shall be secured by a trust deed and shall be recorded.

Special Conditions: Prepayment. Conditions for repayment of the DEL are described in the Deferred Energy Loan Agreement. An example of the DEL to be returned in the event of prepayment is attached.

DLM:dja

cc: Sam Galbreath

Memorandum

TO: Deferred Energy Loan Program

FROM: Dean Mielke 3,500

DATE: February 16, 1982

SUBJECT: Example of UDAG Subsidy to be Returned in the Event of Prepayment per Loan Agreement

Example:

Given: Person requires financing totalling \$3,500 to do energy improvements as approved by PECL. To accomplish this, the person will borrow \$2,664.01 @ the PIL rate of 11% per annum; \$835.99 @ 0% per annum with the principal forgiven over the term of the concurrent PIL loan.

Question: If this person decides to prepay the remaining balance owing on the PIL note, what amount, if any, does this person owe on the Deferred Energy Loan (DEL) in order to maintain an effective rate of 4.75% per annum on the total amount borrowed?

The following table demonstrates the amount of DEL owed at the end of certain payment periods.

TABLE

<u>Pymt. Number</u>	<u>Remaining Balance 3,500 @ 4.75%</u>	<u>Remaining Balance 2,664.01 @ 11%</u>	<u>Subsidy (DEL) to be Returned</u>
12	3,219.79	2,508.99	710.80
24	2,926.00	2,336.04	589.96
36	2,617.93	2,143.07	474.86
48	2,294.90	1,927.75	367.15
60	1,956.17	1,687.52	268.65
72	1,601.03	1,419.50	181.53
84	1,228.65	1,120.46	108.19
96	838.18	786.83	51.35
108	428.77	414.59	14.18
120	-	-	-

DLM:dja

DISCLOSURE WITH REGARD TO
DEFERRED ENERGY LOANS

The City of Portland has made a policy decision that there is a need to make homes more energy efficient, and that the City should help homeowners in that respect. The City is therefore setting up a weatherization program which makes it possible for homeowners to make their homes more energy efficient.

The City has created a program called Deferred Energy Loans to assist homeowners in increasing the energy efficiency of their homes. These loans are funded by public funds.

This Deferred Energy Loan Program is an interest subsidy program which has been created along with a separate loan program entitled the Public Interest Lender program.

The Public Interest Lender program is governed by a credit agreement among the City of Portland and various lenders in the City, and under that credit agreement it is required that promissory notes executed by homeowners bear interest at a rate of 11% per year.

The City has decided to provide low-interest energy loans with an interest rate of approximately 4.75%.

The Deferred Energy Loan program is to be used as an interest subsidy so that the 11% interest rate of the Public Interest Lender Loan is subsidized to approximately 4.75%.

The Deferred Energy Loan interest subsidy will not need to be repaid except upon any transfer or attempted transfer of any interest in the home for which the loan is made, or upon prepayment of the principal balance of the Public Interest Lender loan prior to the end of its term.

IT IS UNDERSTOOD by the undersigned that the City cannot make a Deferred Energy Loan by itself, since the loan is only an interest subsidy for a concurrent Public Interest Lender (PIL) loan.

IT IS FURTHER UNDERSTOOD by the undersigned that it is necessary to execute a Deferred Energy Loan Trust Deed in conjunction with any Deferred Energy Loan, in order to secure the loan.

IT IS FURTHER UNDERSTOOD by the undersigned that the separate Public Interest Lender loan will bear an interest rate of 11% per year, and that an interest rate of approximately 4.75% will be attained by combining a Deferred Energy Loan with a Public Interest Lender (PIL) loan.

IT IS FURTHER UNDERSTOOD by the undersigned that a portion of the Deferred Energy Loan will be required to be repaid if the property is transferred before the PIL loan ends or if the PIL loan is repaid prior to the time it is due. "Transfer" is defined in the trust deed.

DATED this _____ day of _____, 1982.

DEFERRED ENERGY LOAN AGREEMENT

This agreement is made this ___ day of _____, 19___, between _____, as owners, and the CITY OF PORTLAND acting by and through the PORTLAND DEVELOPMENT COMMISSION.

