

Appendix I

Water Supply Upgrade Lending Agreement

1. Property Owner: Name _____
2. Property Owner: Name _____
3. Property Owner: Name _____
Civic Address: House Number and Street _____
Community _____
RR# _____ Postal Code _____
Property Tax Information: Assessment Roll Number _____
Parcel Identification Description (PID) _____
Loan amount _____
Interest Rate _____
Loan Term _____
Total Interest _____

THIS FINANCING AGREEMENT is made this ____ day of _____ 20____ (“Effective Date”)
BETWEEN:

-and-

MUNICIPALITY OF THE DISTRICT OF YARMOUTH

[Hereafter called the “Municipality” and, together with the Property Owner(s), the “Parties”]

In consideration of the mutual covenants herein contained, the Parties agree as follows:

Definitions

1. In this agreement;
 - a. **“approved quote”** means the Contractor quote for the completion of part or all of the approved Water Supply Upgrades that has been obtained by the Property Owner(s) and provided to and approved by the Program Administrator;
 - b. **“CAO”** means the Chief Administrative Office for the Municipality, or his or her designate;
 - c. **“contractor”** means an insured and licensed person by the Department of Environment retained by the Property Owner(s) to complete the Water Supply Upgrades;
 - d. **“completion”** means the date that the Water Supply Upgrade work has been done as set out in the Certificate of Completion;
 - e. **“Director of Finance”** means the Director of Finance for the Municipality, or his or her designate;

- f. **“effective date”** means the date on which the final Water Supply Upgrade Lending Agreement is signed;
- g. **“enabling upgrade”** means to supply water from the new well to the residence which includes the installation of a well pump, the water line and electrical hookup as required;
- h. **“maximum eligible amount”** means a general financing cap set by the Municipality. The Municipality of the District of Yarmouth’s maximum eligible amount is ten thousand dollars (\$10,000.00);
- i. **“program administrator”** means the Municipality, and includes its employees and agents, or designated third party contractor;
- j. **“property”** means a residential property located within the Municipality that meets the eligibility criteria for participation in the Water Supply Upgrade Lending Program;
- k. **“qualifying property”** means an owner-occupied residential property located within the Municipality but does not include multi-unit residential or non-profit owned buildings, new construction or business/industrial premises;
- l. **“repayment period”** means the period from the date the financing charge first becomes due and payable to the date the final payment is due, and shall in no case be greater than ten (10) years;
- m. **“water supply upgrade”** means a construction of a new dug or drilled well, or an upgrade to an existing well that is required to source water for the property. Upgrades may include the installation of equipment related thereto;
- n. **“water by-law”** means the Water Supply Upgrade Lending Program By-Law W-1028-17, approved by the Municipality on March 28, 2018;
- o. **“water supply upgrade lending program” or “program”** means a program established by the Municipality under which owners of properties may obtain financing for construction of water supply upgrades;
- p. **“water supply upgrade loan”** means the local improvement charge levied on the property pursuant to section 81A of the *Nova Scotia Municipal Government Act*, and is equal to the value of the approved eligible upgrade(s), up to the maximum eligible amount.

Term of Agreement

- 2. This lending agreement commences on the effective date and terminates at the end of the repayment period or when the loan is paid in full.

Water Supply Upgrades

- 3. The property owner(s) acknowledges and agrees that only those water supply upgrades approved by the program administrator are eligible for financing through the program, and that the property owner(s) shall be solely liable for the cost of any unapproved upgrades completed on the property;
- 4. the property owner(s) further acknowledges and agrees that they shall be solely liable for the cost of any work in excess of the approved loan amount, regardless of whether the excess costs were for the installation of approved water supply upgrades;
- 5. in the event that an enabling upgrade is necessary in order to enable a water supply upgrade, the enabling upgrade and the water supply upgrade must both be installed to be eligible for the program;

Payment to Contractor

6. Upon completion of the approved water supply upgrades, the property owner will sign any/all eligible invoices for completed work (submitted by the contractor) and forward them to the program administrator within 10 business days for payment to the contractor up to the maximum eligible amount;

7. if, after starting the installation of the water supply upgrades at the property, a contractor or the property owner(s) causes the installation of the upgrades to be stopped for any reason, including reasons related to safety (including structural deficiencies, hazardous materials or other safety hazards), or discovery of unforeseen conditions, this is a matter to be resolved between the property owner and the contractor.

Reportable Deficiencies

8. If the program administrator discovers any deficiencies with the property relative to compliance with codes, standards, or other applicable regulations, the property owner(s) acknowledges that the program administrator shall be obligated to report such deficiencies to the applicable regulatory authority.

Lien Against Property

9. The water supply upgrade loan shall be a first lien on the real property and shall be collectable in the same manner as other taxes, subject to an Event of Default. The lien shall be recorded at the Provincial Land Registry office. The Municipality shall be responsible to record and pay any fees associated with the registration.

Repayment

10. the water upgrade supply loan shall become payable on completion of installation of the water supply upgrade in accordance with the water supply upgrade lending agreement;

11. if the property owner exits the program without completing the water supply upgrades, and only if a lending agreement has not been executed, 80% of the administration fee will be refunded . Program exit is based on confirmation by the property owner of their decision to not proceed.

