Water Supply Lending Agreement

Property Owner 1: Name _____

Property Owner 2: Name _____

Property Owner 3: Name _____

Civic Address: House Number and Street _____

Community _____ Postal Code _____

Property Tax Information: Assessment Roll Number (AAN#) _____

Premises Identification Number (PID#) _____

Loan Amount requested $ _____

THIS FINANCING AGREEMENT is made this ____ day of _____, _____ ("Effective Date").

B E T W E E N:

PROPERTY OWNER(S)

- and -

MUNICIPALITY OF THE DISTRICT OF ARGYLE

(Hereinafter 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 Officer for the Municipality, or his or her designate;

   c. **"Contractor"** means an insured person or corporation retained by the Property Owner(s) to complete the Water Supply Upgrades;

   d. **"Director of Finance"** means the Director of Finance for the Municipality, or his or her designate;

   e. **"Effective Date"** means the date on which the final Water Supply Lending Agreement is signed;

   f. "**Enabling Upgrade"** means a non-Water Supply Upgrade that is necessary to enable a Water Supply Upgrade;

   g. **"Maximum Eligible Amount"** means the maximum amount that the Municipality will lend a Property Owner for any combination of Water Supply Upgrades;

   h. **"Program Administrator"** means The Municipality, and includes its employees and agents; or designated third party Contractor;

   i. "**Program Service Fee**" refers to the costs incurred by the Municipality or Program Administrator to administer the Program;

j. **"Property"** means a residential Property located within the Municipality that meets the eligibility criteria for participation in the Water Supply Lending Program;

k. **"Property Owner"** means individual or entity in possession of title for land, building, or other item. The owner may be responsible for paying taxes in relation to the Property.

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 By-Law"** means the Water Supply Upgrade Lending Program Bylaw, approved by the Municipality on January 10, 2017;

n. **"Water Supply Financing Program" or "Program"** means a program established by the Municipality under which owners of Properties may obtain financing for construction of Water Supply Upgrades;

o. **"Water Supply Upgrade"** means an installation that is affixed to the Property and which includes:

   i. A new dug or drilled well, or an upgrade to an existing well that is required to source water for the property including all equipment related thereto;

   ii. Installation of cisterns, water from fog systems, greywater collections or other containers or technology installed for the purpose of the supply and conservation of water;

p. **"Water Supply 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) plus the Program Service Fee, up to the Maximum Eligible Amount;

The Property Owner(s) hereby borrows from the Municipality and the Municipality hereby lends to the property owner(s) the sum of _____ dollars ($ _____), this said sum to be repaid in accordance with the terms and conditions as agreed to in the following clauses and in accordance with the attached amortization schedule of repayments.

Term of Agreement

2. This Lending Agreement commences on the Effective Date and terminates at the end of the Repayment Period.

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 Maximum Eligible 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, both the Enabling Upgrade and the Water Supply Upgrade must be installed to be eligible for the Program.

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 for payment, up to the Maximum Eligible Amount.

7. In the case of disputes between the Property Owner(s) and a Contractor as to whether the Water Supply Upgrades are complete, the Program Administrator reserves the right to make the final determination as to the completeness of the Water Supply Upgrades.
8. If the Program Administrator or the Municipality 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 and/or the Municipality shall be obligated to report such deficiencies to the applicable regulatory authority.

Specifics

9. The Water Supply Loan shall be collectable in the same manner as other taxes.
10. The Water Supply Loan shall become payable on completion of installation of the Water Supply Upgrade in accordance with the Water Supply Lending Agreement, and monthly payments shall commence in the month subsequent to the installation.
11. If the Property Owner exits the Program without completing Water Supply Upgrades, any incurred Program Service Fees will be due 30 days after Program exit. If these Program fees are not paid within 30 days, 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.
12. The Water Supply Loan may consist of:

    a. The cost of the Water Supply Upgrade, including all labour costs, permit fees and applicable taxes;

    b. Applicable service fees incurred by the Municipality directly or the owner of the Qualifying Property;

    c. Interest charges, including any additional interest arising due to any default of payment.

