

Town of Windham
Council Agenda Article Cover Sheet

I. Council Action Requested.

To authorize a loan from the Town's Tax Increment Financing special revenue funds in the amount of Four Hundred Fifty-Five Thousand Five Hundred Dollars (\$455,500.00), comprised of \$182,200 from the Windham Development District North fund and \$273,300 from the Pipeline Development fund, to the Windham Economic Development Corporation for the purchase of those certain premises at the corner of 905 Roosevelt Trail and Anglers Road in said Windham from R&T Enterprises, LLC, which said loan shall be evidenced by the Promissory Note attached hereto and a first mortgage securing the same.

II. Basis for Council Action.

Council approval of this item is required because;

- a.) The Council has the authority to enter into contracts as the legislative body of the Town pursuant to Article II, Section 3(I) of the Charter,
- b.) The order involves the commitment of municipal funds previously appropriated but uncommitted and in an amount requiring Council authorization pursuant to the Town's purchasing policies,
- c.) The order involves the acquisition of a mortgagee's interest in the premises; pursuant to Article I, Section 2 of the Town's Charter the Town "may acquire property for any Town purpose, in fee simple or any lesser interest or estate, by purchase, gift, devise, lease, or condemnation and may sell, lease, mortgage, hold, manage and control such property as its interest may require," and
- d.) The Town Council has authority pursuant to Article II, Section 3(I) of the Charter to approve the acquisition of such an interest as the legislative body of the Town.

III. Issue Summary.

Please refer to the attached materials. This item was discussed at the Council's workshop of December 15, 2009.

PROMISSORY NOTE

\$455,500.00

December __, 2009

FOR VALUE RECEIVED, the undersigned **WINDHAM ECONOMIC DEVELOPMENT CORPORATION**, Maine nonprofit corporation with an address of 8 School Road, Windham, ME 04062 promises to pay to the order of the **TOWN OF WINDHAM**, also of said 8 School Road, Windham, ME 04062 the sum of **FOUR HUNDRED FIFTY-FIVE THOUSAND FIVE HUNDRED DOLLARS (\$455,500.00)**, with interest on the outstanding principal balance hereof, computed at the rate of two (2%) per annum from the date hereof until paid, which interest shall accrue over the term hereof and shall be due and payable along with all remaining principal and accrued interest, **ON DEMAND**, on or after December __, 2016, except that any partial payments of principal shall include all accrued interest to date, which said partial principal payments shall be due from the proceeds of sale of all or portions of the premises described in the Mortgage securing this Note.

All installments and payments due hereunder shall be made to the said Town at its offices, or to such other parties or addresses as the holder hereof may from time to time designate in writing to the maker or other parties liable herefor. This note evidences a loan for business and commercial purposes and not for personal, family, household or agricultural purposes.

The undersigned shall have the right to prepay all or any part of the unpaid principal balance hereof together with accrued interest thereon and any applicable late charges without premium or penalty, and all prepayments shall be applied to the principal component of the installments in the inverse order of maturity. Installments of principal and interest received by holder hereof shall be applied first to interest and other charges on the unpaid principal balance hereof and the remainder to principal.

In the case of default in the payment of any installment or payment due hereon or in case of a default in any term or condition of the Mortgage of even date herewith given as security herefor and recorded in the Cumberland County Registry of Deeds, or in the case of default in any term or condition of any instrument or document given or which may from time to time be given as security for this Note, the holder hereof, at its option, at any time thereafter, may declare due and payable at once the entire principal balance hereof, accrued interest and late charges, as applicable.

The holder of this note may collect a late charge not to exceed six cents for each dollar of each payment more than fifteen (15) days in arrears. Failure by the holder to collect one such late charge shall not be deemed a waiver by the holder of its rights to collect late charges for any other instance of late payment.

The maker hereby severally waives demand, notice and protest, and waives all recourse to suretyship and guarantorship defenses generally, including, but not limited to, any extensions of time for payment or performance which may be granted to the undersigned or to any other

liable party, any modifications or amendments to this promissory note or any documents securing payment and performance hereof, and act or omission to act by or on behalf of the holder hereof, any release of security, any release of a liable party or parties, and all other indulgences of any type which may be granted by the holder hereof to the maker or any other party liable herefor, and does also agree to pay all costs of collection of the indebtedness evidenced hereby, including reasonable attorneys' fees which may be incurred in connection herewith.

If any obligation or portion of this promissory note is determined to be invalid or unenforceable under law, it shall not affect the validity or enforcement of the remaining obligations or portions hereof. The terms and provisions hereof shall be construed in accordance with the laws of the State of Maine.

All of the foregoing promises and agreements are the joint and several promises and agreements of the undersigned and shall bind the undersigned and their respective heirs, successors and assigns.

This promissory note is secured by a Mortgage on property situated at Anglers Road and Route #302 in said Windham given by the undersigned to said Town, of even date herewith and recorded in the Cumberland County Registry of Deeds.

WITNESS:

**WINDHAM ECONOMIC
DEVELOPMENT CORPORATION**

By: _____

Its _____

Typed name: _____