**PERFORMANCE GUARANTEE FOR**

**COMPLIANCE WITH HOUSING REPLACEMENT ORDINANCE**

Demolition and Housing Replacement

PERFORMANCE GUARANTEE

LETTER OF CREDIT

[ACCOUNT NUMBER]

**[Insert Date]**

Jeffrey Levine

Director of Planning and Urban Development

City of Portland

389 Congress Street

Portland, Maine 04101

**Re:**  **[Insert Project Address] Demolition and Housing Replacement**

**[Insert Name of Lender]** (“Bank”) hereby issues its Irrevocable Letter of Credit for the account of **[Insert Name of Applicant]** (“Applicants”), held for the exclusive benefit of the City of Portland (“City”), in the aggregate amount of **[Insert exact amount to be determined by the City]**. These funds represent the estimated cost of **[Insert Amount]** for the housing replacement fee applicable to the demolition of **three** dwelling units, as approved on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **(“ Demolition Approval”)** and as required under Portland Code of Ordinances Section 14-483(j).

The City, through its Director of Planning and Urban Development and in his/her sole discretion, may draw on this Letter of Credit for the purposes of satisfying the requirements of the Housing Preservation and Replacement ordinance or those established in the Maine Medical Center Institutional Overlay Zone (Portland Code of Ordinances Section 14-282(l)3.b) by presentation of a sight draft and the Letter of Credit and all amendments thereto, if any.

In the event of the Bank’s dishonor of the City of Portland’s sight draft, the Bank shall inform the City of Portland in writing of the reason or reasons thereof within three (3) business days of the dishonor.

The City of Portland Code of Ordinances Chapter 14 §§ 503 requires the duration of the performance guarantee term to be at least one year. This Letter of Credit will automatically expire on [**Insert date one years from the date of this Letter of Credit**] or on the date when the City determines that the applicant has satisfied the requirements of the Housing Preservation or Replacement ordinance or those established in the MMC Institutional Overlay Zone , whichever is later (“Expiration Date”), provided that the expiration date does not fall between October 30th and April 15th. It is a condition of this Letter of Credit that the expiration date be automatically extended without amendment for period(s) of one year each from the current Expiration Date hereof, or any future Expiration Date, unless within thirty (30) days prior to any expiration, the Bank notifies the City by certified mail (restricted delivery to Brendan O’Connell, Director of Finance, City of Portland, 389 Congress Street, Portland, Maine 04101) that the Bank elects not to consider this Letter of Credit renewed for any such additional period.

In the event that the Bank provides notice of its election to discontinue this Letter of Credit and Applicant has not satisfied its housing replacement obligation or those under Section 14-282(l)3.b of the MMC Institutional Overlay Zone, the City, in its sole discretion, may draw hereunder by presentation of a sight draft drawn on the Bank, accompanied by this Letter of Credit and all amendments thereto, and a statement signed by the Director of Planning and Urban Development, at Bank’s offices located at Portland Maine stating that:

this drawing results from notification that the Bank has elected to discontinue its Letter of Credit No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 **[Name]**

 **[Title]**

Its Duly Authorized Agent