Repayment

13. Repayment of the Water Supply loan shall occur as follows:

    a. The Property Owner(s) will make equal monthly payments over a period of 10 years to repay the outstanding Water Supply Loan, including interest payable on the unpaid Water Supply Loan at the rate of 2% per annum. These payments must be made through Pre-arranged monthly electronic payments. The payment schedule will be made available through the municipality.

    b. Interest will begin accruing when the final Water Supply Upgrade loan is issued by the Municipality.

14. The Property Owner may at any time, and without prepayment and/or penalty charges, make a lump-sum payment to the Municipality toward the outstanding balance of the Water Supply Loan, plus accrued interest.

Late Payments

15. In the event of default of payment under the Water Supply 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 (13%). Once in default status, the outstanding balance will be subject to the default rate until entirely repaid.

16. In the event the outstanding balance is not paid within 2 years, the property shall be sold at tax sale.

Sale and Release

17. 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.

18. 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 by the original owner.

Disclaimer

19. 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

20. 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 Upgrades;

    d. forwarding the Contractor invoices for the completed Water Supply Upgrades immediately upon their receipt;

    e. arranging and paying for all maintenance of the Water Supply Upgrades after installation;

    f. arranging and paying for any materials or labour costs required to repair or rehabilitate the Water Supply Upgrades in relation to any defects or deficiencies;

    g. 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;

Assignment by Municipality

21. 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 in part to a third party without notice for any reason whatsoever.

Consent

22. The Property Owner(s) consents to the Program Administrator or its agents accessing the premises with reasonable notice for the purpose of quality assurance of the Program and/or the Water Supply Upgrades.

23. The Property Owner(s) consents to the sharing of photographs taken of their Water Supply Upgrades for the purposes of marketing and/or education. No photographs displaying civic addresses, license plates or other information that would disclose the identity of the Property Owner(s) shall be used.

24. The Property Owner consents to the use of a hydrologist or similar expertise that may be requested by the Municipality to assess and confirm the Property Owner's chosen water Upgrade. This service, if requested, shall be at the expense of the Municipality.

No Warranty

25. 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 warranties relating to the Water Supply Upgrades, associated equipment or materials as to workmanship, quality, fitness for purpose or performance.

26. 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.

27. By signing below, the Property Owner(s) agree(s) to the terms and conditions described above, and hereby confirms that he or she is a registered Property Owner.

28. By sending the Program Administrator an eligible upgrade invoice the Property Owner(s) is confirming the upgrade is complete and the invoice dollar amount will be added to the amount which includes Program Service Fee, Supplemental Assessment Fee(s) if applicable, and any previously completed Water Supply upgrade invoices.

29. If eligible Water Supply Upgrade dollar amount (plus Program Service Fees) surpasses the maximum financing limit, the surplus dollar amount is the sole responsibility of the Property Owner(s). Water Supply Upgrade dollar amount will be calculated based on the order in which eligible clean energy upgrade invoices are received by the Program Administrator. The Property Owner is responsible for making Contractors aware that any invoice fee that exceeds the maximum financing limit will be the responsibility of the Property Owner.

30. This Agreement shall ensure to the benefit of all parties hereto as well as their respective heirs, successors and assigns.

Water Supply Lending Agreement

IN WITNESS WHEREOF the parties hereto have set their hands and seals the day and year first above written.

SIGNED, SEALED & DELIVERED in the presence of:	)	
_____	)	Per: _____
Witness	)	Property Owner 1
_____	)	Per: _____
Witness	)	Property Owner 2
_____	)	Per: _____
Witness	)	Property Owner 3
	)	Municipality of the District of Argyle
_____	)	Per: _____
Witness	)	Nicole Albright
	)	Warden
_____	)	Per: _____
Witness	)	Alain D. Muise
	)	Chief Administrative Officer