1. Owners represent that they are the owners of the property at: _____, which is more particularly described as:

2. The City will loan to the owners the sum of \$ _____, called a Deferred Energy Loan, which sum is to be used by the owners in connection with a separate Public Interest Lender (PIL) loan made concurrently with this loan.

3. The Deferred Energy Loan is repayable only upon the following two conditions: (1) Upon any transfer (or attempted transfer) of all of, or any interest, the property for which this loan is made, or any part of the property. "Transfer" is defined below. (2) Upon repayment prior to maturity of the principal balance of the concurrent Public Interest Lender (PIL) loan for any reason.

4. As used herein, "transfer" shall include within its meaning any sale (by contract or otherwise), any assumption of the loan by a transferee of the undersigned, any assignment for the benefit of creditors, any lease whereby the lease contains an option to purchase, or whereby the lessor fails to continue to reside on the property or fails to continue to utilize the property as the lessor's principal residence, the appointment of a receiver, a foreclosure of any nature, any gift, any transfer as the result of a decree of separation or dissolution, any transfer of any partnership interest where the undersigned are partners, any transfer of a partnership interest in a limited partnership of which the undersigned is general partner, any sale or transfer of a controlling interest in stock by a corporate signatory, any corporate dissolution, or any dissolution or windup of partnership affairs.

Included within the meaning of "transfer" is any attempt to transfer.

5. The term "transfer" shall not include any transfer by way of subordinate encumbrance, by way of a lease which does not contain an option to purchase and pursuant to which lease the lessor continues to occupy the residence or continues to maintain the residence as a principal residence, or transfer upon death.

6. The amount of the Deferred Energy Loan owing at any time during its term shall be equal to the principal balance owing on the total amount borrowed (\$ _____ [PIL - \$ _____; DEL - \$ _____]) calculated a 4.75% per year interest rate minus the principal balance owing on the Public Interest Lender (PIL) loan calculated at an 11% per year interest rate over the same period. In the case of prepayment of the principal balance of the Public Interest Lender loan prior to maturity, the amount owing on the Deferred Energy Loan immediately prior to such prepayment becomes due and payable.

7. Upon any transfer of the property, or upon repayment of the principal balance of the Public Interest Lender loan prior to its normal maturity, the undersigned shall be required to repay a portion of the principal of the Deferred Energy Loan secured by this mortgage. The portion to be repaid will be that sum calculated according to paragraph 6.

8. If a suit or action is begun to foreclose the trust deed securing the loan, the losing party agrees to pay to the prevailing party all costs of such collection, including reasonable attorney's fees and court costs, including any on appeal.

9. To secure the owners' obligation herein, the owners hereby grant to the Portland Development Commission a security interest in the property described above, together with all present and future appurtenances, improvements, and fixtures thereto, and in the proceeds thereof. In the case of real property, the security interest hereby granted shall be deemed a trust deed. In the case of personal property, the security interest arises under and is subject to the provisions of the Oregon Uniform Commercial Code.

10. The Portland Development Commission may file or record this agreement with the appropriate filing office or officer and owners shall execute any other documents deemed necessary by the Portland Development Commission to perfect a security interest. The owners hereby authorize the Portland Development Commission in the owners' names to take all necessary action to perfect the security interest hereby granted.

PORTLAND DEVELOPMENT COMMISSION OWNERS:

By: _____

MEMORANDUM OF
DEFERRED ENERGY LOAN TRUST DEED

This trust deed is made this ____ day
of _____, 19____, among _____
as Grantor(s), and _____, as Trustee,
and THE CITY OF PORTLAND, acting by and through THE PORTLAND
DEVELOPMENT COMMISSION as Beneficiary.

Grantor does hereby convey to Trustee the following
real property situated in the County of Multnomah, State of
Oregon, described as follows:

This trust deed is intended to secure the payment of
the sum of \$ _____, in accordance with the
terms of a Deferred Energy Loan Agreement existing between
the parties, which may be inspected for just cause at the
offices of the Portland Development Commission. The terms
of that agreement are incorporated herein by reference.

