

**CITY OF NORWALK
REHABILITATION ASSISTANCE PROGRAM (RAP) CONTRACT**

OWNERS NAME: _____

PROJECT ADDRESS: _____

CONTRACTOR: _____
hereinafter referred to as the "CONTRACTOR"

CONTRACTOR ADDRESS: _____

LOAN AMOUNT: _____

TO: CITY OF NORWALK, hereinafter referred to as the "PUBLIC AGENCY"
ADDRESS: 705 North Avenue, Norwalk, Iowa 50211.

GENERAL CONDITIONS

1. The Bid and Proposal shall be accepted by the PUBLIC AGENCY and OWNER upon approval of a Rehabilitation Assistance Deferred Payment Loan. If such loan is disapproved, the entire Bid and Proposal is null and void. The OWNER is obligated to sign a Promissory Note and Mortgage unless this contract becomes null and void or is otherwise terminated in accordance with its provisions.
2. The OWNER agrees to sign the Promissory Note and Mortgage prior to commencement of work. The Promissory Note and Mortgage states:
 - a. If the property is sold or transferred prior to the first (1st) year anniversary of this instrument, 100% of the amount shown above shall be called due.
 - b. If the property is sold or transferred after the first (1st) year anniversary and prior to the second (2nd) year anniversary of this instrument, 80% of the amount shown above shall be called due.
 - c. If the property is sold or transferred after the second (2nd) year anniversary and prior to the third (3rd) year anniversary of this instrument, 60% of the amount shown above shall be called due.
 - d. If the property is sold or transferred after the third (3rd) year anniversary and prior to the fourth (4th) year anniversary of this instrument, 40% of the amount shown above shall be called due.
 - e. If the property is sold or transferred after the fourth (4th) year anniversary and prior to the fifth (5th) year anniversary of this instrument, 20% of the amount shown above shall be called due.
 - f. After the fifth (5th) year anniversary of this instrument, the entire amount as shown above is forgiven and no money will be due to the City.
3. Verification by contractor of required insurance is required prior to commencement of work under this contract.
4. This Public Agency is obligated to issue a written Notice to Proceed Order within thirty (30) days from the acceptance of the CONTRACTOR'S Bid and Proposal and work shall commence within thirty (30) days. No work shall be commenced by the CONTRACTOR until he/she has received such notice. If the notice is not received by the CONTRACTOR within this period, the CONTRACTOR has the option of withdrawing his/her bid.
5. The CONTRACTOR shall satisfactorily complete all work within a total of 30 days after the issuance of the Notice to Proceed Order.

6. Requests for final payments shall be made by using the standard form provided. Final payment shall NOT be disbursed until the PUBLIC AGENCY has inspected, approved, and verified the completed work claim, and all required lien waivers and manufacturer's warranties have been delivered by the CONTRACTOR to the PUBLIC AGENCY. No payments will be made for materials not properly installed or work not done in a quality manner and CONTRACTOR has otherwise fully complied with this contract to the satisfaction of the PUBLIC AGENCY.
7. The CONTRACTOR will defend, indemnify and hold harmless the OWNER, the PUBLIC AGENCY and its officers, commissioners and employees from liability and claims for damages because of bodily injury, death, property damage, sickness, disease or loss and expense arising from any of the CONTRACTOR'S actions under this Contract and such indemnification shall include reimbursement of all attorney fees and costs of litigation incurred by PUBLIC AGENCY and OWNER as a result of such liability or claim being asserted against either of them.
8. The CONTRACTOR must perform all work in accordance with the Project Specifications, Drawings (if applicable), and Rehabilitation Specifications and all applicable building codes as well as all federal, state, and local laws, ordinances, rules, and regulations.
9. CONTRACTOR is responsible to enclose and secure all openings at the work site at the end of each day and in case of adverse weather conditions at the discretion of the OWNER. Any damage or loss sustained as a result of non-compliance will be the responsibility of the CONTRACTOR.
10. The funds available from PUBLIC AGENCY are limited to the loan amount stated above. No additional funds are available from the PUBLIC AGENCY without re-execution of a new contract.
11. The CONTRACTOR shall protect, defend and indemnify the OWNER from any claims for unpaid work, labor or materials and such indemnification shall include reimbursement of all attorney fees and costs of litigation incurred by Public Agency and Owner as a result of such liability or claim being asserted against either of them. No payments shall be due the CONTRACTOR until he/she has delivered to the PUBLIC AGENCY complete release of all liens arising out of this contract or receipts in full, covering all labor and materials from which a lien could be filed, or a bond satisfactory to the OWNER and the PUBLIC AGENCY, all to the satisfaction of the PUBLIC AGENCY.
12. No modifications of this Contract shall be made except by written Change Order, signed by the CONTRACTOR, accepted by the OWNER, and approved by the PUBLIC AGENCY. Any changes made to this Contract without obtaining such approval shall be the CONTRACTOR'S liability.
13. No public official, employee, or board or commission member of the PUBLIC AGENCY shall have any interest, direct or indirect, in this Contract.
14. This Contract consists of the Bid and Proposal, including acceptance by the OWNER, and PUBLIC AGENCY, this Contract, a Notice to Proceed and payment documents.
15. The CONTRACTOR shall promptly remedy any defects in the work performed hereunder, and pay for any damage to other work resulting there from, which may appear within a period of **one (1) year** from the date of final acceptance of the work.
16. PUBLIC AGENCY does not warrant or guarantee the quality, completeness, or fitness of the project after final payment of the funds by the PUBLIC AGENCY. PUBLIC AGENCY has no continuing obligation with regards to the project, including enforcement of warranty, follow up repairs, or other matters.
17. Nothing contained herein shall establish the PUBLIC AGENCY in this Contract as other than a grantor or lender of funds with authority to review and inspect work performed under this Contract to the end that funds will be efficiently used as intended for the betterment of the community in general and the OWNER in particular.

18. Termination. The PUBLIC AGENCY has the right to terminate the contract by giving written notice to the CONTRACTOR of such termination and specifying the effective date thereof, at least seven (7) days before the effective date of such termination.
19. This instrument constitutes the entire agreement between the parties and no written or oral agreement of any kind exists to change the provisions hereof. No other work shall be done, nor additional monies paid, unless provided for in a previously written contract or change order, signed by the parties hereto, and approved in writing by the PUBLIC AGENCY.
20. Nothing contained in this contract and no action taken by the parties pursuant hereto shall be deemed to constitute a partnership, an association, a joint venture, or other entity.

In consideration of the agreements herein set forth, the CONTRACTOR proposes to furnish all the materials and perform all the work described in for the lump sum of: \$ _____. This amount includes all sales and other taxes.

The undersigned agree to all provisions of this Contract:

_____	_____
CONTRACTOR	Date
_____	_____
OWNER(S)	Date
_____	_____
OWNER	Date
_____	_____
AGENT OF NORWALK	Date

SAMPLE TO BE
FINAL TO BE
PREPARED
BY STAFF