



136 North Monroe Street
Waterloo, WI 53594
Phone: (920) 478-3025
Fax: (920) 478-2021
www.waterloowi.us

LEAD WATER SERVICE LINE REPLACEMENT LOAN PROGRAM

APPLICATION PACKET

WITH LOAN ORIGATION DOCUMENTS FOR REFERENCE

ATTACHED

1. Application Form

- a. Complete, sign and date. Submit to Clerk/Treasurer's office or to the 24/7 Municipal drop box with a final plumber's estimate. Applications will be processed in 5-7 business days.

2. Municipal Lead Loan Mortgage Note

- a. Provided as reference. Review prior to submitting application. Completed at the loan closing.

3. Municipal Lead Loan Mortgage

- a. Provided as reference. Review prior to submitting application. This document also completed at the loan closing. After the loan closing it is recorded with the Register of Deeds office at the Jefferson County Courthouse.

4. Mortgage Loan Transaction Closing Disclosure

- a. Provided as reference. Please review as it lists the loan terms. The final terms will be provided at the loan closing along with a payment schedule.

5. Deed Restriction

- a. Provided as reference. This document is also recorded at the Register of Deeds office.

MUNICIPAL LEAD LOAN MORTGAGE NOTE

\$ _____ .00

_____, 2020
Jefferson County, Wisconsin

FOR VALUE RECEIVED, the undersigned, _____, (address: _____) (the "**Borrower**"), hereby promises to pay to the City of Waterloo, a Wisconsin municipal corporation located in Jefferson County, with its offices at 136 North Monroe Street, Waterloo, Wisconsin, 53594-1125 (the "**City**"), the principal sum of _____ (\$ _____ .00). This is an interest free loan, without charge to Borrower for interest on the unpaid and outstanding principal balance.

Maturity; Payments. Unless otherwise accelerated by the terms of this Note, 15% percent of the principal amount of this Note shall be due and payable at time of signing this promissory note followed by five annual equal payments due on or before each October 1st following the year the work to replace Borrower's private lead service line is completed.

Manner of Payment. All payments on this Note shall be made in lawful money of the United States of America by immediately available funds to such place as City shall designate to the Borrower. If any payment is due on a day which is not a business day in the State of Wisconsin, such payment shall be due on the next succeeding business day.

Prepayment. The principal due under this Note may be prepaid by the Borrower in whole or in part without premium or penalty and without the written consent of the City.

Default. The occurrence of any one or more of the following events with respect to the Borrower shall constitute an event of default (each, an "**Event of Default**"):

If the Borrower shall fail to pay any payment of principal due under this Note as and when due and such default continues for ten (10) days after City gives written notice thereof to Borrower as set forth in that certain Mortgage of even date herewith given by Borrower to City to secure this Note (the "Mortgage"); or (ii) an Event of Default shall occur under the Mortgage.

The institution by the Borrower of proceedings to be adjudged voluntary bankrupt; the filing by the Borrower of a petition for bankruptcy under any bankruptcy act or other similar applicable federal or state law; the making by the Borrower of an assignment for the benefit of creditors; or the entry of a decree or order by a federal court adjudging the Borrower as bankrupt or insolvent or the entry of a decree or order of a court for appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Borrower or Borrower's property.

The failure of Borrower to comply with any of the obligations or requirements of this Note.

Remedies.

In the Event of Default: (a) the City may, at its option and by written notice to the Borrower, declare the entire unpaid principal balance of this Note, immediately due and payable; (b) impose a late charge of five percent (5%) of such installment, such late charge to be immediately due and payable without demand by Lender; and (c) until paid in full, the unpaid principal amount shall draw interest at the lesser

of (i) ten percent (10%) per annum (computed on the basis of the actual number of days elapsed and a year of 365 days) or (ii) the maximum interest rate permitted by applicable law.

In addition to all other legal and equitable remedies, if the Borrower fails to make the loan payments as required by this Agreement, the amount of the outstanding debt and related costs may be imposed by the City as a special charge against the Property pursuant to § 66.0627 of the Wisconsin Statutes, and the amount due placed on the real estate tax roll for collection. The Borrower hereby waives any right to challenge the imposition, collection or settlement of such special charge. The Borrower agrees that the loan is for the purposes set forth in § 66.0627(8)(a), Wis. Stats.

Failure by the City to exercise the remedies set forth above shall not constitute a waiver of the right to exercise the same at a later time or upon the occurrence of any subsequent Event of Default. The City may use all remedies in law and equity to enforce and collect the amount owed under this Note and the Borrower shall be responsible for the City's reasonable costs of enforcement and collection, including, without limitation, reasonable attorney's fees.

