

**RESOLUTION NO. 2016-#003**

**A RESOLUTION APPROVING A LOAN FROM THE SEWER ENTERPRISE  
FUND FOR THE FUNDING OF GOLF CARS  
AND CONSTRUCTION OF GOLF CAR STORAGE PENDING LONG-TERM FINANCING**

**WHEREAS**, the City of Polson, on behalf of the Golf Department has constructed buildings for golf car storage and purchased golf cars;

**WHEREAS**, the Finance Officer and City Manager determined that \$342,700 was necessary to accomplish these tasks;

**WHEREAS**, the City of Polson, in order to pay such amount borrowed \$342,700 in the form of a promissory note dated July 6, 2015 from surplus funds in its Sewer Enterprise Fund in order to bridge the purchase until longer term financing was economically available;

**WHEREAS**, the City of Polson deems it in the best interests of the Sewer Enterprise Fund to seek the best possible return on reserve money in anticipation of the funding of the treatment facility rehabilitation;

**WHEREAS**, the City has caused a new promissory note to be drafted disclosing favorable terms and conditions for repayment;

**NOW, THEREFORE, BE IT RESOLVED** that it appears in the best interest of the citizens and ratepayers of the City to execute the promissory note in favor of the City of Polson Sewer Enterprise Fund in the amount of \$342,700 upon the terms and conditions contained in such note. Such repayment with accumulated interest shall be paid from the Golf Enterprise Fund as an obligation thereon.

**BE IT FURTHER RESOLVED**, that the City Clerk is hereby instructed to file this Resolution in the City's Book of Resolutions.

7 ayes    \_\_\_\_\_ nays    \_\_\_\_\_ abstentions

Date of Passage: January 20, 2016

Effective Date: Immediately

\_\_\_\_\_  
Heather Knutson, Mayor

Attest:

\_\_\_\_\_  
Cora Pritt, Clerk

**PROMISSORY NOTE**

\$342,700.00

January 20, 2016

For value received, the **CITY OF POLSON**, a municipality of the State of Montana AND the **GOLF ENTERPRISE FUND OF THE CITY OF POLSON**, Promissor, promises to pay to the order of the **SEWER ENTERPRISE FUND OF THE CITY OF POLSON**, Promisee, the sum of Three Hundred Forty Two Thousand Seven Hundred Dollars (\$342,700.00) in accordance with the terms and conditions stated herein.

**Section 1. Interest.** Interest will be paid on the outstanding principal amount of this note at the rate of One and twenty-five hundredths Percent (1.25%) simple annual.

**Section 2. Terms of Payment.** The principal balance owing hereby shall be payable in a single installment on April 15, 2017. The interest to the date of principal payment shall be paid in addition to the principal payment. Payment will be made directly to Promisee. Promissor shall have full and unlimited right of acceleration and prepayment without penalty of interest.

**Section 3. Purpose.** The City of Polson has purchased, on behalf of its Golf Department, golf car storage and golf cars. The proceeds of this loan will be used to bridge payment until long-term financing is available.

**Section 4. Waiver of Formalities.** All parties to this note waive presentment for payment, notice of nonpayment, protest and notice of protest.

**Section 5. Default.** In the event that the Promissor fails to perform any of the obligations, including the payment described above, under this note, the Promisee may, after giving the Promissor seven (7) days written notice of its intention to do so, declare this Note in default and commence all further action.

**Section 6. Acceleration by Promisee.** In the event of necessity, public emergency or crisis, the Promisee may declare the full sum plus accrued interest to be immediately due and payable by Promissor.

**Section 7. Attorney's Fees.** If this note is placed in the hands of an attorney or collection agency for collection, the Promissor agrees to pay all costs of collecting the amounts due under this note, including reasonable attorney's fees, whether or not a lawsuit is filed. These costs will be added to the principal amounts owed under this note.

**Section 8. Applicable Law.** This note will be governed by and construed in accordance with the laws of the State of Montana.

**CITY OF POLSON**

\_\_\_\_\_  
Heather Knutson, Mayor

Attest: \_\_\_\_\_  
Cora Pritt, Clerk