The real property described above is not currently used
for agricultural, timber, or grazing purposes.

DATE: _____

DATE: _____

STATE OF OREGON)
)ss.
County of Multnomah)

Personally appeared the above-named _____
and acknowledged the foregoing instrument to be _____
voluntary act and deed.

BEFORE ME:

Notary Public for Oregon
My Commission expires:

NOTE (PIL)

\$ _____

Date _____, 19 _____

THE UNDERSIGNED promise(s) to pay to the order of CITY OF PORTLAND, acting by and through the PORTLAND DEVELOPMENT COMMISSION, _____ Dollars and no/100 (\$ _____) with interest at the rate of _____ percent per year from _____, 19 _____, until paid.

The initial payment will be due on _____, 19 _____, in the amount of _____ Dollars and _____/100 (\$ _____), with monthly installments of the same amount on the first day of each month thereafter.

This note is due on the 1st day of _____, _____. The undersigned may prepay any of the principal balance without penalty. Pre-payments of such principal will be credited to future payments as though those monthly payments had been timely made. However, any such prepayment will not change any other condition of either this note or the trust deed securing this note.

The interest rate on this note is subsidized by public funds and is below the prevailing market rate for similar loans obtainable from private lenders, and is intended to be solely for the benefit of the initial borrower. For these reasons:

THE TRUST DEED WHICH SECURES THIS NOTE PROVIDES AMONG OTHER THINGS:

THAT ALL OR SOME PART PAYMENT OF THE PRINCIPAL AMOUNT OF THIS NOTE MAY BE DEMANDED BY THE HOLDER UNDER CONDITIONS CONTAINED THEREIN.

THAT THIS NOTE IS DUE AND PAYABLE IMMEDIATELY UPON THE SALE OR TRANSFER (OR ATTEMPTED SALE OR TRANSFER) OF ALL OF, OR ANY INTEREST IN, THE PROPERTY SECURING THIS NOTE OR ANY PART THEREOF, OR UPON A FINDING BY THE COMMISSION OF FALSITY RESPECTING ANY PORTION OF THE AFFIDAVIT EXECUTED BY THE UNDERSIGNED AND SUBMITTED AS PART OF THE LOAN APPLICATION, OR UPON ANY BREACH OF ANY CONDITION OR COVENANT IN THE TRUST DEED.

As used herein, sale or other transfer shall include within its meaning any assumption of the loan by a transferee of the undersigned, any assignment for the benefit of creditors, any lease whereby the lease contains an option to purchase, or whereby the lessor fails to continue to reside on the property or fails to continue to utilize the property as the lessor's principal residence, the appointment of a receiver, a foreclosure of any nature, any gift, any transfer of any partnership interest where the undersigned are partners, any sale or transfer of a controlling interest in stock by a corporate signatory, any corporate dissolution, or any dissolution or wind-up of partnership affairs. Included within the above meaning is any attempt to sell or transfer. The terms shall not include any transfer by way of subordinate encumbrance, by way of a lease which does not contain an option to purchase and pursuant to which lease the lessor continues to occupy the residence or continues to maintain the residence as his principal residence, or transfer on death.

If an installment is not paid within 15 days of its due date, the holder of this note may assess a late charge equal to 5% of the installment payment. That late charge will be paid on demand, and the holder of this note may:

- (a) Refuse any late payment unless accompanied by such late charge, or
- (b) Add the late charge to the principal balance of this note.

In the event the undersigned fails to pay any installment or any payments pursuant to the terms of either this note or the trust deed securing this note, or breaches any covenant or condition of this note or the accompanying trust deed, then the unpaid principal amount of this note, together with the accrued interest and charges, may become due and payable at the option of the holder. Failure to exercise this option will not be a waiver of the default. If this note is reduced to judgment or the trust deed securing the note is foreclosed and a decree entered, any judgment or decree will bear interest on the unpaid balance at the rate of 15% per year.