No delay or omission of the City in exercising any right or power hereunder shall impair such right or power or be a waiver of any default or acquiescence therein; and no single or partial exercise of any such right or power shall preclude other or further exercise thereof, or the exercise of any other right. All rights and remedies hereunder or afforded by law shall be cumulative and shall be available to the City until the principal amount of this Note have been paid in full.

Additional Terms and Conditions. The Borrower agrees that the principal sum of this Note, which is premised upon an estimate to perform Borrower's private lead service line replacement, represents the City's entire contribution toward the replacement of Borrower's private lead service line and Borrower is responsible for all cost over-runs beyond the principle sum of this Note. The City reserves the right to amend the principal sum of this Note to include eligible cost over-runs

In replacing Borrower's private lead service line, Borrower agrees to comply with all applicable local, state and federal laws.

Borrower agrees to hold the City harmless for work performed by contractor to replace Borrower's private lead service line.

Governing Law. This Note and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the internal laws of the State of Wisconsin, without regard to its principles of conflicts of laws.

Waiver of Jury Trial. Each party irrevocably consents to the exclusive, personal jurisdiction in any court of competent jurisdiction located in the State of Wisconsin, with respect to any action arising out of or pertaining to this Note. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS NOTE IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY.

Notices. Any notice required or permitted under this Note shall be given in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) on the day sent by confirmed facsimile if sent during normal business hours of the recipient (if not, then on the next business day), (c) one (1) business day after deposit with a nationally recognized courier with written verification of receipt, or (d) five (5) business days after deposit with the United States Post Office, by registered or

certified mail, postage prepaid. All communications shall be sent to the Borrower and to the City at the address (or facsimile number) provided for on the signature page hereto, or at such other address as such party may designate by at least ten (10) days' advance written notice to the other party.

Amendments and Waivers. With the written consent of the Borrower and the City, the rights, obligations and other terms of this Note may be waived (either generally or in a particular instance, either retroactively or prospectively and either for a specified period of time or indefinitely) or amended.

Headings. All section headings herein are inserted for convenience only and shall not modify or affect the construction or interpretation of any provision of this Note.

Severability. If any provision of this Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Note will remain in full force and effect. Any provision of this Note held invalid or unenforceable only in part of degree will remain in full force and effect to the extent not held invalid or unenforceable.

Transferability; Assignment. This Note is nontransferable. Neither the Borrower nor the City shall at any time sell, assign or transfer, all or part of its interest or obligations in or under this Note.

Waivers. The Borrower waives presentment, protest and demand, notice of protest, demand and of dishonor and nonpayment of this Note and any lack of diligence or delays in collection or enforcement of this Note.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed in the City of Waterloo, Wisconsin as of the date first above written.

BORROWER

Printed Name: _____

Date: _____

Printed Name: _____
Date: _____

CITY OF WATERLOO

By: _____
Printed Name: _____

Title: _____
Date: _____

otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided Mortgagee deems the restoration or repair to be economically feasible.

e. **OTHER COVENANTS.** Mortgagor covenants not to commit waste nor suffer waste to be committed on the Property, to keep the Property in good condition and repair, to keep the Property free from future liens superior to the lien of this Mortgage and to comply with all laws, ordinances and regulations affecting the Property. Mortgagor shall pay when due all indebtedness which may be or become secured at any time by a mortgage or other lien on the Property superior to this Mortgage and any failure to do so shall constitute a default under this Mortgage.

2. **DEFAULT AND REMEDIES.** Mortgagor agrees that time is of the essence with respect to payment of principal when due, and in the performance of the terms, conditions and covenants contained herein or in the Obligation secured hereby. In the event of default of the terms of this mortgage or the terms of the note secured by this mortgage, Mortgagee may, at its option, declare the whole amount of the unpaid principal due and payable, and collect it in a suit at law or by foreclosure of this Mortgage or by the exercise of any other remedy available at law or equity. If this Mortgage is subordinate to a superior mortgage lien, a default under the superior mortgage lien constitutes a default under this Mortgage.

3. **NOTICE.** Unless otherwise provided in the Obligation secured by this Mortgage, prior to any acceleration (other than under paragraph 9, below) Mortgagee shall mail notice to Mortgagor specifying: (a) the default; (b) the action required to cure the default; (c) a date, not less than 10 days from the date the notice is mailed to Mortgagor by which date the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration.

