

RESOLUTION No. 25-21

A RESOLUTION APPROVING A LOAN IN THE AMOUNT OF \$139,900 FROM STOCKMAN BANK TO FINANCE THE PURCHASE OF ROAD EQUIPMENT.

WHEREAS, Prairie County, Montana desires to purchase certain pieces of road equipment, described as a 2008 John Deere 724K Front End Loader;

AND WHEREAS, Stockman Bank has agreed to loan to Prairie County the sum of approximately \$139,900.00 for the purchase of said road grader, with the basic terms of said loan being a five (5) year repayment at 4.7% APR, and annual payments;

NOW THEREFORE BE IT RESOLVED as follows:

1. The Board of County Commissioners approves the County borrowing the sum of approximately \$139,900.00 from Stockman Bank of Terry, Montana; with the terms of said loan to include a five (5) year repayment period at 4.7% APR, and annual payments; and further agrees to grant Stockman Bank a security interest in said equipment. The loan will be evidenced by a promissory note (the "Note") from the County to Stockman Bank.
2. The County shall appoint, and shall maintain, a note registrar (the "Registrar") and hereby establishes a system of registration for the Note as defined in the Model Public Obligations Registration Act of Montana, which shall govern in the event provisions of this resolution relating to registration, transfer or exchange of the Note are inconsistent herewith. The effect of registration and the rights and duties of the County and the Registrar with respect thereto shall be as follows:
 - a. Registrar. The County hereby appoints the Clerk and Recorder as the Registrar for the Note. The Registrar shall keep at its principal office a note register in which the Registrar shall provide for the registration of ownership of the Note and the registration of transfers and exchanges of the Note entitled to be registered, transferred or exchanged.
 - b. Transfer. Upon surrender for transfer of the Note duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new amortization notes of a like aggregate principal amount and maturity as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month immediately preceding each interest payment date and until such interest payment date if the Note to be transferred is to be redeemed on such interest payment date.
 - c. Exchange. Whenever the Note is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new amortization notes of a like aggregate principal amount, interest rate and maturity, as requested by the registered owner or the owner's attorney in writing.

- d. Cancellation. Any Note surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the County.
- e. Improper or Unauthorized Transfer. When any Note is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Note or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.
- f. Persons Deemed Owners. The County and the Registrar may treat the person in whose name the Note is at any time registered in the note register as the absolute owner of such Note, whether such Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest on such Note and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the County upon such Note to the extent of the sum or sums to be paid.
- g. Taxes, Fees and Charges. For every transfer or exchange of the Note, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.
- h. Mutilated, Lost, Stolen or Destroyed Note. In case the Note shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Note of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Note or in lieu of and in substitution for any such Note lost, stolen or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and in the case the Note is lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Note was lost, stolen or destroyed, and of the ownership thereof and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the County and the Registrar shall be named as obligees. Any Note so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the County. If the mutilated, lost, stolen or destroyed Note has already matured or such Note has been called for prepayment or redemption in accordance with its terms, it shall not be necessary to issue a new Note prior to payment.

3. In order to qualify the Note as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code, the County hereby makes the following factual statements and representations:

- a. the Note is issued after August 7, 1986;
- b. the Note is not a “private activity bond” as defined in Section 141 of the Code;
- c. the County hereby designates the Note as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code;
- d. Including the Note, the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the County (and all entities treated as one issuer with the County, and all subordinate entities whose obligations are treated as issued by the County) during the calendar year 2024 will not exceed \$10,000,000.

The County shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this paragraph.

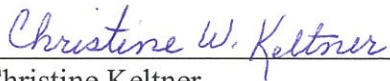
4. Chairman Todd Devlin is hereby authorized to execute the Note and all loan and security documents which are affixed to this Resolution as Exhibit “A,” and which are hereby approved by the Board of County Commissioners.

PASSED AND ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS OF PRAIRIE COUNTY, MONTANA, THIS 23rd DAY OF April, 2025.