If this note is placed in the hands of an attorney for collection the undersigned agrees to pay all costs of collection, even though no suit or action is filed; however, if a suit or action is filed, the amount of attorneys fees will be fixed by the court or courts in which the suit or action is tried, heard or decided, including an appellate court upon appeal of such suit or action.

In construing this note, it is understood the references to the undersigned include singular or plural, as the case may be, and include any transferee (to the extent permitted).

Signature

Signature

Signature

TRUST DEED (PIL)

THIS TRUST DEED is made this _____ day of _____, 19____, between _____ as Grantor, _____, as Trustee, and the CITY OF PORTLAND acting by and through the PORTLAND DEVELOPMENT COMMISSION, as Beneficiary.

The Grantor, in consideration of _____ Dollars (\$_____.00), does convey to the Trustee in trust, and any transferee of the Trustee, the following real property situated in the County of Multnomah, State of Oregon, and described as follows:

Together with all of the tenements, hereditaments and appurtenances belonging to that property, including those which may later be found to belong or appertain, and the rents, issues and profits therefrom, and any and all fixtures upon the property at the time of the execution of this Trust Deed or at any time during the term of this Trust Deed; to have and to hold the property as so described, until such time as any and all indebtedness represented by a promissory note dated _____, is extinguished, and all conditions of this Trust Deed are satisfied.

This conveyance is intended to secure the payment of the sum of _____ Dollars (\$_____) in accordance with the terms of a certain promissory note dated _____.

The date of maturity of the debt secured by this Trust Deed is the date on which the last scheduled principal payment becomes due, that is, _____.

The Grantor understands that the interest rate on this note is subsidized by public funds and is below the prevailing market rate for similar loans obtainable from private lenders, and is intended to be solely for the benefit of the initial borrower.

For these reasons:

ALL OR SOME PART PAYMENT OF THE PRINCIPAL AMOUNT OF THE NOTE SECURED BY THIS TRUST DEED MAY BE DEMANDED BY THE HOLDER UNDER CONDITIONS CONTAINED IN THIS TRUST DEED.

THE NOTE SECURED BY THIS TRUST DEED IS DUE AND PAYABLE IMMEDIATELY UPON THE SALE OR TRANSFER (OR ATTEMPTED SALE OR TRANSFER) OF ALL OF, OR ANY INTEREST IN, THE PROPERTY OR ANY PART THEREOF, OR UPON A FINDING BY THE COMMISSION OF FALSITY RESPECTING ANY PORTION OF THE AFFIDAVIT EXECUTED BY THE GRANTOR AND SUBMITTED AS PART OF THE LOAN APPLICATION TO THE COMMISSION, OR UPON ANY BREACH OF ANY CONDITION OR COVENANT IN THIS TRUST DEED BY THE GRANTOR OR ANY GRANTOR'S TRANSFEREE.

As used herein, a sale or other transfer shall include within its meaning a foreclosure of any nature, any assumption of the loan by a transferee of Grantor, any assignment for the benefit of creditors, any lease whereby the lease contains an option to purchase, or whereby the lessor fails to continue to reside on the property or fails to continue to utilize the property as the lessor's principal residence, any appointment of a receiver, any gift, any transfer of any partnership interest by Grantors who are partners, any sale or transfer of a controlling interest in stock by a corporate Grantor, any corporate dissolution, or a dissolution or wind-up of partnership affairs. Included within the above meaning is any attempt to sell or transfer. The terms shall not include any transfer by way of subordinate encumbrance, by way of a lease which does not contain an option to purchase and pursuant to which lease the lessor continues to occupy the residence or continues to maintain the residence as his principal residence, or transfer on death.

The Grantor agrees that the proceeds of the loan will only be used for alterations, repairs, and improvements which substantially protect or improve the basic livability or energy efficiency of the residence, such as the renovation of plumbing or electric systems, the installation of improved heating or air conditioning systems, or the renovation or addition of living spaces or other areas of the residence.

The Grantor covenants:

HOMEOWNER AFFIDAVIT

STATE OF OREGON

County of Multnomah

)
} ss.
)

_____ 19_____

I, _____, being duly sworn, do hereby state as follows:

1. I have applied to the Portland Development Commission for a loan to assist me in making certain alterations, repairs, and improvements which will substantially protect or improve the basic livability or energy efficiency of a certain single-family residence located at _____.
2. I intend to occupy that residence as my principal personal residence within sixty days after the final closing of this loan. I do not intend to utilize that residence either in a trade or business, or as an investment or recreational property. I also intend to maintain that property as my principal personal residence from that point thereafter.
3. a. I am not using the proceeds, nor do I plan to use the proceeds, of this loan to either acquire or replace an existing mortgage or other lien on the property.
 b. The proceeds of this loan (either all or a portion) will be used for replacement of the following: (i) prior construction loan secured by the property, (Yes_____ No_____) or (ii) a bridge loan or temporary financing pending the sale of my former residence (Yes_____ No_____).

Subscribed and sworn to before me this _____ day of _____, 19_____.

Notary Public of Oregon

My Commission Expires: _____

TRUST DEED (PIL)

THIS TRUST DEED is made this _____ day of _____, 19____, between _____ as Grantor, _____ as Trustee, and the CITY OF PORTLAND acting by and through the PORTLAND DEVELOPMENT COMMISSION, as Beneficiary.

The Grantor, in consideration of _____ Dollars (\$_____.00), does convey to the Trustee in trust, and any transferee of the Trustee, the following real property situated in the County of Multnomah, State of Oregon, and described as follows:

Together with all of the tenements, hereditaments and appurtenances belonging to that property, including those which may later be found to belong or appertain, and the rents, issues and profits therefrom, and any and all fixtures upon the property at the time of the execution of this Trust Deed or at any time during the term of this Trust Deed; to have and to hold the property as so described, until such time as any and all indebtedness represented by a promissory note dated _____, is extinguished, and all conditions of this Trust Deed are satisfied.

This conveyance is intended to secure the payment of the sum of _____ Dollars (\$_____) in accordance with the terms of a certain promissory note dated _____.

The date of maturity of the debt secured by this Trust Deed is the date on which the last scheduled principal payment becomes due, that is, _____.

The Grantor understands that the interest rate on this note is subsidized by public funds and is below the prevailing market rate for similar loans obtainable from private lenders, and is intended to be solely for the benefit of the initial borrower.

For these reasons:

ALL OR SOME PART PAYMENT OF THE PRINCIPAL AMOUNT OF THE NOTE SECURED BY THIS TRUST DEED MAY BE DEMANDED BY THE HOLDER UNDER CONDITIONS CONTAINED IN THIS TRUST DEED.

THE NOTE SECURED BY THIS TRUST DEED IS DUE AND PAYABLE IMMEDIATELY UPON THE SALE OR TRANSFER (OR ATTEMPTED SALE OR TRANSFER) OF ALL OF, OR ANY INTEREST IN, THE PROPERTY OR ANY PART THEREOF, OR UPON A FINDING BY THE COMMISSION OF FALSITY RESPECTING ANY PORTION OF THE AFFIDAVIT EXECUTED BY THE GRANTOR AND SUBMITTED AS PART OF THE LOAN APPLICATION TO THE COMMISSION, OR UPON ANY BREACH OF ANY CONDITION OR COVENANT IN THIS TRUST DEED BY THE GRANTOR OR ANY GRANTOR'S TRANSFEEE.

As used herein, a sale or other transfer shall include within its meaning a foreclosure of any nature, any assumption of the loan by a transferee of Grantor, any assignment for the benefit of creditors, any lease whereby the lease contains an option to purchase, or whereby the lessor fails to continue to reside on the property or fails to continue to utilize the property as the lessor's principal residence, any appointment of a receiver, any gift, any transfer of any partnership interest by Grantors who are partners, any sale or transfer of a controlling interest in stock by a corporate Grantor, any corporate dissolution, or a dissolution or wind-up of partnership affairs. Included within the above meaning is any attempt to sell or transfer. The terms shall not include any transfer by way of subordinate encumbrance, by way of a lease which does not contain an option to purchase and pursuant to which lease the lessor continues to occupy the residence or continues to maintain the residence as his principal residence, or transfer on death.

The Grantor agrees that the proceeds of the loan will only be used for alterations, repairs, and improvements which substantially protect or improve the basic livability or energy efficiency of the residence, such as the renovation of plumbing or electric systems, the installation of improved heating or air conditioning systems, or the renovation or addition of living spaces or other areas of the residence.

The Grantor covenants:

1. That Grantor is the legal owner of the property, and now has a valid and unencumbered fee simple title thereto, except as provided below, and that the Grantor will warrant and defend his title against the claims and demands of all other persons.
 - (a) The Grantor's unencumbered fee simple title to the premises is subject to a _____ in favor of _____ dated _____, in the approximate amount of _____ and Recorded on _____, in Book _____, Page _____, Multnomah County, Oregon.
 - (b) The Grantor's unencumbered fee simple title to the premises is subject to a _____ in favor of _____ dated _____, in the approximate amount of _____ and Recorded on _____, in Book _____, Page _____, Multnomah County, Oregon.
2. That Grantor will promptly pay the promissory note and all of its installments as they become due, according to the terms of the note;
3. That so long as this Trust Deed shall remain in force he will pay all taxes, assessments, liens, and other charges which may be levied or assessed against the property or this Trust Deed or debt thereby secured.
4. That he will keep all the improvements erected on said premises in good order and repair and will not permit or cause any waste of the property. At the request of the Beneficiary, the Grantor shall join with the Beneficiary in executing one or more financing statements pursuant to the Uniform Commercial Code, in a form satisfactory to the Beneficiary, and the Grantor will pay for the filing of the financing statements in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the Beneficiary.
5. The Grantor will keep all present structures insured against loss or damage by fire, with extended coverage, to the extent of \$_____, in a company or companies acceptable to the Beneficiary and for the benefit of the Beneficiary, and will deliver all the policies and renewals to the Beneficiary.

A failure by the Grantor to perform the covenants and conditions in this Trust Deed shall give to either the Beneficiary or the Trustee the option to declare the unpaid balance due on the note at once due and payable, and this Trust Deed may be foreclosed at any time thereafter. If the Grantor fails to pay any taxes or other charges or any lien or insurance premium when due or owing, the Beneficiary shall have the option to pay the same and any payment made shall be added to the debt secured by this Trust Deed, and shall draw interest at the rate of fifteen percent per year. Any such payment by the Beneficiary will not result in any waiver of any right under this Trust Deed.

The Beneficiary is authorized by the Grantor (in accordance with the foregoing) to declare at its option all or any part of the indebtedness secured by this Trust Deed immediately due and payable upon: (1) the Beneficiary's discovery of either the Grantor's failure to disclose any fact deemed by the Beneficiary to be material to the making of the loan or material to any of the agreements entered into by the Grantor with the Beneficiary (including, but not limited to, the note and Trust Deed), or of any misrepresentation by, on behalf of, or for the benefit of, the Grantor; (2) the sale or other transfer (or attempted sale or transfer) of any kind or nature of the property, as defined previously; (3) any assignment or attempt to assign the rents, issues, or profits (or any part thereof) of the property without the prior written consent of the Beneficiary.

In case a complaint is filed in a suit or action brought to foreclose this Trust Deed, the court may, upon motion of the Beneficiary or holder of the Trust Deed, appoint a receiver to collect the rents and profits due under this Trust Deed, first deducting all proper charges and expenses of the receivership. Grantor agrees not to object to or oppose such a motion.

In the event of any suit or action to foreclose this Trust Deed, the losing party agrees to pay all costs plus whatever sum the trial court may find to be reasonable as attorney's fees to be allowed the prevailing party, and, in the event of any appeal, the losing party agrees to pay all costs plus whatever sum the appellate court may find to be reasonable as the prevailing party's attorney's fees on the appeal. Nothing in either this paragraph or the preceding one limits the Beneficiary's foreclosure rights under statute.

Grantor further agrees that in the event any portion or all of the property is taken under right of eminent domain or condemnation, Beneficiary shall have the right to require that the compensation be paid to Beneficiary and applied, first, to the Beneficiary's reasonable costs and attorney's fees, and, second, to the indebtedness secured by this Trust Deed.