4. **EXPENSES AND ATTORNEY FEES.** In case of default, whether abated or not, all costs and expenses, including, but not limited to, reasonable attorney fees, to the extent not prohibited by law shall be added to the principal, become due as incurred, and in the event of foreclosure be included in the judgment.

5. **FORECLOSURE WITHOUT DEFICIENCY.** Mortgagor agrees to the provisions of Sections 846.101 and 846.103, Wis. Stats., as may apply to the Property and as may be amended, permitting Mortgagee in the event of foreclosure to waive the right to judgment for deficiency and hold the foreclosure sale within the time provided in such applicable Section.

6. **RECEIVER.** Upon default or during the pendency of any action to foreclose this Mortgage, Mortgagor consents to the appointment of a receiver of the Property, including homestead interest, to collect the rents, issues and profits of the Property during the pendency of such an action, and such rents, issues and profits when so collected shall be held and applied as the court shall direct.

7. **WAIVER.** Mortgagee may waive any default without waiving any other subsequent or prior default by Mortgagor.

8. **MORTGAGEE MAY CURE DEFAULTS.** In the event of any default by Mortgagor of any kind under this Mortgage or any Obligation secured by this Mortgage, Mortgagee may cure the default and all sums paid by Mortgagee for such purpose shall immediately be repaid by Mortgagor with interest at the rate then in effect under the Obligation secured by this Mortgage and shall constitute a lien upon the Property.

9. **CONSENT REQUIRED FOR TRANSFER.** Mortgagor shall not transfer, sell or convey any legal or equitable interest in the Property (by deed, land contract, option, lease or in any other way) without the prior written consent of Mortgagee, unless either the indebtedness secured by this Mortgage is first paid in full or the interest conveyed is a mortgage or other security interest in the Property, subordinate to the lien of this Mortgage. The entire indebtedness under the Obligation secured by this Mortgage shall become due and payable in full at the option of Mortgagee without notice, which notice is hereby waived, if at any time the property is no longer the principle residence of the applicant or an immediate member of the applicant's family or upon any transfer, lease, sale or conveyance made in violation of this paragraph. A violation of the provisions of this paragraph will be considered a default under the terms of this Mortgage and the Obligation it secures.

10. **ASSIGNMENT OF RENTS.** Mortgagor hereby transfers and assigns absolutely to Mortgagee, as additional security, all rents, issues and profits which become or remain due (under any form of agreement for use or occupancy of the Property or any portion thereof), or which were previously collected and remain subject to Mortgagor's control following any default under this Mortgage or the Obligation secured hereby and delivery of notice of exercise of this assignment by Mortgagee to the tenant or other user(s) of the Property in accordance with the provisions of Section 708.11, Wis. Stats., as may be amended. This assignment shall be enforceable with or without appointment of a receiver and regardless of Mortgagee's lack of possession of the Property.

11. **ENVIRONMENTAL PROVISION.** Mortgagor represents, warrants and covenants to Mortgagee that (a) during the period of Mortgagor's ownership or use of the Property no substance has been, is or will be present, used, stored, deposited, treated, recycled or disposed of on, under, in or about the Property in a form, quantity or manner which if known to be present on, under, in or about the Property would require clean-up, removal or other remedial action ("Hazardous Substance") under any federal, state or local laws, regulations, ordinances, codes or rules ("Environmental Laws"); (b) Mortgagor has no knowledge, after due inquiry, of any prior use or existence of any Hazardous Substance on the Property by any prior owner of or person using the Property; (c) without limiting the generality of the foregoing, Mortgagor has no knowledge, after due inquiry, that the Property contains asbestos, polychlorinated biphenyl components ("PCBs") or underground storage tanks; (d) there are no conditions existing currently or likely to exist during the term of this Mortgage which would subject Mortgagor to any damages, penalties, injunctive relief or clean-up costs in any governmental or regulatory action or third-party claims relating to any Hazardous Substance; (e) Mortgagor is not subject to any court or administrative proceeding, judgment, decree, order or citation relating to any Hazardous Substance; and (f) Mortgagor in the past has been, at the present is and in the future will remain in compliance with all Environmental Laws. Mortgagor shall indemnify and hold harmless Mortgagee from all loss, cost (including reasonable attorney fees and legal expenses), liability and damage whatsoever directly or indirectly resulting from, arising out of or based upon (i) the presence, use, storage, deposit, treatment, recycling or disposal, at any time, of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, (ii) the violation or alleged violation of any Environmental Law, permit, judgment or license relating to the presence, use, storage, deposit, treatment, recycling or disposal of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, or (iii) the imposition of any governmental lien for the recovery of environmental clean-up costs expended under any Environmental Law. Mortgagor shall immediately notify Mortgagee in writing of any governmental or regulatory action or third-party claim instituted or threatened in connection with any Hazardous Substance on, in, under or about the Property.