BOARD OF COUNTY COMMISSIONERS:



Todd Devlin, Chair Person

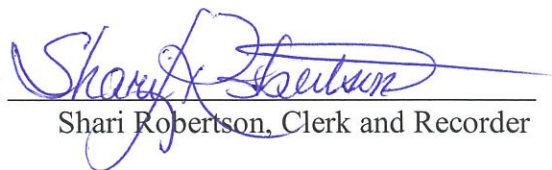


Christine Keltner



Dennis Teske

Attest:



Shari Robertson, Clerk and Recorder



PRAIRIE COUNTY, MONTANA

OFFICE OF THE COUNTY ATTORNEY

217 W. Park St., P.O. Box 564
Terry, Montana 59349
(406)635-4529 or 232-4070

DANIEL Z. RICE
County Attorney

April 9, 2025

Board of County Commissioners
217 W. Park Street
Terry, Montana 59349

Re: Legal Opinion – Stockman Bank Loan

Dear Commissioners,

This letter shall serve as a legal opinion in my capacity as the Prairie County Attorney regarding a certain loan which the County is working to obtain from Stockman Bank of Terry. Said loan generally described as being in the amount of approximately \$139,900.00, at 4.7%, with a five (5) year term, for the purchase of equipment, specifically a 2008 John Deere 724K Front End Loader.

It is my opinion that this transaction constitutes a “qualified tax-exempt obligation” within the meaning of IRS Code Section 265(b)(3)(b), and that the County is qualified as a “small issuer” within the meaning of IRS Code Section 265(b)(3)(c), as the anticipated amount of tax-exempt obligations for the County during any given calendar year are not reasonably expected to exceed \$10,000,000.00. The transaction also qualifies to the small government unit exception for arbitrage rebate within the meaning of IRS Code Section 148(f)(4)(D), as the anticipated amount of tax-exempt obligations for the County during this calendar year are not reasonably expected to exceed \$5,000,000.00.

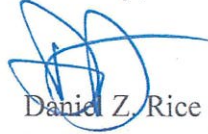
The County, through its Board of Commissioners, and pursuant to the Local Government Budget Act, has appropriation power, and the authority to provide for the payment of debts of the local government. MCA 7-6-4006.

Certain limitations on borrowing for counties are set forth in MCA 7-7-2402. Prairie County may borrow up to \$1,000,000 without voter approval as the county’s taxable value is less

than \$50,000,000. The County is compliant with regards to this limitation and is not required to obtain voter approval, as this loan (and all loans for the road department) are less than \$1,000,000. Further, a county may not incur debt which in the aggregate exceeds 2.5% of the total assessed value of taxable property in the county, pursuant to MCA 7-7-2101. The total assessed value of taxable property (using the market value standard set forth in MCA 15-8-111) for 2025 is \$213,841,379, with 2.5% of that amount being \$5,346,034; and total county indebtedness (including this loan) are under \$500,000.00.

Should Stockman Bank require any further information or opinion, please do not hesitate to contact me.

Sincerely,



Daniel Z. Rice
Prairie County Attorney

cc: Paul Eayrs, Stockman Bank



04/04/2024

Prairie County Board of Commissioners
217 West Park St.
PO Box 125
Terry, MT 59349

Dear Commissioners,

Thank you for choosing Stockman Bank of Montana (the "Bank") for your banking needs. We value your business and appreciate the opportunity to provide you with the attached term sheet. Based on the information we have received from you to date, below is a proposed term sheet for financing for the County's purchase of a front end loader. Also below is a list of documentation that will be required to move forward with the financing. The following proposed terms, rates, and conditions are subject to the Bank's standard due diligence, credit approval process, and confirmation of the loan's tax-exempt status.

Borrower: Prairie County

Lender: Stockman Bank of Montana

Credit Facility: Fixed Rate Term Loan (the "Term Loan")

Loan Amount: Approximately \$139,900

Purpose: Purchase of 2008 John Deere 724K Front End Loader

Rate: 4.7% Fixed (Subject to confirmation of the loan's tax-exempt status)

Loan Fee: \$100.00

Other Fees: UCC filing fee of \$7

Term: Five (5) years

Repayment Terms: 5 Annual Payments, first payment of approximately \$32,317.19 will be due 6/5/2026.

