

5. That notice of sale of said bonds shall be duly and regularly given, in accordance with the form herein adopted, by publication in the Flathead Courier, the official newspaper of the City of Polson, Montana, and of general circulation therein, in one publication of said newspaper, said publication to be at least five (5) days prior to the date fixed for said sale, and by one publication, at least five days prior to the date fixed for said sale, in The Bond Buyer, a financial newspaper published in the City of New York, New York.

6. Upon the sale of the foregoing bonds, the City Council shall prescribe the form of bonds, whether amortization or serial, and the form of the coupons to be attached thereto. Said bonds shall be signed by the Mayor of the City of Polson, Montana, and by the Treasurer thereof, and be attested by the City Clerk with the seal of the City affixed thereto; and the attached interest coupons shall be signed by the lithographic or engraved facsimile signatures of said officials, and upon the printing and execution of said bonds the City Treasurer shall register said bonds as provided by law and shall execute the "certificate of Registration" which shall be printed upon the back of each bond.

CORPORATE SEAL  
CITY OF POLSON  
MONTANA

Approved: S. W. Grinde  
Mayor of the City of  
Polson, Montana

Attest:

Harding Hanson  
City Clerk

The Mayor and Council of the City of Polson, Montana, convened in regular adjourned meeting on Wednesday, June 21, 1950, at 8:00 O'clock, P. M. (from the regular meeting of June 5, 1950, at 8:00 O'clock, P. M.,) at the regular meeting place of said City Council in the City Hall in Polson, Montana, there being present upon roll call the following: S.W.Grinde, Mayor, E.E.Funke, A.E.Crawford, A.H.EVjen, H. Everett Smith, A.H.Papke, and B.L.Schultz, members of the Council. Absent: None. Harding Hanson, the City Clerk, was also present.

The meeting having been called to order by the Mayor the following Resolution was presented by Councilman Smith for the consideration of the Council, whereupon it was moved by Councilman Papke, seconded by Councilman EVjen, that the Resolution hereinafter set forth be adopted, and said motion was deopted by the unanimous vote of the Council at said meeting, as shown hereinafter, which said Resolution was, and is, as follows:

R E S O L U T I O N # 106

WHEREAS, the City Council of Polson, Montana, has heretofore duly submitted to the qualified taxpayers of said City the question of issuing amortized of serial bonds in the amount of \$50,000.00. for a period of twenty years for the purpose of financing the acquisition, purchase, construction, reconstruction, improvement, betterment, and extension of an undertaking consisting of its water system and all parts thereof and appurtenances thereto, including but not limited to, supply and distribution systems, reservoirs and dams, all in conformity with Chapter 126 of the Session Laws of Montana of 1939, as amended; and

WHEREAS, said Special election has been duly and regularly held within said City, and the votes and returns of said city has been duly and regularly canvassed; and

WHEREAS, it was found at said special election that a majority of the taxpayers voting at said election voted in favor of issuing said bonds; and,

WHEREAS the sale of said bonds was duly and regularly held on Friday, June 9, 1950, at 8:00 o'clock, P.M.; and

WHEREAS, the successful bidder for said bonds was Paine, Rice & Company of Spokane, Washington,

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF POLSON, MONTANA, AS FOLLOWS:

1. That said sale was duly and regularly held at the time and place expressed in said Notice of Sale, and that bonds in the principal amount of \$50,000.00, running for a period of twenty years from date of said bonds, bearing interest at the rate of two and one-half per centum (2½%) per annum shall be issued by said city to the successful bidder, in serial form, for the purpose of financing the purchase, construction, reconstruction, improvement, betterment, and extension of an undertaking consisting of its water system and all parts thereof and appurtenances thereto, including but not limited to, supply and distribution systems, reservoirs and dams, all in conformity with Chapter 126 of the Session Laws of Montana of 1939, as amended; that said bonds shall be dated July 1, 1950, with interest payable semi-annually on January first and July first of each year thereafter until maturity; that said bonds shall be of the denomination of \$1000.00 and \$500.00 each, and shall mature in numerical order, lowest numbers first, in the annual principal amount of \$2500.00 on July 1st in each of the years 1951 to 1970, both inclusive;