STATE OF OREGON)
) ss.
County of Multnomah)

_____, 19_____.

Personally appeared the above named _____, and acknowledged the foregoing instrument to be his voluntary act and deed.

Before Me:

Notary Public for Oregon

My Commission Expires: _____

TO

AFTER RECORDING RETURN TO

In construing this Trust Deed, it is understood that the Grantor or Beneficiary may be more than one person; that if the context so requires the singular shall be taken to mean and include the plural, the masculine shall mean the feminine and the neuter; that references to Grantor or Beneficiary include any transferee (to whatever extent permitted), and that generally all grammatical changes shall be made, assumed, and implied to make the provisions in this Trust Deed apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the Grantor has executed this instrument this _____ day of _____, 19_____.

SIGNATURE

SIGNATURE

STATE OF OREGON)
) ss.
County of Multnomah)

_____, 19_____.

Personally appeared the above named _____, and acknowledged the foregoing instrument to be his voluntary act and deed.

Before me:

Notary Public for Oregon

My Commission Expires: _____

HOMEOWNER AFFIDAVIT

STATE OF OREGON

County of Multnomah

}
} ss.
}

_____ 19____.

I, _____, being duly sworn, do hereby state as follows:

1. I have applied to the Portland Development Commission for a loan to assist me in making certain alterations, repairs, and improvements which will substantially protect or improve the basic livability or energy efficiency of a certain single-family residence located at _____.

2. I intend to occupy that residence as my principal personal residence within sixty days after the final closing of this loan. I do not intend to utilize that residence either in a trade or business, or as an investment or recreational property. I also intend to maintain that property as my principal personal residence from that point thereafter.
3. a. I am not using the proceeds, nor do I plan to use the proceeds, of this loan to either acquire or replace an existing mortgage or other lien on the property.
 b. The proceeds of this loan (either all or a portion) will be used for replacement of the following: (i) prior construction loan secured by the property, (Yes _____ No _____) or (ii) a bridge loan or temporary financing pending the sale of my former residence (Yes _____ No _____).

Subscribed and sworn to before me this _____ day of _____, 19____.

Notary Public of Oregon

My Commission Expires: _____

ORDINANCE No. 153095

An Ordinance amending Agreement No. 19438 between the City of Portland, the Portland Development Commission, and Portland Energy Conservation, Inc., in order to include in the agreement the administrative procedures for operating an existing weatherization loan program for low and moderate income families.

The City of Portland ordains:

Section 1. The Council finds:

1. That the City, Portland Development Commission (PDC), and Portland Energy Conservation, Inc. (PECI) have entered into an agreement to operate a low-interest energy conservation retrofit loan program pursuant to Ordinance No. 151527, adopted by the Council on May 7, 1981.
2. That the funding for this program is provided to the City from an Urban Development Action Grant for energy conservation (Grant No. B-80-AA-41-0002) whose current expiration is December 31, 1982.
3. That the staff members representing the City, PDC and PECI formulated a series of administrative procedures to facilitate the implementation of the program and the relationship between the City, PECI, and PDC.
4. That the City Energy Office, PDC, PECI, and the City Attorney's Office are in agreement that incorporating these administrative procedures into the agreement between the parties will result in smoother operation of the program.

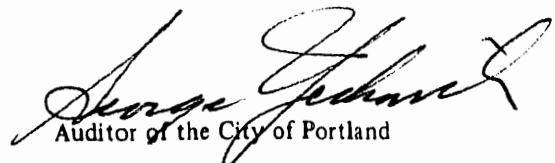
NOW, THEREFORE, the Council directs:

- a. That the Mayor and the City Auditor, on behalf of the City of Portland, accept this amendment to Agreement No. 19438 between the City, PDC, and PECI attached to this Ordinance as Exhibit A.

Passed by the Council, **APR 14 1982**

Commissioner Lindberg
April 2, 1981
SPChadima:sf

Attest:


Auditor of the City of Portland