12. the water supply upgrade loan may consist of:
 - a. the cost of water supply upgrades, including all labour costs, permitting fees, and applicable taxes;
 - b. interest charges, including any additional interest arising due to any default of payment.

13. payment of the water supply upgrade loan shall occur as follows:
 - a. the property owner(s) will make equal monthly or annual payments over a period not exceeding 10 years to repay the outstanding water supply upgrade loan, including interest payable on the unpaid water supply upgrade loan. Interest will be calculated on the basis of the Municipality's cost to borrow at the time of the effective date. Payments may be made by whatever payment methods are advertised as acceptable methods to make payments generally to the Municipality. The payment schedule will be made available through the municipality. The property owner will be responsible for any charges incurred for non-sufficient funds;
 - b. interest will begin accruing when the water supply upgrade is completed as evidenced by the date on a Certificate of Completion, or 30 days after the date of the last invoice submitted for payment, whichever is earlier.

Lump Sum Payments

14. The Property Owner may at any time, and without prepayment penalty or charges, make a lump-sum payment to the Municipality toward the outstanding balance of the Water Supply Loan. The lump sum payment under this program must be no less than 10% of the original loan amount. The lump sum payment will first be applied to accrued interest, and the balance remaining to the outstanding principal. The Municipality will recalculate and deliver to the property owner, a revised repayment schedule based on the original terms and conditions.

Late Payments

15. In the event of default of payment under the water supply upgrade lending agreement, the outstanding balance shall be immediately due and payable. Interest shall be accrued on the amount then due and payable at the same rate applied by the Municipality for unpaid taxes and charges in default at rates as published in the Municipality's Interest Policy I-068-00. Once in default status, the lien will be subject to the default rate until entirely repaid.

Sale and Release

16. The property owner(s) shall have the unfettered right to sell, transfer, charge and mortgage, encumber or otherwise deal with the property without the prior consent of the Municipality;
17. in the event the property is transferred to a new owner the entire amount becomes immediately payable to the Municipality and the loan shall be repaid in full, including accrued interest, by the original owner

Disclaimer

18. Neither the Municipality, nor their respective affiliates, agents, successors and assigns shall be liable to the property owner(s) for any damages arising in, but not limited to tort, including but not limited to negligence, breach of contract, or under any other provision of law including property damage, direct and incidental losses, economic loss, or personal injury resulting from the installation or use of the water supply upgrade or anything done in accordance with the program.

Property Owner Responsibilities

19. The property owner(s) will be responsible for:
 - a. obtaining quotes from contractors for the proposed water supply upgrades and submitting these quotes to the program administrator;
 - b. applying to the relevant government authority for the appropriate permit(s) to complete the water supply upgrades;
 - c. advising the program administrator if there are any hazardous substances at or on the property, or other defects, deficiencies or impediments that might impact the installation of the water supply upgrade;
 - d. forwarding the contractor invoices for the completed water supply upgrades immediately upon their receipt;
 - e. informing his or her property insurance provider that the water supply upgrade is being installed and purchasing appropriate insurance coverage in this regard, if applicable, and
 - f. securing from the contractor and submitting to the Municipality, a Certificate of Completion;

Assignment by Municipality

20. This agreement binds the property owner(s) and their successors, heirs and assigns. The Municipality may, at its sole discretion, assign this agreement in whole or part, to a third party without

notice, for any purpose.

Consent

- 21. The property owner(s) consents to the program administrator or its agents accessing the premises with reasonable notice.

No Warranty

- 22. There is no implied nor express representation or warranty by the Municipality, the program administrator, or their respective affiliates, agents, successors and assigns related to the design, installation or operation of the water supply upgrades, and the municipality, the program administrator and their respective affiliates, agents, successors and assigns expressly disclaim any and all warrants relating to the water supply upgrades, associated equipment or materials as to workmanship, quality, fitness for purpose or performance.
Home Owner(s) Initial _____

- 23. The parties hereto acknowledge and agree that the communicating of this agreement may be transmitted by way of e-mail transmission and that the parties hereto agree to accept such signatures and documents as legal and binding on the parties.

Authorized Signature of Property Owner(s)

- 24. By signing below, the property owner(s) agree(s) to the terms and conditions described above, and hereby confirms that he/she/they is/are a registered property owner(s);
- 25. if the water supply upgrade dollar amount surpasses the approved loan amount, the surplus dollar amount is the sole responsibility of the property owner(s). Contractor invoices will be processed in the order in which they are received up to the approved loan amount. The property owner is responsible for making contractors aware that any invoice fee that exceeds the approved loan amount will be the responsibility of the property owner.

PROPERTY OWNER 1	
Name (Print):	
Signature:	
Date:	

PROPERTY OWNER 2	
Name (Print):	
Signature:	
Date:	

PROPERTY OWNER 3	
Name (Print):	
Signature:	
Date:	

Municipal Staff	
Name (Print):	
Signature:	
Title:	
Date:	
File Approval Number	

Attachment: Loan amortization schedule.

Please mail or email the completed Financing Agreement to:

*Municipality of the District of Yarmouth
 932 Highway1
 Hebron, NS, B5A 5Z5
admin@district.yarmouth.ns.ca*