2. That the principal and interest of said bonds shall be payable at the office of the Treasurer of the City of Polson, in Polson, Montana;

3. That the sale of said bonds of \$50,000.00 to Paine, Rice & Company of Spokane, Washington, as provided in their bid to the City of Polson, dated June 8, 1950, is hereby in all respects approved and accepted;

4. That said bonds and the interest thereon shall not constitute an indebtedness of the City of Polson, Montana, but shall be payable, and paid, solely out of and from the earnings and revenues of said Water Works System. Said revenues and earnings from the foregoing system shall be paid into a Special Fund which is hereby created and ordered to be established in the office of the Treasurer of this City, which Special Fund shall be named, described as, and known as, the "SPECIAL WATER REVENUE FUND OF 1950."

5. That the earnings and revenues out of and from said system, commencing with the first day of the month of the year in which the bonds are dated, and annually thereafter, shall be paid into said Special Fund until the full payment of all of said bonds, both principal and interest, after deducting the costs of operation and maintenance of said system.

6. The Treasurer of this City is hereby required and ordered to establish in his office the Special Fund hereinbefore designated, into which Special Fund this City Council shall pay, and cause to be paid, and by this Resolution does here by obligate and bind this City to set aside and pay out of said earnings and revenues of said Water Works System a definite sum monthly (on the first day of the month in which the bonds are dated and on the first day of each month thereafter) equal in amount (in each such month in each year during said period of monthly payments) to one-twelfth of the aggregate amount of bond principal which will be payable during, and at the expiration of, each such year during the life of said bonds, plus one-twelfth (on the first day of the month in which the bonds are dated and on the first day of each month thereafter) of the bond interest accruing and being payable upon said bonds during each such yearly period thereafter.

The said Special Fund and the moneys thus to be paid therein shall be used solely for the purpose of the payment of the principal of, and interest upon, said bonds, as they mature, and for the payments of the interest thereon as the same becomes payable without preference or priority of one bond over another bond by reason of its numbering, maturity, priority of issuance, or otherwise.

The foregoing payments shall be made definite in amounts after the sale of the foregoing bonds and before their delivery to the purchaser, or purchasers, thereof.

7. That the form of said bonds and the interest coupons which shall be attached thereto and the Certificate of Registration by the Treasurer of said City, which shall be printed upon the back of each bond, shall be substantially in the following form, viz:

(Form of Bond)

No. \_\_\_\_\_ \$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF MONTANA  
COUNTY OF LAKE  
CITY OF POLSON  
WATER REVENUE BOND OF 1950

KNOW ALL MEN BY THESE PRESENTS That the City of Polson, Lake County, Montana, acknowledges itself to owe, and for value received hereby promises to pay to the bearer hereof the sum of

D O L L A R S

(\$ \_\_\_\_\_) in lawful money of the United States of America on the first day of July, 19\_\_\_\_, with interest thereon at the rate of Two and one-half per centum (2½%) per annum, from date, payable semi-annually on the first days of January and July in each year, upon presentation and surrender of the annexed interest coupons as they severally become payable, both principal and interest being payable at the office of the Treasurer of the City of Polson, in Polson, Montana.

This bond is one of an issue of the Water Revenue Bonds of 1950 of Fifty thousand Dollars, of like date, tenor and effect, except as to dates of maturity, numbered from One (1) to Sixty (60), both inclusive, of the denomination of \$1000.00 each, except Bonds Nos. 3, 6, 9, 12, 15, 18, 21, 24, 30, 33, 36, 39, 42, 45, 48, 51, 54, 57 and 60, which are of the denomination of \$500.00 each, maturing in numerical order, lowest numbers first, on July first in each of the years 1951 to 1970, both inclusive, in the annual principal amount of \$2500.00; all of which bonds have been issued by said City for the purpose of financing the acquisition, purchase, construction, reconstruction, improvement, betterment, and extension of an undertaking consisting of its water system and all party thereof and appurtenances thereto, including but not limited to, supply and distribution systems, reservoirs and dams; and this bond issue has been issued under the authority of, and in strict compliance with, the Constitution and Laws of the State of Montana, including Chapter 126 of the Session Laws of Montana of 1939, as amended, and the Resolution hereinafter referred to and the Resolutions and other legal and sufficient procedure has and taken by said City,