Maturity: 06/05/2030

Collateral: Lien on Purchase and existing collateral with pledged to Stockman Bank.

Other Terms and Conditions:

1. Subject to confirmation of the loan's tax-exempt status. Interest on the Term Loan shall be excludable from gross income for federal income and state income tax purposes. The Borrower shall take all steps necessary to maintain such tax-exempt status. The Bank shall be provided an opinion of tax/bond counsel satisfactory to the Bank that confirming the County has authority to incur debt and is in compliance with its debt and borrowing limitations, and confirming the loan's tax exempt status.

2. Borrower's execution of customary loan documentation;
3. A resolution from the County and attested to by the County attorney that authorizes:
 - a. The proposed transaction;
 - b. The proposed loan;
 - c. Authority to grant proposed collateral;
 - d. Confirming tax-exempt status of the transaction, and identifies the authorized signer(s), establishes a system of registration, and designates the loan as a qualified tax-exempt loan under the small issuer exception of Section 265(b)(3)(B) of the Internal Revenue Code
 - e. Information Return for Tax-Exempt Governmental Obligations-Form 8038G
 - f. Confirmation of the Collateral's Serial Numbers

Additional underwriting information needed to complete loan application:

The foregoing terms are intended to be a general outline of the proposed transaction and are not exhaustive or all-inclusive of the provisions of any final loan documents. This letter is personal only to the Borrower(s) names identified herein and may not be assigned or transferred. The rates discussed in this term sheet are good for 30 days unless extended in writing by the Bank. If you find the terms of the letter acceptable, please evidence your acceptance by signing below and returning this letter to me by 5:00p.m. on 04/21/2025. Regardless of Borrower acceptance by the time indicated above, Bank shall have no liability of any kind hereunder. Once you have accepted the terms in this proposed term sheet and completed application for credit, we will begin our due diligence and credit approval process and will communicate a decision to you as soon as reasonably practicable. If you have any questions, please contact me at your convenience.

Nondisclosure. By accepting delivery of this proposed term sheet, Borrower agrees not to disclose to any person any of the terms contained herein or the fact that this proposed term sheet exists. Notwithstanding the foregoing, Borrower may disclose this proposed term sheet to employees, advisors, and attorneys to whom it is necessary to disclose the information, so long as any such employee, advisor, or attorney is instructed to keep the information confidential.

Respectfully,



Paul Eayrs – Loan Officer/VP
Stockman Bank of Montana - Terry Office

By signing below, I accept this proposed term sheet. I acknowledge that this proposed term sheet is not a commitment to lend and authorize the Bank to begin its due diligence and credit approval process upon receipt from me of a complete credit application and other documentation reasonably required by the Bank.

Accepted By: Prairie County

Signed: Todd Dewlin

Form **8038-G**

(Rev. October 2021)

Department of the Treasury
Internal Revenue Service**Information Return for Tax-Exempt Governmental Bonds**

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

► Go to www.irs.gov/F8038G for instructions and the latest information.

OMB No. 1545-0047

Part I Reporting AuthorityCheck box if Amended Return ☐

1 Issuer's name COUNTY OF PRAIRIE		2 Issuer's employer identification number (EIN) 81-6001414
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) SHARI ROBERTSON		3b Telephone number of other person shown on 3a 406-635-5575
4 Number and street (or P.O. box if mail is not delivered to street address) PO BOX 125	Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code TERRY, MONTANA 59349		7 Date of issue
8 Name of issue GENERAL PROMISE TO PAY		9 CUSIP number
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information TODD DEVLIN CHAIR OF BOARD OF COUNTY COMMISSIONERS		10b Telephone number of officer or other employee shown on 10a 406-635-5778

Part II Type of Issue (Enter the issue price.) See the instructions and attach schedule.

11 Education	11	
12 Health and hospital	12	
13 Transportation	13	
14 Public safety	14	
15 Environment (including sewage bonds)	15	
16 Housing	16	
17 Utilities	17	
18 Other. Describe ► PURCHASE OF FRONT END LOADER	18	139,900.00
19a If bonds are TANs or RANs, check only box 19a	►	<input type="checkbox"/>
b If bonds are BANs, check only box 19b	►	<input type="checkbox"/>
20 If bonds are in the form of a lease or installment sale, check box	►	<input type="checkbox"/>

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	06/05/2030	\$ 139,900.00	\$	5 years	4.7 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22	
23 Issue price of entire issue (enter amount from line 21, column (b))	23	139,900.00
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	
25 Proceeds used for credit enhancement	25	
26 Proceeds allocated to reasonably required reserve or replacement fund	26	
27 Proceeds used to refund prior tax-exempt bonds. Complete Part V	27	
28 Proceeds used to refund prior taxable bonds. Complete Part V	28	
29 Total (add lines 24 through 28)	29	
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	139,900.00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	►	_____ years
32 Enter the remaining weighted average maturity of the taxable bonds to be refunded	►	_____ years
33 Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	►	_____
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)		_____

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S

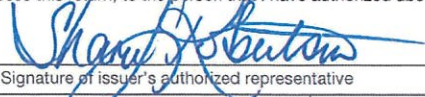
Form **8038-G** (Rev. 10-2021)

Part VI Miscellaneous

- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) **35**
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions **36a**
- b** Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) _____
- c** Enter the name of the GIC provider ▶ _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units **37**
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ☐ and enter the following information:
- b** Enter the date of the master pool bond ▶ (MM/DD/YYYY) _____
- c** Enter the EIN of the issuer of the master pool bond ▶ _____
- d** Enter the name of the issuer of the master pool bond ▶ _____
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ☐ ▶ ☐
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ☐ ▶ ☐
- 41a** If the issuer has identified a hedge, check here ☐ and enter the following information:
- b** Name of hedge provider ▶ _____
- c** Type of hedge ▶ _____
- d** Term of hedge ▶ _____
- 42** If the issuer has superintegrated the hedge, check box ☐ ▶ ☐
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ☐ ▶ ☐
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ☐ ▶ ☐
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ☐ and enter the amount of reimbursement ▶ _____
- b** Enter the date the official intent was adopted ▶ (MM/DD/YYYY) _____

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.



Signature of issuer's authorized representative

Date

SHARI ROBERTSON, CLERK & RECORDER

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.



RDO Equipment Co.
11105 33rd Street SW
Dickinson, ND 58601
701-483-0115
Fax: 701-483-0192

For Billing Inquiries or to
receive invoices via MyDealer
website, please contact
RDOAR@rdoequipment.com

Ship to: PRAIRIE COUNTY
ROAD DEPT.
421 HOAGLAND AVE S
TERRY, MT 59349

Invoice to: PRAIRIE COUNTY
PO BOX 125
TERRY MT 59349-0125

Branch
08 - DICKINSON, ND *REPRINT*

Date	Time	Page
04/15/2025	12:37:52 (O)	1
Account No.	Phone No.	Invoice No.
5436007	4066355436	E0343708

Ship Via	Purchase Order
	X
Tax Exemption Number	Federal ID Number

Salesperson
MF4

EQUIPMENT INVOICE

Description	Amount
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**Flex Your Fleet with RDO Rentals! Our large selection includes
low-hour, well-maintained rental equipment from John Deere.
**10% off* parts and service with inspections starting at \$150. Plus Fleet
Shield Service customers get 50% off training through February 28, 2025.
Deal #: 1856238 ROAD DEPT. 421 HOAGLAND AVE S TERRY, MT
PRAIRIE US

Stock #: Z145741	Serial #: DW724KX623198	139300.00
Used 2008 JD 724K		
4WD LOADER		

Sale # 01 Subtotal:	139300.00
Total:	139300.00

Subtotal:	139300.00
Total (TOTAL DUE RDO EQ.CO.):	139300.00

PLEASE REMIT TO: RDO EQUIPMENT CO.
P.O. BOX 7160
FARGO, ND 58106-7160

INVOICE DUE UPON RECEIPT