12. **SECURITY INTEREST ON FIXTURES.** To further secure the payment and performance of the Obligation, Mortgagor hereby grants to Mortgagee a security interest in:

CHOOSE ONE OF THE FOLLOWING OPTIONS; IF NEITHER IS CHOSEN, OPTION A SHALL APPLY:

- A. All fixtures and personal property located on or related to the operations of the Property whether now owned or hereafter acquired.
- B. All property listed on the attached schedule.

This Mortgage shall constitute a security agreement within the meaning of the Uniform Commercial Code with respect to those parts of the Property indicated above. This Mortgage constitutes a fixture filing and financing statement as those terms are used in the Uniform Commercial Code. This Mortgage is to be filed and recorded in the real estate records of the county in which the Property is located, and the following information is included: (1) Mortgagor shall be deemed the "debtor"; (2) Mortgagee shall be deemed to be the "secured party" and shall have all of the rights of a secured party under the Uniform Commercial Code; (3) this Mortgage covers goods which are or are to become fixtures; (4) the name of the record owner of the land is the debtor; (5) the legal name and address of the debtor are _____

_____ ;
(6) the state of organization and the organizational identification number of the debtor (if applicable) are _____

_____ ; and
(7) the address of the secured party is City of Waterloo, 136 North Monroe Street, Waterloo, WI, 53594-1125.

13. **SINGULAR; PLURAL.** As used herein, the singular shall include the plural and any gender shall include all genders.

14. **JOINT AND SEVERAL/LIMITATION ON PERSONAL LIABILITY.** The covenants of this Mortgage set forth herein shall be deemed joint and several among Mortgagors, if more than one. Unless a Mortgagor is obligated on the Obligation secured by this Mortgage, Mortgagor shall not be liable for any breach of covenants contained in this Mortgage.

15. **INVALIDITY.** In the event any provision or portion of this instrument is held to be invalid or unenforceable, this shall not impair or preclude the enforcement of the remainder of the instrument.

16. **MARITAL PROPERTY STATEMENT.** Any individual Mortgagor who is married represents that the obligation evidenced by this instrument was incurred in the interest of Mortgagor's marriage or family.

Dated _____.

_____(SEAL)_____(SEAL)
* _____ *

_____(SEAL)_____(SEAL)
* _____ *

AUTHENTICATION

ACKNOWLEDGMENT

Signature(s) _____

STATE OF WISCONSIN)
) ss.

authenticated on _____.

_____ COUNTY)

* _____
TITLE: MEMBER STATE BAR OF WISCONSIN
(If not, _____
authorized by Wis. Stat. § 706.06)

Personally came before me on _____,
the above-named _____
to me known to be the person(s) who executed the
foregoing instrument and acknowledged the same.

THIS INSTRUMENT DRAFTED BY:

* _____
Notary Public, State of Wisconsin
My Commission (is permanent) (expires: _____)

(Signatures may be authenticated or acknowledged. Both are not necessary.)

**MORTGAGE LOAN TRANSACTION CLOSING DISCLOSURE
CITY OF WATERLOO PRIVATE LEAD SERVICE LINE REPLACEMENT MUNICIPAL LOAN PROGRAM**

This form is a statement of final loan terms and closing costs.

Closing Information

Closing Date:

Lender: City of Waterloo

Address: 136 North Monroe Street, Waterloo, Wisconsin, 53594-1125

Name: Mo Hansen, Clerk/Treasurer

Phone: 920-478-3025

E-mail: cityhall@waterloowi.us

Borrower:

Address of Mortgage Property:

Phone:

E-mail:

Loan Term: 6 years

Purpose: Reimbursement of cost for replacement of private lead service line pursuant to the City of Waterloo Private Lead Service Line Replacement Municipal Loan Program.

Loan Terms

Loan amount: \$ _____

Interest Rate: 0%. (This is an interest free loan.)

Yearly Principal: \$ _____

Prepayment Penalty: 0%. (This loan can be prepaid at any time without penalty.)

Loan payments: This loan is payable as follows: 15% percent of the principal amount is due and payable at time of signing the note and mortgage followed by five annual equal payments due on or before each October 1st following the year the work to replace Borrower's private lead service line is completed.

Projected Payments

A Minimum of 15% Payable At Time Of Loan Origination: \$ _____

Annual Principal Payment Amount: \$ _____

Mortgage Insurance: 0

Estimated Tax Escrow: 0

Homeowners Insurance: 0

Other: 0

Total Annual Payment: \$ _____ (This should be the same as the Annual Principal Payment Amount.)

Costs at Closing

There are no closing costs charged by Lender to Borrower for this Loan, including but not limited to application fees, origination fees, title insurance charges, document preparation fees, or document recording fees.

Additional Information about this Loan- Loan Disclosures

Assumption – This Loan requires the written approval of Lender before you can sell or transfer the Mortgage Property. Selling the Mortgage Property without the approval of Lender may result in acceleration of all remaining and unpaid principal.

Late Payment – If your payment is more than 10 calendar days late, Lender may charge a late fee of 5% of the amount past due.

Special Charge - In addition to all other legal and equitable remedies, if the Borrower fails to make the loan payments as required by under the note, the amount of the outstanding debt and related costs may be imposed by the City as a special charge against the Property pursuant to § 66.0627 of the Wisconsin Statutes, and the amount due placed on the real estate tax roll for collection.

Security Interest – You are granting Lender a security interest in the form of a recordable mortgage in the Mortgage Property to secure the payment of the Loan. You may lose this property if you do not make your payments or satisfy other obligations of this Loan.

Contract Details – See your note and mortgage for information about

- What happens if you fail to make your payments,
- What is a default on the loan,
- Situations in which your lender can require early repayment of the loan, and
- The rules for making payments before they are due.

Liability after Foreclosure – If you lender forecloses on the Mortgage Property and the foreclosure does not cover the amount of the unpaid balance on this loan, state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you lose this protection and have to pay any debt remaining even after foreclosure. You may want to contact an attorney for more information.

Refinance – Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

DEED RESTRICTION
Requirement of Owner Occupancy

The undersigned (the "Owner"), of the below described real property located in the City of Waterloo, Jefferson County, Wisconsin (the "Property"), hereby declares the Property to be subject to the below stated restrictions.

Property:

Restrictions:

1. The Property shall be remain occupied by the Owner as the Owner's principal residence for a period of five (5) years or from the date of the Note and Mortgage between the City of Waterloo and Owner for the provision of a private lead service line replacement loan, pursuant to the City of Waterloo's Private Lead Service Line Replacement Municipal Loan Program and occupancy shall not be transferred or conveyed to another person or persons by lease agreement or otherwise without the prior written approval of the City of Waterloo.

2. For the purposes of this deed restriction the term "Owner" shall mean the person(s) listed on the Jefferson County tax records for the Property, or a member of the immediate family of the Owner, which includes a spouse, parent, grandparent, child or grandchild.

The above restrictions were required as a condition of the City of Waterloo entering into a Note and Mortgage between the City of Waterloo and Owner for the provision of an interest free, private lead service line replacement loan, pursuant to the City of Waterloo's Private Lead Service Line Replacement Municipal Loan Program, which the Owner hereby acknowledges constitutes adequate consideration for such restrictions.

This instrument shall run with the land and shall be binding upon all persons having an interest in any portion of the Property, and shall inure to the benefit of the City of Waterloo, and its successors and assigns in perpetuity, unless released in writing by the City of Waterloo. If any person or entity, or his, her or its heirs, personal representatives, successors or assigns, shall violate or attempt to violate any of the covenants and restrictions contained in this instrument while this instrument is effective, the City of Waterloo (or its successors or assigns) shall have standing to bring proceedings at law or in equity against the person or persons violating or attempting to violate any such restrictions, and the City of Waterloo shall be awarded reasonable attorney fees and costs if it substantially prevails in such action. Any person violating any of these restrictions shall be liable for all costs of removing any such violation. The City of Waterloo shall not be required to take any action hereunder.

SIGNATURE PAGE IMMEDIATELY FOLLOWS

RETURN TO:

City of Waterloo
ATTN: Clerk/Treasurer
136 North Monroe Street, Waterloo
Wisconsin, 53594-1125

DRAFTED BY:

William S. Cole, Village Attorney
Axley Brynson, LLP
2 E. Mifflin Street, Suite 200
Madison, WI 53703

PARCEL IDENTIFICATION NUMBERS:

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the last date of signature below.

By: _____ Date _____

By: _____ Date _____

STATE OF WISCONSIN)
) ss.
JEFFERSON COUNTY)

Personally came before me this _____ day of _____, 2020, the above-named individual(s), to me known to be the person(s) who executed the foregoing instrument and acknowledged the same.

Notary Public, State of Wisconsin

My commission expires: _____