and pursuant to a vote of a majority of the qualified taxpayer electors of said City voting at a special election duly and legally called, noticed and held on the 4th day of May, 1950. The City of Polson reserves the right to redeem said bonds in full, or any part thereof, on any interest payment date on and after five years from date of said bonds, in the inverse order of the numbering of said bonds; highest numbers first, upon and after prior published notice by the City Treasurer of the intention of said City thus to redeem in a newspaper of general circulation printed and published in said City, and if there be none, then in some newspaper of general circulation in such City, printed and published in the county in which said City is situated, once a week for two successive weeks immediately preceding such interest payment date, and by mailing notice of said call to Paine-Rice and Company of Spokane, Washington, at least fifteen (15) days prior to the next interest payment date, that such bonds will be redeemed and paid on such date, and upon the date thus fixed for redemption, interest upon the bonds thus called for redemption shall cease to accrue.

This bond and the interest thereon are payable solely from the Special Fund named and known as the "Special Water Revenue Fund of 1950", created by Resolution passed and approved June 21, 1950, providing for the payment into said Special Fund from the gross revenues of said Water Works System of said City of fixed amounts sufficient to pay the principal of and interest upon the issue of bonds of which this is one, as the same become payable and as provided in said Resolution; and the said City of Polson hereby covenants and agrees with the holder of this bond and each subsequent holder thereof, that it will pay, and cause to be paid into said Special Water Revenue Fund of 1950 monthly, commencing in the years of July 1, 1950 to July 1, 1970, both years inclusive, from the earnings and revenues of said system a sum sufficient to pay such principal and interest at maturity, and as provided in said Resolution, will perform and keep all the covenants and provisions of said Resolution; and that said City shall not sell, lease, or in any manner dispose of its municipal Water Works System or any substantial part or unit thereof, until the bonds herein authorized, with interest thereon, shall be paid in full; that said City, until all of said bonds and the interest thereon shall have been fully paid, shall not reduce the rates demanded or required by it for water delivered to consumers, so that the gross revenues of said system (after subtracting the cost of operation and maintenance thereof) shall be insufficient to permit the making of the payments into said Special Fund as required by said Resolution; that if at any time the gross revenues of said Water Works System, or as the same may be hereafter bettered, extended or improved, shall not be sufficient to pay said cost of operation and maintenance and the charges thereon by said Resolution created in favor of the bonds authorized by said Resolution, it, the said City, shall increase its said rates to such rates and amounts as will be sufficient to provide for the payment of all such costs of operation and maintenance of said system and of the principal and interest of the bonds thus authorized; that, in order to preserve the priority of the said Special Fund, the said City shall not create, or permit to be created, so long as any of said bonds shall be outstanding and unpaid, any indebtedness or charge whatsoever which shall be a charge against the revenues of said Water Work System superior to the charges created by said Resolution; and that any future charge or special fund indebtedness which may be created by said City, to be payable out of the revenues of said system, shall constitute a charge and lien subject and junior to the charge and lien thereon created by said Resolution.

It is hereby certified that all acts, conditions and things required by the Constitution and Laws of said State and by the Resolutions of said City to happen, exist, and to be done and performed precedent to and in the issuance of this bond have duly happened, have existed and do exist, and have been done and performed, and that this bond and the bond issue of which it is one are not affected by any constitutional or other municipal debt limitation.

IN WITNESS WHEREOF the City of Polson, Montana, has caused this bond to be signed in its corporate name by its Mayor, and to be attested by its City Clerk under the seal of said City, and the coupons hereto annexed to be signed by the facsimile signatures of said Mayor and City Clerk, which facsimile signatures are hereby adopted by said City and by said officials, as the signatures of said Mayor and City Clerk, this first day of July, 1950.

Attest:

CITY OF POLSON, MONTANA  
BY \_\_\_\_\_

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

(Form of Interest Coupon)

No. \_\_\_\_\_ \$ \_\_\_\_\_  
(January)

On the first day of (July \_\_\_\_\_), 19\_\_\_\_, the City of Polson, Montana, will pay to bearer at the office of the City Treasurer of Polson, In Polson, Montana, \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) lawful money of the United State of America, solely from the "Special Water Revenue Fund of 1950" of said City, created by Resolution passed and approved June \_\_\_\_\_, 1950, and solely from the earnings and revenues of the Water Works System of said City, being the semi-annual interest then payable on its Water Revenue Bond of 1950, dated July 1, 1950, Bond No. \_\_\_\_\_.

ATTEST:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

The following additional language will be printed upon the coupons of the bonds subject to prior redemption, viz:

"In the event of prior redemption of the annexed bond all unearned interest evidenced hereby as of the date of such prior redemption shall cease to be payable."

(CERTIFICATE OF REGISTRATION)

(To be printed upon the Back of Each Bond)

I hereby certify that the within bond before its delivery and issuance has been duly registered by me in the public Bond Registration Book kept in the office of the Treasurer of said City as required by law.

Treasurer of the City of Polson, Montana

(End of Bond Form)
(End of Resolution)

ATTEST:

City Clerk
(Impress Seal of City here)

Mayor of Polson, Montana

The adoption of the foregoing Resolution was submitted to an AYE and NAY vote of each and all of the members of the Council present, said vote being duly had and recorded, with the following result:

- Councilman Funke voted "AYE"
Councilman Crawford voted "AYE"
Councilman Evjen voted "AYE"
Councilman Smith voted "AYE"
Councilman Papke voted "AYE"
Councilman Schultz voted "AYE"

with no votes "NAY"; thereupon the Mayor announced that the foregoing Resolution had been duly adopted by the Council of said City and in evidence thereof the foregoing resolution was signed at the end thereof by the Mayor and attested by the Clerk of said City under the seal of said City.

The following Resolution was presented by Councilman Funke for the consideration of the Council, whereupon it was moved by Councilman Crawford, seconded by Councilman Schultz that the Resolution hereinafter set forth be adopted, and said motion was deopted by the unanimous vote of the Council present at said meeting, as show hereinafter, which said Resolution was, and is, as follows:

RESOLUTION # 107

WHEREAS, the present method of decentralized sewage disposal and the high ground water table form a combination which presents a potential danger to the health of the City of Polson; and,

WHEREAS, portions of the existing under water drainage system need to be renovated and replaced in order to provide the city with an a dequate underwater drainage system; and,

WHEREAS, it is necessary to provide that protion of the city which lies south of Division Street with an adequate snaitary sewer system; and,

WHEREAS, there has been a definite correlation between the need for a sanitary sewer and underground drainage system since the existing means of sanitary sewage disposal and high ground water table combine to form a grave public health hazard; and

WHEREAS, the City Council of said City has determined that it is necessary to establish, build, construct, reconstruct and extend the storm and sanitary sewer system, and construct a plant for the treatment and disposal of sewage therefrom; and

WHEREAS, the Federal Government has authorized to be appropriated out of any funds in the Treasury, not otherwise appropriated, the sum of \$100,000.00, or so much thereof as may be necessary for the repair and rehabilitation and replacement of the drainage structures of a system of drainage of lands lying partly within the City of Polson, Montana;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF POLSON, MONTANA, as follows:

1. This Council does hereby find and determine and declare that it is essential to the health, safety and welfare of the city and its inhabitants for said city to establish, build, construct, reconstruct and extend the storm and sanitary sewer system, and construct a plant for the treatment and disposal of sewage therefrom, and all parts thereof and appurtenances thereto; that said project can best be carried out as a single undertaking and paid for in part by the issuance of revenue bonds in conformity with Chapter 149 of the Session Laws of Montana of 1943, as amended.

2. The following constructions, reconstructions and extensions shall be made to the storm and sanitary sewerage, subject to the authorization of a majority vote of the qualified electors voting at an election to be held for that purpose, viz: