

CITY OF THOMPSON FALLS



Regular City Council Meeting
In the City Hall, 108 Fulton Street, Thompson Falls, MT
Monday, February 10, 2025, at 6:00 P.M.

AGENDA

OPEN MEETING - Call to order

ROLL CALL OF THE COUNCIL

PLEDGE OF ALLEGIANCE

SET THE AGENDA

CONSENT AGENDA – Claims, Minutes, Financial Reports, Court Report & Water Shut-off List/Arrangements

COMMUNITY DECAY AND VIOLATIONS LIST REPORT - Attached

ENGINEER'S REPORT - Attached

STANDING COMMITTEE REPORTS - Committee Meeting of the Whole & Recreation Public Properties Committee

INFORMATION - Reimagining Rural 2025 Session

ACTION ITEMS

UNFINISHED BUSINESS

1. **Zoning Committee Vacancy** - Zoning Committee vacancy.
 2. **Discussion and Support for Proposed Land and Building Exchange** - City Council support for the proposed exchange of property between the City and the Thompson Falls High School District. The exchange involves the school district's property located northeast of the High School and the following City properties: tennis/pickleball courts, softball field, Babe Ruth baseball field, city shop, and associated property line adjustments as detailed in the Montana Cadastral property report.
-

NEW BUSINESS - *Mayor Rusti Leivestad will present the agenda items unless otherwise noted.*

3. **City Council President** - Election of City Council President.
 4. **Renewal of HighLead Block Party** - Renewal of the HighLead Block Party. *(Presented by Cody Mosher)*
 5. **Beautification Committee – Beautification Days** - Scheduled for April 10th, 11th, and 12th.
 6. **Main Street Committee – Farmers Market and Food Truck Approval** - Farmers Market at Rose Garden Park & Food Truck operation from June through September 2025, including a flat fee request of \$100. *(Presented by Annie Wooden)*
 7. **INTERCAP Loan Resolution #851** - Resolution #851 for financing Police Cars and Police Equipment.
 8. **RD Bond Resolution #852 – 2025 Drinking Water Project** - Resolution #852 for the 2025 Drinking Water Project and BAN Resolution #853 approving SRF Bond Anticipation Note for interim construction financing.
 9. **Sewer Project Phases 1 & 2 Pay Application** - Pay Application for reimbursement related to Sewer Project Phases 1 & 2. RD \$4,879.25.
 10. **Sewer Project Phases 3 & 4 Pay Application** - Pay Application for reimbursement Sewer Project Phases 3 and 4. ARPA \$58,285 & DNRC RRG \$622.50.
 11. **Water Project Pay Application for Reimbursement** - Pay Application for reimbursement Water Project. ARPA \$36,397.97
 12. **Task Order #8 – SLIPA Grant Paving Project Engineering Services** - Task Order #8 for engineering services related to the SLIPA Grant Paving Project.
-

UNSCHEDULED PUBLIC COMMENT - The public may speak for up to 3 minutes about items not on the agenda.

MAYOR'S REPORT - Mayor Rusti Leivestad's updates.

ADJOURN

Zoom Meeting Details: Topic: City Council Meeting February 10, 2025

Time: Feb 10, 2025, 06:00 PM Mountain Time Meeting ID: 265 810 9916 Passcode: 392280

Join Zoom Meeting: <https://us06web.zoom.us/j/2658109916?pwd=UEurirKyE6zMxhbzvlqXv7Tazbithb.1&omn=85629827786>

Dial by your location: 1-719-359-4580

February 2025 Mayor's Notes

Violations List – attached

Engineer's Report –

Committee reports – Committee of the Whole, Recreation /Public Properties

Action Items

Unfinished Business

1. Zoning Committee Vacancy – (table)
2. City Council support for proposed property exchange. – see Agenda for details.

New Business

3. City Council President/Vice President

4. Renew HighLead Block Party - Cody Mosher

5. Beautification Committee – Beautification Days- April 10.11,12 Joni Mosher. Her agenda request is both to give City information about Beautification Days and to also ask for \$500.00 for advertising. Last year we paid \$579.00

6. Main Street Committee – Farmer's Market in Rose Garden and Food Truck Approval from June-September 2025 Flat Fee Request of \$100.00 Annie Wooden

7. INTERCAP Loan Resolution #851 for Police Cars and Police Equipment - \$54,000 - This is for the Council to authorize the INTERCAP Loan

8. RD Bond Resolution #852 2025 Drinking Water Project and BAN Resolution #853 approving the use of SRF Bond Anticipation note as interim construction financing.

#852 is a resolution directing the construction of improvements to the water system of the city of Thompson Falls, Montana, authorizing and directing the issuance and sale of the city's series 2025 water system revenue bond, to finance and pay for a portion of the costs of the foregoing, providing the terms of such bond and creating special funds and accounts and pledging certain revenues as the sole sources of security and payment for such bond.

BAN (Bond Anticipation Note) Resolution #853 Background. The City intends to make improvements to its Water System which includes the design, construction and financing of a new 400,000-gallon storage tank, the replacement of water mains to include new fire hydrants, valves and water meters and boxes and the financing costs of the above (the "Project"). The City applied for loans and grants from the United States Department of Agriculture, Rural Development office ("RD"), consisting of the purchase by RD of the City's water system revenue bond in the estimated aggregate amount of \$1,933,000 and estimated grants from RD of \$1,831,000 (collectively the "Anticipated RD Loans and Grants"). In addition to the anticipated funding from RD for the Project, the City has received commitments for grants from the Montana Coal Endowment Program ("MCEP") in the amount of \$750,000; the Montana Department of Natural Resources and Conservation ("DNRC") through a Renewable Resource Grant ("RRGL") in the amount of \$125,000; American Rescue Plan Act Grant ("ARPA") in the amount of \$2,304,413 and the City plans to contribute \$200,000 of its own funds. The City has obtained a commitment from the ("DNRC") for a Series 2025 Bond Anticipation Note in the amount of \$1,933,000 for the Project. The City has

received bids for the construction of the Project within the engineers' estimates and funds available for the Project.

9. Sewer Project Phases 1&2 application for reimbursement \$4,879.25 USDA Rural Development

10. Sewer Project Phases 3&4 Pay Application for Reimbursement – \$58,285.00 ARPA, \$662.50
DNRC RRG

11. Water Project Pay Application for Reimbursement --\$36,397.97 ARPA

12. Task Order #8 SLIPA Grant paving project Engineering Services for services related to paving
project

Unscheduled public comment

Reimagining Rural



ReIMAGINING RURAL

What is Reimagining Rural?

Reimagining Rural is a program to increase volunteer engagement in rural communities. Reimagining Rural Communities each host an in-person gathering for their local volunteers and leaders to watch rural-focused speakers via Zoom. Following the speakers, each community has their own local discussion about the ideas they heard from the speaker and how they might apply locally.

2025 Sessions

Session 1 ~ Tuesday, February 4

6:00 P.M. – 8:00 P.M.

Session 2 ~ Tuesday, February 11

6:00 P.M. – 8:00 P.M.

Session 3 ~ Tuesday, February 18

6:00 P.M. – 8:00 P.M.

**REQUEST FOR ITEM TO BE PLACED ON AGENDA
THOMPSON FALLS CITY COUNCIL**

I, Rusti Phone # _____

request the following item be placed on the agenda for
the 2-10 2025, City Council Meeting:

Please give a brief description of the item to be discussed,
approximate time you need and the results you would like to see.

Information: _____

Time: _____

Action: Zoning Committee Vacancy

**All agenda requests must be submitted by Noon on
Wednesday before the Council Meeting.**

**REQUEST FOR ITEM TO BE PLACED ON AGENDA
THOMPSON FALLS CITY COUNCIL**

I, Rusti Phone # _____

request the following item be placed on the agenda for
the 2-10 2025, City Council Meeting:

Please give a brief description of the item to be discussed,
approximate time you need and the results you would like to see.

Information: _____

Time: _____

Action: School & City land ~~trade~~
exchange

**All agenda requests must be submitted by Noon on
Wednesday before the Council Meeting.**

Tax Year: 2024

Scale: 1:8094.04 Basemap: Imagery Hybrid



Summary

Primary Information

Property Category: RP

Subcategory: Government Property

Geocode: 35-3091-09-2-01-50-0000

Assessment Code: 0000005729

Primary Owner:

TOWN OF THOMPSON FALLS
PO BOX 99
THOMPSON FLS, MT 59873-0099

Note: See Owners section for all owners

Property Address:

506 GOLF ST
THOMPSON FALLS, MT 59873

Certificate of Survey:

Legal Description: S09, T21 N, R29 W, Acres 54.7, W2SWNE & SENW & NESW & NWSE CEMETARY, CITY POOL. 54.7 ACRES

Last Modified: 9/30/2024 18:31:29 PM

**REQUEST FOR ITEM TO BE PLACED ON AGENDA
THOMPSON FALLS CITY COUNCIL**

I, Rusti Phone # _____

request the following item be placed on the agenda for
the 2-10 2025, City Council Meeting:

Please give a brief description of the item to be discussed,
approximate time you need and the results you would like to see.

Information: _____

Time: _____

Action: City Council President

**All agenda requests must be submitted by Noon on
Wednesday before the Council Meeting.**

**REQUEST FOR ITEM TO BE PLACED ON AGENDA
THOMPSON FALLS CITY COUNCIL**

I, Cody Mosher Phone # 406-846-7203

request the following item be placed on the agenda for
the February 2025, City Council Meeting:

Please give a brief description of the item to be discussed,
approximate time you need and the results you would like to see.

Information: Renew our permissions for the
HighLead Block Party

Time: _____

Action: _____

**All agenda requests must be submitted by Noon on
Wednesday before the Council Meeting.**

**REQUEST FOR ITEM TO BE PLACED ON AGENDA
THOMPSON FALLS CITY COUNCIL**

I, Joni Mosher, Phone #(208)569-1186

request the following item be placed on the agenda for the February 10, 2025, City Council Meeting:

Please give a brief description of the item to be discussed, approximate time you need and the results you would like to see.

Information: Thompson Falls Beautification Days Committee would like to request the help of the city during this year's event.

Time: April 10th, 11th, and 12th, 2025

Action: Services needed are cooperating with Blackfoot Communications for tree trimming and Sanders Co. Transfer Station for debris collection. Donations are requested to pay for advertisements with Sanders Co. Ledger. We are in need of 2 (2x3) ads for \$105 each; and 2 (3x5) ads for \$145 each. A total of \$500 is estimated for information to the public. This is down from the \$579 spent last year.

We are also advertising with flyers and social media.

Included is our donation letter which describes the many projects sponsored by the Beautification Day Committee.

All agenda requests must be submitted by Noon on Wednesday before the Council Meeting.

tfl3557@blackfoot.net

From: Joni Mosher <tfallsbeautification@gmail.com>
Sent: Monday, February 3, 2025 10:56 AM
To: tfl3557@blackfoot.net; tfallsmayor@blackfoot.net
Subject: Beautification Days
Attachments: 2025 donation form.docx; agenda city .docx

Hi, Please find attached the request to be put on the agenda for the City Council meeting on February 10th, 2025. I am also including our donation letter that provides information on some of the projects Beautification Days provides.

I am unable to attend this meeting since I will be out of the country but hope this will be enough information for the council to consider our application for funds and services.

Please let me know if this will be adequate information.

Thank you,
Joni Mosher



Thompson Falls Main Street, Inc.
EVENT
Beautification Days 2025
P.O. Box 333
Thompson Falls, MT 59873

To Whom It May Concern:

Thompson Falls Main Street Inc. Beautification Days are approaching, and we are once again seeking a monetary donation to help support our community-wide efforts. Your contributions will assist with the costs of the Thumbs Up Awards, poster contest prizes, replacement of garbage cans, and the purchase of supplies necessary for our clean-up initiatives.

We deeply appreciate your generous support of Thompson Falls and the Beautification Days events in previous years. Your partnership has been instrumental in the success of these projects, and we look forward to your continued involvement.

To recognize your participation, your support will be acknowledged in local newspaper advertisements, social media, and through verbal recognition at Beautification Committee meetings, follow-up discussions, and meetings with the County Commissioners and City Council members.

Please note that 100% of your donation directly funds community clean-up efforts. This civic event not only enhances the appearance of Thompson Falls, but also provides support to elderly residents who are unable to participate in cleaning and maintenance themselves. Additionally, the Thumbs Up Awards serve as a way to recognize and encourage residents and businesses for their dedication to maintaining their properties.

Beautification Days also foster community collaboration on city improvement projects, including maintaining the rose hedge line above the landscaping on Main Street, preserving the rose garden in Rose Garden Park, and performing trail maintenance.

Thank you for considering this request to support an event that brings our community together and makes a lasting impact on the beauty and spirit of Thompson Falls. If you would like to contribute, checks can be made payable to the Beautification Committee and mailed to PO Box 333, Thompson Falls.

Respectfully submitted,

Beautification Days Committee Member

**REQUEST FOR ITEM TO BE PLACED ON AGENDA
THOMPSON FALLS CITY COUNCIL**

I, Annie Wooden Phone # 406-544-6017

request the following item be placed on the agenda for
the February 2025, City Council Meeting:

Please give a brief description of the item to be discussed,
approximate time you need and the results you would like to see.

Information: Thompson Falls Main Street renting Rose Garden Park

Thursday evenings throughout the summer season (late June-September)

for the farmers market. We ask for a flat \$100 fee for the season
rental and approval to have food trucks at the event

Time: 15 minutes

Action: Council approval of flat season fee

Council approval of food trucks at the parking lot of Rose Garden

Park during farmers market

**All agenda requests must be submitted by Noon on
Wednesday before the Council Meeting.**

tfl3557@blackfoot.net

From: Main Street <tfmainstreet@gmail.com>
Sent: Thursday, January 16, 2025 11:32 AM
To: Mayor; tfl3557@blackfoot.net
Subject: Feb Agenda Request
Attachments: 1.16.25 City Council Agenda request.pdf

Hello!

Please see the attached agenda request from Thompson Falls Main Street for the February City Council meeting.

Thank you!

**REQUEST FOR ITEM TO BE PLACED ON AGENDA
THOMPSON FALLS CITY COUNCIL**

I, Rusti Phone # _____

request the following item be placed on the agenda for
the 2-10 2025, City Council Meeting:

Please give a brief description of the item to be discussed,
approximate time you need and the results you would like to see.

Information: _____

Time: _____

Action: INTERCAP LOAN

Resolutions #851

**All agenda requests must be submitted by Noon on
Wednesday before the Council Meeting.**

From: Saarela, Peggy <Peggy.Saarela@mt.gov>
Sent: Thursday, January 16, 2025 11:15 AM
To: tfl3557@blackfoot.net
Cc: Welsh, Louise
Subject: Thompson Falls INTERCAP approval/term sheet
Attachments: Thompson Falls 3070 TERM.pdf

Good afternoon Chelsea,

Happy to announce I just received approval on the City of Thompson Falls \$54,000.00 request to finance patrol vehicles and equipment. Attached is the Term Sheet that explains the conditions of the loan. When you are ready for funds please reply to this email and provide the following information so we can start the closing process:

- Next two City Council meeting dates available to adopt the loan resolution included in the loan package.
- We have already received the invoice package, Thank you.

Please let us know if you have any questions.

PEGGY SAARELA

CREDIT ANALYST | ADMINISTRATIVE SUPPORT

MONTANA

BOARD OF INVESTMENTS

406.444.2436

INVESTMENTMT.COM

The information contained in this message, including but not limited to any attachments, may be confidential. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this message in error, please: (i) do not read it; (ii) reply to the sender that you received the message in error; and (iii) erase or destroy the message and any attachments or copies. Any disclosure, copying, distribution or reliance on the contents of this message or its attachments is strictly prohibited, and may be unlawful. Unintended transmission does not constitute waiver of the right to confidentiality, the attorney-client privilege, or any other privilege.

MONTANA

BOARD OF INVESTMENTS
I N T E R C A P

January 17, 2025

Rusti Leivestad, Mayor
City of Thompson Falls
P.O. Box 99
Thompson Falls, MT 59873

Dear Mayor Leivestad:

Enclosed are the loan closing documents for the City of Thompson Falls to enter into a \$54,000.00 loan on February 28, 2025. We will fund the full amount through the Automated Clearing House (ACH) as directed in the EFT/ACH Form on that date.

Please have the enclosed documents signed and return to the Board of Investments' office by Thursday, February 20, 2025. Please be sure to make a copy of the documents for your files.

The enclosed checklist should satisfactorily explain how you should complete the documents and what other specific steps the City must take before closing.

Please don't hesitate to call if you have any questions.

Sincerely,



Peggy Saarela
Credit Analyst

Enclosure

2401 COLONIAL DRIVE, 3rd FLOOR, HELENA, MT 59601
P.O. BOX 200126, HELENA, MT 59620-0126
406-444-0001 | INVESTMENTMT.COM

INTERCAP PROGRAM

(An annual adjusting interest rate program for
Montana Local Governments)

TERM SHEET

of

BOARD OF INVESTMENTS OF THE STATE OF MONTANA
(herein referred to as the Board)

to

CITY OF THOMPSON FALLS
(hereinafter referred to as the Borrower)

BORROWER'S ADDRESS: P.O. Box 99
Thompson Falls, MT 59873

PRINCIPAL CONTACT PERSON: Rusti Leivestad, Mayor

PHONE NUMBER: (406) 827-3557

E-MAIL: tfallsmayor@blackfoot.net

LOAN AMOUNT: FIFTY-FOUR THOUSAND AND NO/100 DOLLARS (\$54,000.00)

TERM OF LOAN: 7 years

TERM SHEET ISSUANCE DATE: January 14, 2025

TERM SHEET VALID THROUGH: January 14, 2026

BORROWER ACT: §§ 7-7-4101, 7-5-4306, and 7-7-4201 M.C.A.

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INTERCAP LOAN PROGRAM

Term Sheet

Section 1. Definitions.

Capitalized terms herein shall have the respective meanings assigned them in this Section 1, unless the context clearly otherwise requires:

"Act" shall mean Title 17, Chapter 5, Part 16, M.C.A., as amended.

"Adjusted interest rate" shall mean the interest rate on the Loan determined and established pursuant to the Loan Agreement or Bond Resolution.

"Application" shall mean the completed application form executed by the Borrower and submitted to the Board.

"Board" shall mean the State of Montana Board of Investments, a public body corporate organized and existing under the laws of the state of Montana and any successor of its functions hereunder.

"Bond" shall mean the bond or Note issued by the Borrower evidencing a Loan from the Board.

"Borrower" shall mean the Eligible Government Unit set forth on the cover hereof.

"Borrower Act" shall mean Section 7-7-4101, 7-5-4306, and 7-7-4201, Montana Code Annotated.

"Borrower Resolution" shall mean the resolution, in form and substance satisfactory to the Board, duly enacted by the Governing Body of the Borrower, authorizing the Loan and prescribing the terms thereof and establishing the security thereof, and authorizing the execution and delivery of the Loan Agreement and the Note.

"Eligible Government Unit" shall mean a city, town, school district, county or consolidated city-county, county water and sewer district, a rural fire district, a hospital district, a state agency, organized and existing under the laws of the state or any other governmental entity authorized by the issuer to participate in the INTERCAP Program.

"Governing Body" shall mean (i) with respect to a county, the Board of County Commissioners, (ii) with respect to a city, the City Council or Commission, (iii) with respect to a school district, county water or sewer district, hospital district, or rural fire district, the Board of Trustees, and iv) with respect to any other Eligible Government Unit, such official body having the authority to enter into contracts and to make binding decisions on behalf of such unit.

"Initial Interest Rate" shall mean the rate on the Loan from the date of the Loan to the first Interest Adjustment Date. The current loan rate through February 15, 2024, is 5.75 percent.

"INTERCAP Program or INTERCAP" shall mean the INTERCAP Program of the Board pursuant to which the Board will issue and sell INTERCAP Bonds and use the proceeds thereof to make loans to Eligible Government Units pursuant to the Borrower Act.

"INTERCAP Bonds" shall mean the State of Montana Board of Investments Annual Adjustable Rate Tender Option Municipal Finance Consolidation Act Bonds (INTERCAP Program).

"Interest Adjustment Date" shall mean February 16.

"Loan" shall mean the INTERCAP loan by the Board to the Borrower under the terms of the Loan Agreement or Bond Resolution.

"Loan Agreement" shall mean the agreement entered into between the Board and the Borrower; this agreement may also be a bond resolution or a supplemental bond resolution for the purpose of issuing bonds or additional parity bonds with respect to the Borrower's original revenue bond issue.

"Loan Date" shall mean the anticipated date of closing the Loan.

"Maximum Interest Rate" means the maximum rate of interest on the Bond which shall not exceed seven and sixty-five hundredths percent (7.65%) per annum.

"Note" shall mean the promissory note or Bond issued by the Borrower evidencing a Loan from the Board.

"Pledged Revenues" shall mean the taxes, fees, revenues, assessments or other funds of the Borrower identified as to the source for the repayment of the Loan.

"Project" shall mean the portion of the Total Project to be financed by the INTERCAP Loan.

"Project Costs" shall mean the portion of the costs of the Total Project to be financed by the INTERCAP Loan.

"Total Project" shall mean the project as described in Section 14 of which some or all is to be financed by the INTERCAP Loan.

"Total Project Costs" shall mean the entire cost of acquiring, completing or constructing the project as further described in Section 14.

"System" shall mean, if applicable, the utility operated by the Borrower and from which the revenues pledged to the repayment of the Loan are pledged.

Section 2. Variable Rate Program.

The INTERCAP Program is a variable rate program with the interest rate adjusting each February 16.

Section 3. Authorization to Borrow.

The Borrower is a duly organized and existing Eligible Government Unit in the state of Montana and has the power under the Borrower Act to enter into a Loan.

Section 4. Authorization to Undertake Project.

The Governing Body will or has duly authorized the undertaking of the Project. Prior to the actual closing of the loan, the Borrower will have obtained or will have made all permits, findings and approvals required to the date hereof by any governmental agency or authority, including, but not limited to the Department of Environmental Quality (DEQ), the Environmental Protection Agency (EPA), and the Montana Environmental Protection Agency (MEPA) for the Project. With respect to the Project, the Borrower will comply with all federal and state regulations.

Section 5. Legal Debt Limits.

The issuance of the Bond or Note in a principal amount equal to the Loan Amount will not (i) cause the indebtedness of the Borrower to exceed any constitutional or statutory limitation or (ii) violate any term, condition or provision of or constitute a default under any resolution, contract or agreement to which the Borrower is a party or by which the Borrower is bound.

Section 6. Bidding Requirements and Prevailing Wage.

The Governing Body will follow where required by law the bidding statutes concerning public contracts including Section 18-2-403 M.C.A., preference for Montana labor and prevailing wage.

Section 7. Accuracy and Timeliness of Information on Application.

The information contained in the Application is true, accurate, complete, and not misleading on the date of its original delivery to the Board and as of the date hereof. Any financial information furnished as part of the Application is true and complete as of the dates and for the periods indicated, and there has been no material adverse change in the financial condition of the Borrower. The Borrower covenants that it will notify the Board of any material adverse change in the financial condition or the Borrower's ability to repay the Loan that may occur between the date hereof and the Loan Date.

Section 8. Borrower Action Before Loan Closing.

The Borrower recognizes that the closing of the Loan is dependent upon the Borrower's satisfaction of the terms and conditions and that any action taken by the Borrower with respect to entering into a contract for the acquisition or construction of the Project prior to the closing of the Loan is at its own risk and agrees to hold the Board harmless from any loss, damage or claim arising as a result from doing so.

Section 9. Project Conformance and Cost.

The Borrower acknowledges and agrees that the Project financed with INTERCAP money conforms with the Total Project description as presented in Section 14 and that all money necessary to pay for Total Project Costs will or has been procured prior to the disbursement of INTERCAP funds.

Section 10. Modification of Term Sheet.

The Borrower may request that the Project to be financed with the INTERCAP Loan be modified by either increasing or decreasing the loan amount requested. The Board will have the sole discretion whether or not to consent to an increase in the Loan Amount and such consent shall be in writing. The modification may not substantially change the scope of the Total Project without the Board's approval.

Section 11. Loan Closing Submission.

After all the Terms and Conditions have been met and the Borrower is ready to receive financing, the Borrower shall submit to the Board the following loan closing documents (**Board prepares items 1-3 loan documents**):

1. The Borrower Resolution and Loan Agreement;
2. The Note or Bond duly and validly authorized, issued, and executed by the Borrower;
3. An Opinion of Borrower's Counsel in a form acceptable to the Board; and

4. Such other certificates, documents, opinions and information as are required under the Loan Agreement to be delivered to the Board as of the date of issuance of the Note and such other opinions and certificates as the Board may reasonably request to demonstrate compliance with its representations, covenants and agreements contained in the Loan Agreement.

Section 12. The Loan Agreement.

The covenants and collateral, if any, securing the Loan shall be contained in the Loan Agreement and such other security instruments, if any, as the Board shall require. Forms of all INTERCAP Program documents required to be delivered by the Borrower to the Board will be provided by the Board.

Section 13. Project/Project Costs.

Patrol vehicles and equipment	\$54,000.00
-------------------------------	-------------

Section 14. Total Project/Total Project Costs.

Patrol vehicles and equipment:

INTERCAP Portion	\$ 54,000.00
Montana Emergency Tourism Assistance Program (METAP)	<u>75,000.00</u>
Total Project	\$129,000.00

STATE OF MONTANA BOARD OF INVESTMENTS

Loan Closing Instructions

Attached the INTERCAP loan closing documents which must be properly executed (signed) by the Authorized Representatives of the Borrower and returned to the Board of Investments (the "Board"). Please sure to make a copy of the documents for your files.

Board of Investments
Bond Program Office
P.O. Box 200126
Helena, Montana 59620-0126
(406-444-0001)

(Overnight mail)
Board of Investments
Bond Program Office
2401 Colonial Drive, 3rd Floor
Helena, MT 59601

LOAN CLOSING DOCUMENTS:

1. Resolution Authorizing Participation in the INTERCAP Program - The Borrower's governing board will have to authorize the INTERCAP loan. A Resolution is enclosed for your use. An Authorized Representative must sign and certify the Resolution.
2. Loan Agreement - Check all numbers on the face of the Loan Agreement to be sure that your governing board is in agreement. Have an Authorized Representative enter into this loan agreement and sign it where indicated.
3. Description of the Project/Summary of Disbursements - Examine the information and numbers on this document. This is an informational record that will keep a running total of how much has been expended on the Project.
4. Borrower's Draw Certificate - This document shows the specific funding amounts for the cash advancement and funding instructions. The certificate has been completed by the BOI; however, it should be carefully reviewed for accuracy and signed by an Authorized Representative.
5. Promissory Note - Be sure that this document is signed by an Authorized Representative. Examine the schedule which shows the principal payments for the life of the loan and interest payments to the next interest adjustment date.
6. Opinion of Counsel - Your governing body's general counsel must review the entire transaction and provide the Board with an opinion that calls for several representations and substantially in this format **on the general counsel's letterhead and dated as of the day of the closing.**
7. Electronic Funds Transfer (EFT)/Automated Clearing House (ACH) Authorization Form - This document provides the Board authorization to initiate electronic debit and/or credit entries to the designated account on the form to fund the Loan and make automatic loan repayment when due required to participate in the INTERCAP Loan Program. The Board will also initiate the electronic debit for the periodic principal paydown or payoff prior to loan maturity, upon request. Please be sure the document is complete and signed by an Authorized Representative.
8. Certificate of Appropriations (if applicable) - This certificate must be executed and returned to the Board's address above. A new Certificate of Appropriations must be executed and returned to our office by August 15 of each year the loan is outstanding. The Board will remind you in July of its submission requirement.

City of Thompson Falls



Mayor

Rusti Leivestad

City Attorney

Timothy Goen

Ward I

Larry Lack

Raoul Ribeiro, Pres.

Ward II

Katherine Maudrone

Earlene Powell

Ward III

Hayley Allen-Blakney, VP

Shawni Vaught

OPINION OF BORROWER'S COUNSEL

TO BE DATED THE DATE OF CLOSING

(February 28, 2025)

THIS OPINION LETTER IS NOT INTENDED TO BE A GUARANTEE BY THE BOARD THAT ALL THE PROVISIONS HEREIN HAVE BEEN MET. THIS DOCUMENT IS INTENDED TO BE NO MORE THAN A GUIDE FOR THE BORROWER'S COUNSEL. IT IS THE RESPONSIBILITY OF BORROWER'S COUNSEL TO INDEPENDENTLY RESEARCH, EXAMINE, AND VERIFY THAT THE PROVISIONS HEREIN HAVE BEEN MET.

Board of Investments
of the State of Montana
2401 Colonial Drive, 3rd Floor
P.O. Box 200126
Helena, MT 59620-0126

Ladies and Gentlemen:

I have served as counsel to the City of Thompson Falls (the "Borrower") in connection with its participation in the INTERCAP Program (the "Program") of the Board of Investments of the State of Montana (the "Board"). Terms used herein which are defined in the Loan Agreement, dated as of February 28, 2025, (the "Loan Agreement") between the Borrower and the Board shall have the meanings specified therein. The resolution of the Borrower authorizing its participation in the Program and the issuance of its Loan Agreement relating thereto is herein referred to as the Loan Agreement Resolution.

I have examined, among other things:

- i) the Borrower Act;
- ii) the Loan Agreement dated as of February 28, 2025, and executed by the Borrower;
- iii) the Promissory Note (the "Note") dated as of February 28, 2025, and executed by the Borrower;
- iv) Resolution No. 851 of the Borrower, dated 2-10-2025 (the "Loan Agreement Resolution");
- vii) the proceedings of the Borrower with respect to the due execution and delivery by the Borrower of the Loan Agreement, and Note Electronic Funds Transfer Authorization (the Program Documents), and such certificates and other documents relating to the Borrower, the Program Documents and the Loan Agreement Resolution of the Borrower and have made such other examination of applicable Montana law and a review of the Borrower's actions with respect to applicable ordinances and resolutions as we have deemed necessary in giving this opinion.

Based upon the foregoing, I (we) am of the opinion that:

- (a) The Borrower is a political subdivision duly organized and validly existing under the laws and Constitution of the State of Montana with full legal right, power and authority to enter into, execute and perform its obligations under the Program Documents and to carry out and effectuate the transactions contemplated thereunder.
- (b) The execution of the Loan Agreement and Promissory Note have been duly authorized and are valid, binding and enforceable against the Borrower in accordance with its terms.
- (c) The Loan Agreement Resolution of the Borrower has been duly adopted and is valid, binding and enforceable against the Borrower in accordance with its terms.
- (d) The Borrower has taken all action required to be taken by it to authorize the execution and delivery of and the performance of the obligations contained in the Program Documents; and such authorization is in full force and effect on the date hereof.
- (e) The Borrower has complied with all applicable competitive bidding requirements for the purchase, acquisition, and construction of the Project.

(f) No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any person, organization, court, or governmental agency or public body whatsoever is required to be obtained by the Borrower in connection with the execution, delivery and performance of the Program Documents or the consummation of the other transactions effected or contemplated thereby.

(g) The execution, delivery and performance of the Program Documents, and compliance with the provisions thereof will not conflict with or constitute a breach of, a violation of, or default under, the Constitution of the State of Montana, or any existing law, charter, judgment, ordinance, administrative regulation, decree, order or resolution of or relating to the Borrower and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument, to which the Borrower is a party or by which it is bound or to which it is subject.

(h) The Program Documents executed by the Borrower, when delivered to the Board, will have been duly authorized and executed and will constitute validly issued and legally binding obligations of the Borrower according to their terms.

(i) No other lien has been filed on the project vehicle and/or equipment.

It is understood that the enforceability of the Program Documents may be limited by applicable bankruptcy, insolvency, moratorium, reorganization, or other similar laws affecting the enforcement or creditors rights.

Sincerely,

Borrower Attorney

OPINION OF BORROWER'S COUNSEL

[TO BE TYPED ON LETTERHEAD OF BORROWER'S COUNSEL]

TO BE DATED THE DATE OF CLOSING

(February 28, 2025)

THIS OPINION LETTER IS NOT INTENDED TO BE A GUARANTEE BY THE BOARD THAT ALL THE PROVISIONS HEREIN HAVE BEEN MET. THIS DOCUMENT IS INTENDED TO BE NO MORE THAN A GUIDE FOR THE BORROWER'S COUNSEL. IT IS THE RESPONSIBILITY OF BORROWER'S COUNSEL TO INDEPENDENTLY RESEARCH, EXAMINE, AND VERIFY THAT THE PROVISIONS HEREIN HAVE BEEN MET.

Board of Investments
of the State of Montana
2401 Colonial Drive, 3rd Floor
P.O. Box 200126
Helena, MT 59620-0126

Ladies and Gentlemen:

I have served as counsel to the City of Thompson Falls (the "Borrower") in connection with its participation in the INTERCAP Program (the "Program") of the Board of Investments of the State of Montana (the "Board"). Terms used herein which are defined in the Loan Agreement, dated as of February 28, 2025, (the "Loan Agreement") between the Borrower and the Board shall have the meanings specified therein. The resolution of the Borrower authorizing its participation in the Program and the issuance of its Loan Agreement relating thereto is herein referred to as the Loan Agreement Resolution.

I have examined, among other things:

- i) the Borrower Act;
- ii) the Loan Agreement dated as of February 28, 2025, and executed by the Borrower;
- iii) the Promissory Note (the "Note") dated as of February 28, 2025, and executed by the Borrower;
- iv) Resolution No. 851 of the Borrower, dated 2-10-2025 (the "Loan Agreement Resolution");
- vii) the proceedings of the Borrower with respect to the due execution and delivery by the Borrower of the Loan Agreement, and Note Electronic Funds Transfer Authorization (the Program Documents), and such certificates and other documents relating to the Borrower, the Program Documents and the Loan Agreement Resolution of the Borrower and have made such other examination of applicable Montana law and a review of the Borrower's actions with respect to applicable ordinances and resolutions as we have deemed necessary in giving this opinion.

(GENERAL FUND LOAN)

RESOLUTION AUTHORIZING PARTICIPATION IN THE INTERCAP PROGRAM

CERTIFICATE OF MINUTES RELATING TO
RESOLUTION NO. 851

Issuer: City of Thompson Falls

Kind, date, time and place of meeting: A City Council meeting held on 2/10/25 at 6 o'clock p.m.
in Thompson Falls, Montana.

Members present: _____

Members absent: _____

RESOLUTION NO. 851

RESOLUTION AUTHORIZING PARTICIPATION IN THE BOARD OF INVESTMENTS OF
THE STATE OF MONTANA ANNUAL ADJUSTABLE RATE MUNICIPAL FINANCE
CONSOLIDATION ACT EXTENDABLE BOND (INTERCAP LOAN PROGRAM),
APPROVING THE FORM AND TERMS OF THE LOAN AGREEMENT AND
AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATED
THERE TO

I, the undersigned, being the fully qualified and acting recording officer of the public body
issuing the obligations referred to in the title of this certificate, certify that the documents attached hereto,
as described above, have been carefully compared with the original records of the public body in my legal
custody, from which they have been transcribed; that the documents are a correct and complete transcript
of the minutes of a meeting of the governing body at the meeting, insofar as they relate to the obligations;
and that the meeting was duly held by the governing body at the time and place and was attended
throughout by the members indicated above, pursuant to call and notice of such meeting given as required
by law.

WITNESS my hand officially as such recording officer this ____ day of _____, 2025.

By _____
Its _____

RESOLUTION NO. 851

RESOLUTION AUTHORIZING PARTICIPATION IN THE BOARD OF INVESTMENTS OF THE STATE OF MONTANA ANNUAL ADJUSTABLE RATE MUNICIPAL FINANCE CONSOLIDATION ACT EXTENDABLE BOND (INTERCAP LOAN PROGRAM), APPROVING THE FORM AND TERMS OF THE LOAN AGREEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATED THERETO

BE IT RESOLVED BY THE City Council (the Governing Body) OF THE CITY OF THOMPSON FALLS (the Borrower) AS FOLLOWS:

ARTICLE I

DETERMINATIONS AND DEFINITIONS

Section 1.01. Definitions. The following terms will have the meanings indicated below for all purposes of this Resolution unless the context clearly requires otherwise. Capitalized terms used in this Resolution and not defined herein shall have the meanings set forth in the Loan Agreement.

Adjusted Interest Rate means the rate of interest on the INTERCAP Bond determined in accordance with the Board Resolution.

Authorized Representative shall mean the officers of the Borrower designated and duly empowered by the Governing Body and set forth in the application.

Board means the Board of Investments of the State of Montana, a public body corporate organized and existing under the laws of the State and its successors and assigns.

Board Act means Section 2-15-1808, Title 17, Chapter 5, Part 16, MCA, as amended.

"Board Resolution" means Board Resolution No. 249, adopted November 30, 2021, authorizing the issuance and sale of the INTERCAP Bonds for the purpose of making loans to Eligible Government Units.

Borrower means the local government entity above named, eligible to participate in the INTERCAP Loan Program.

"Borrower Act" means §§ 7-7-4101, 7-7-4201, and 7-5-4306, MCA authorizing an Eligible Government Unit to borrow money on terms consistent with the Program.

"Electronic Funds Transfer (EFT) Authorization" shall mean the authorization given by the Borrower to the Board to initiate electronic debit and/or credit entries to the Borrower's specified account to fund the Loan and make automatic Loan repayments when due. The Board may also initiate the electronic debit for periodic principal paydown or payoff prior to loan maturity upon the Borrower's request.

INTERCAP Bond means the Bond issued by the Board pursuant to the Board Resolution to finance the Program.

Loan means the loan of money by the Board to the Borrower under the terms of the Loan Agreement pursuant to the Act and the Borrower Act and evidenced by the Note.

Loan Agreement means the Loan Agreement between the Borrower and the Board, including any amendment thereof or supplement thereto entered into in accordance with the provisions thereof and hereof.

Loan Agreement Resolution means this Resolution or such other form of resolution that the Board may approve and all amendments and supplements thereto.

Loan Date means the date of closing a Loan.

Loan Rate means the rate of interest on the Loan which is initially 5.75% per annum through February 15, 2025, and thereafter a rate equal to the Adjusted Interest Rate on the Bond and up to 1.50% per annum as necessary to pay Program Expenses.

Note means the promissory note to be executed by the Borrower pursuant to the Loan Agreement, in accordance with the provisions hereof and thereof, in substantially the form set forth in the Promissory Note, or in such form that may be approved by the Board.

Program means the Board's INTERCAP Loan Program pursuant to which the Board issued the INTERCAP Bond to use the proceeds to make loans to participating Eligible Government Units.

Project means those items of equipment, personal or real property improvements to be acquired, installed, financed or refinanced under the Program as set forth in the Description of the Project/Summary of Draws.

Section 1.02. Authority. The Borrower is authorized to undertake the Project and is further authorized by the Borrower Act to enter into the Loan Agreement for the purpose of obtaining a loan to finance or refinance the acquisition and installation costs of the Project.

Section 1.03. Execution of Agreement and Delivery of Note. Pursuant to the Board Act, the Board has issued and sold the INTERCAP Bond and deposited a part of proceeds thereof in the Loan Fund. The Board has, pursuant to the Term Sheet, agreed to make a Loan to the Borrower in the principal amount of \$54,000.00 and upon the further terms and conditions set forth herein, and as set forth in the Term Sheet and the Loan Agreement.

ARTICLE II

THE LOAN AGREEMENT

Section 2.01. Terms. (a) The Loan Agreement shall be dated as of the Loan Date, in the principal amount of \$54,000.00 and shall constitute a valid and legally binding obligation of the Borrower. The obligation to repay the Loan shall be evidenced by a Promissory Note. The Loan shall bear interest at the initial rate of 5.75% per annum through February 15, 2025, and thereafter at the Adjusted Interest Rate, plus up to 1.50% per annum as necessary to pay the cost of administering the Program (the Program Expenses). All payments will be automatic pursuant to the EFT Authorization attached hereto when due.

(b) The Loan Repayment Dates shall be February 15 and August 15 of each year.

(c) The principal amount of the Loan may be prepaid in whole or in part if the Borrower requests that the Board approve prepayment of the loan. Upon approval, the Board will initiate an electronic debit using the attached EFT Authorization for prepayment provided that the Borrower has given written notice of its intention to prepay the Loan in whole or in part to the Board no later than 30 days prior to the designated prepayment date or less if the Board agrees to shorter notice.

(d) The Prepayment Amount shall be equal to the principal amount of the Loan outstanding, plus accrued interest thereon to the date of prepayment.

(e) Within the next month following an Adjustment Date, the Board shall calculate the respective amounts of principal and interest payable by each Borrower on and with respect to its Loan Agreement and Note for the subsequent August 15 and February 15 payments and prepare and mail a statement therefor to the Borrower.

Section 2.02. Use and Disbursement of the Proceeds. The proceeds of the Loan will be expended solely for the purposes set forth in the Description of the Project/Summary of Draws. The proceeds from the sale of the Note to the Board shall remain in the Borrower's Account pending disbursement at the request of the Borrower to pay the budgeted expenditures in anticipation of which the Note was issued. Requests for disbursement of the Loan shall be made to the Board. Prior to the closing of the Loan and the first disbursement, the Borrower shall have delivered to the Board a certified copy of this Resolution, the executed Loan Agreement and Note in a form satisfactory to the Borrower's Counsel and the Board's Bond Counsel and such other certificates, documents and opinions as set forth in the Loan Agreement or as the Board may require. The Borrower will pay the loan proceeds to a third party within five business days after the date they are advanced (except for proceeds to reimburse the Borrower for previously paid expenditures, which are deemed allocated on the date advanced).

Section 2.03. Payment and Security for the Note. In consideration of the making of the Loan to the Borrower by the Board, the provisions of this Resolution shall be a part of the Agreement of the Borrower with the Board. The provisions, covenants, and Agreements herein set forth to be performed by or on behalf of the Borrower shall be for the benefit of the Board. The Loan Agreement and Note shall constitute a valid and legally binding obligation of the Borrower and the principal of and interest on the Loan shall be payable from the general fund of the Borrower, and any other money and funds of the Borrower otherwise legally available therefor. The Borrower shall enforce its rights to receive and collect all such taxes and revenues to insure the prompt payment of the Borrower obligations hereunder.

Section 2.04. Representation Regarding the Property Tax Limitations. The Borrower recognizes and acknowledges that the amount of taxes it may levy is limited by state law pursuant to § 15-10-402, MCA, et. seq. The Borrower is familiar with the Montana's property tax limitations and acknowledges that the obligation to repay the Loan under the Agreement and Note are not exceptions to these provisions. The Borrower represents and covenants that the payment of principal of and interest on the Loan can and will be made from revenues available to the Borrower in the years as they become due, notwithstanding the provisions of property tax limitations.

Section 2.05. Levy and Appropriate Funds to Repay Loan. The Borrower agrees that in order to meet its obligation to repay the Loan and all other payments hereunder that it will budget, levy taxes for and appropriate in each fiscal year during the term of the Loan an amount sufficient to pay the principal of and interest hereon within the limitations of the Property Tax Limitation Act, as may be amended, and will reduce other expenditures if necessary to make the payments hereunder when due.

ARTICLE III

CERTIFICATIONS, EXECUTION, AND DELIVERY

Section 3.01. Authentication of Transcript. The Authorized Representatives are authorized and directed to prepare and furnish to the Board and to attorneys approving the validity of the Loan, certified copies of this Resolution and all other resolutions and actions of the Borrower and of said officers relating to the Loan Agreement and the Note and certificates as to all other proceedings and records of the Borrower which are reasonably required to evidence the validity and marketability of the Note. All such certified copies and certificates shall be deemed the representations and recitals of the Borrower as to the correctness of the statements contained therein.

Section 3.02. Legal Opinion. The attorney to the Borrower is hereby authorized and directed to deliver to the Board at the time of Closing of the Loan his or her opinion regarding the Loan, the Loan Agreement, the Note, and this Resolution in substantially the form of the opinion set forth in the Attorney's Opinion.

Section 3.03. Execution. The Loan Agreement, the Note, and any other document required to close the Loan shall be executed in the name of the Borrower and shall be executed on behalf of the Borrower by the signatures of the Authorized Representatives of the Borrower.

PASSED AND APPROVED by the _____ this _____ day
of _____, 2025.

By _____
Its Mayor

Attest:

By _____
Its City Clerk/Treasurer

Loan #3070

LOAN AGREEMENT

between

BOARD OF INVESTMENTS OF THE STATE OF MONTANA

as Lender

and

CITY OF THOMPSON FALLS

as Borrower

DATE OF AGREEMENT: February 28, 2025

LOAN AMOUNT: FIFTY-FOUR THOUSAND NO/100 DOLLARS (\$54,000.00)

ADDRESS OF BORROWER: City of Thompson Falls
P.O. Box 99
Thompson Falls, MT 59873

CONTACT PERSON OF BORROWER:

NAME	Rusti Leivestad
TITLE	Mayor
TELEPHONE	(406) 827-3357
E-MAIL	tfallsmayor@blackfoot.net

ALTERNATE CONTACT PERSON

NAME	Chelsea Peterson
TITLE	City Clerk/Treasurer
TELEPHONE	(406) 827-3357
E-MAIL	tfl3557@blackfoot.net

STATUTORY AUTHORITY FOR BORROWING: §§ 7-7-4101, 7-7-4201, and 7-5-4306, MCA

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This Loan Agreement (the "Agreement") dated as of February 28, 2025, and entered into between the Board of Investments of the State of Montana (the "Board"), a public body corporate and instrumentality of the state of Montana, and the City of Thompson Falls ("the Borrower"), a political subdivision of the state of Montana;

WITNESSETH:

WHEREAS, pursuant to § 2-15-1808, Montana Code Annotated (MCA) and Title 17, Chapter 5, Part 16, MCA (the "Act"), the Board has established its INTERCAP Loan Program pursuant to which the Board will issue, from time to time, its Annual Adjustable Rate Municipal Finance Consolidation Act Extendable Bond (INTERCAP Loan Program) (the "INTERCAP Bond"), for the purpose of making loans to Eligible Government Units to finance or refinance the acquisition and installation of equipment, personal and real property improvements, and to provide temporary financing of projects, or for other authorized corporate purposes of an Eligible Government Unit (the "Projects"); and

WHEREAS, the Board has agreed to loan part of the proceeds of an issue of such Bonds to the Borrower in the amount of \$54,000.00, and the Borrower has agreed to borrow such amount from the Board, subject to the terms and conditions of and for the purposes set forth in this Agreement; and

WHEREAS, the Borrower is authorized under the laws of the State of Montana, and has taken all necessary action, to enter into this Agreement for the Project as identified in the Description of the Project/Summary of Disbursements attached hereto.

NOW, THEREFORE, for and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

ARTICLE I. DEFINITIONS AND RULES OF INTERPRETATION.

Section 1.01. Definitions

The following terms will have the meanings indicated below for all purposes of this Agreement unless the context clearly requires otherwise. Capitalized terms used in this Agreement and not defined herein shall have the meanings set forth in the Board Resolution.

"Act" means Section 2-15-1808, MCA and Title 17, Chapter 5, Part 16, MCA as now in effect and as it may from time to time be amended or supplemented.

"Adjusted Interest Rate" means the interest rate on the Loan determined and established pursuant to the Promissory Note and the Loan Agreement or Borrower Resolution.

"Adjustment Date" means the Initial Adjustment Date or a Subsequent Adjustment Date.

"Adjustment Period" means the period beginning on an Adjustment Date and ending on the day before the next succeeding Adjustment Date.

"Amortization Schedule" means the schedule prepared for a loan advance to the Borrower showing the principal amount advanced, the amortization of the principal, and the interest and principal payments due to the Subsequent Interest Adjustment Date.

"Authorized Representative" shall mean the officers of the Borrower designated by the Governing Body and set forth in the Application and signed on behalf of the Borrower by a duly authorized official.

"Board" means the Board of Investments of the State of Montana, a public body corporate organized and existing under the laws of the State and its successors and assigns.

"Board Resolution" means Board Resolution No. 249, adopted November 30, 2021, authorizing the issuance and sale of the INTERCAP Bond for the purpose of making loans to Eligible Government Units.

"Borrower" means the City of Thompson Falls, the Eligible Government Unit, which is borrowing and using the proceeds of the Loan to finance, refinance, or be reimbursed for, all or a portion of the Cost of the Total Project.

"Borrower Act" means §§ 7-7-4101, and 7-7-4201, 7-5-4306, MCA authorizing an Eligible Government Unit to borrow money on terms consistent with the Program.

"Borrower Resolution" means a resolution, duly and validly adopted by a Borrower authorizing the execution and delivery to the Board of an Agreement and Note, in substantially the form provided, or such other form of Resolution that the Board may approve, and all amendments and supplements thereto.

"Commencement Date" means February 28, 2025, the date when the term of this Agreement begins and when the obligation of the Borrower to make Loan Repayments begins to accrue.

"Counsel" means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state.

"Default" means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"Electronic Funds Transfer (EFT) Authorization" shall mean the authorization given by the Borrower to the Board to initiate electronic debit and/or credit entries to the Borrower's specified account to fund the Loan and make automatic Loan repayments when due. The Board may also initiate the electronic debit for periodic principal paydown or payoff prior to loan maturity upon the Borrower's request.

"Eligible Government Unit" shall mean any municipal corporation or political subdivision of the state, including without limitation any city, town, county, school district, or other special taxing district or assessment or service district authorized by law to borrow money; any board, agency, or department of the state; or the board of regents of the Montana university system when authorized by law to borrow money.

"Event of Default" means any occurrence or event described in Article X hereof.

"Fiscal Year" means the fiscal year of the Borrower beginning July 1 and ending June 30.

"Governing Body" means (i) with respect to a county, the Board of County Commissioners; (ii) with respect to a city, the City Council or Commission; and (iii) with respect to a school district, county water or sewer district, hospital district, rural fire district, or any other special purpose district, the Board of Trustees.

"Initial Adjustment Date" means the first February 16 following the date of the Agreement.

"Initial Interest Rate" means the Loan Rate from the date of the Agreement to the Initial Adjustment Date.

"INTERCAP Bond" means the Board of Investments of the State of Montana's Annual Adjustable Rate Municipal Finance Consolidation Act Extendable Bond (INTERCAP Loan Program), Taxable Series 2022, authorized to be issued for the Program.

"Loan" means the loan of money by the Board to the Borrower under the terms of this Agreement pursuant to the Act and the Borrower Act, evidenced by the Note.

"Loan Agreement" or "Agreement" means this Agreement, including, the attachments hereto, as originally executed or as they may from time to time be supplemented, modified or, amended in accordance with the terms hereof.

"Loan Date" means the date of closing a Loan.

"Loan Rate" means the rate of interest on the Loan as provided for in Section 5.01 of this Agreement.

"Loan Repayment Date" means February 15th and August 15th or, if any such day is not a Business Day, the next Business Day thereafter, during the term of the Loan.

"Loan Repayments" means the payments payable by the Borrower pursuant to Article V of this Agreement.

"Loan Term" means the term provided for in Article VI of this Agreement.

"Maximum Rate" means the maximum rate of interest on the INTERCAP Bond which shall not exceed seven and sixty-five hundredths percent (7.65%) per annum plus up to an additional one and fifty hundredths percent (1.50%), as such Maximum Rate may be adjusted as provided in the Board Resolution.

"Note" means the promissory note executed and delivered by the Borrower attached hereto and made a part hereof.

"Program" means the Board's INTERCAP Loan Program established under the Act and pursuant to which the Board finances Projects for Eligible Government Units.

"Program Expenses" means the expenses of the Program, including (without limitation) other fees and expenses of the Program or of the Board relating thereto as shall be approved by the Board.

"Project" means those items of equipment, personal or real property improvements to be acquired, installed, financed, or refinanced under the Program and set forth in the Description of the Project/Summary of Disbursements attached hereto.

"Project Costs" shall mean the portion of the costs of the Total Project to be financed by the INTERCAP Loan. The Project Costs may not exceed the Loan Amount as set forth on the cover hereof.

"State" means the state of Montana.

"Subsequent Interest Adjustment Date or Subsequent Adjustment Date" means February 16 in the years the Loan remains outstanding.

"Term Sheet" means the document containing the terms and conditions issued by the Board to the Borrower that must be satisfied prior to entering into a Loan Agreement.

"Term Sheet Issuance Date" means the date the Board executes its Term Sheet under the Board's Program.

"Total Project" means the project as described in Section 14 of the Term Sheet and/or Section 2 of the application, of which some or all is to be financed by the INTERCAP Loan.

"Total Project Costs" means the entire cost of acquiring, completing or constructing the project as further described in Section 14 of the Terms & Conditions Sheet and/or Section 2 of the application.

Section 1.02. Rules of Interpretation.

For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) "This Agreement" means this instrument as originally executed and as it may from time to time be modified or amended.

(b) All references in this instrument to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words "herein", "hereof", "hereunder", and "herewith" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

(c) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular.

(d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles.

(e) The terms defined elsewhere in this Agreement shall have the meanings therein prescribed for them.

(f) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter gender.

(g) The headings or captions used in this Agreement are for convenience of reference only and shall not define or limit or describe any of the provisions hereof or the scope or intent hereof.

(h) This Agreement shall be construed in accordance with the laws of the State.

Section 1.03. Attachments

The following are attachments and a part of this Agreement:

Description of the Project/Summary of Disbursements.
Borrower's Draw Certificate.
Promissory Note.
Opinion of Borrower's Counsel.
Electronic Funds Transfer (EFT) Authorization
Certificate of Appropriation (if applicable).

ARTICLE II. REPRESENTATIONS, COVENANTS AND WARRANTIES OF BORROWER.

Section 2.01. Representations and Warranties.

Borrower represents and warrants for the benefit of the Board and the Bondholder as follows:

(a) Organization and Authority. The Borrower:

(1) is a political subdivision of the State of Montana; and

(2) has complied with all public bidding and other State and Federal laws applicable to this Agreement and the acquisition or installation of the Project.

(b) Full Disclosure. There is no fact that the Borrower has not disclosed to the Board or its agents in writing that materially adversely affects or (so far as the Borrower can now foresee), except for pending or proposed legislation or regulations that are a matter of public information affecting the ability of the Borrower to levy property taxes, collect fees and charges for services provided by the Borrower or otherwise receive revenues, that will materially adversely affect the properties, activities, prospects or condition (financial or otherwise) of the Borrower or the ability of the Borrower to make all repayments and otherwise perform its obligations under this Agreement, and the Note.

(c) Pending Litigation. There are no proceedings pending, or to the knowledge of the Borrower threatened against or affecting the Borrower in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially adversely affect the properties, activities, prospects or condition (financial or otherwise) of the Borrower, or the ability of the Borrower to make all Loan Repayments and otherwise perform its obligations under this Agreement, and the Note, and that have not been disclosed in writing to the Board.

(d) Borrowing Legal and Authorized. The transaction provided for in this Agreement and the Note:

(1) are within the powers of the Borrower and have been duly authorized by all necessary action on the part of the Borrower, including the adoption of a resolution substantially in the form provided hereto with such modification as may be provided by the Board; and

(2) will not result in any breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Borrower pursuant to any indenture, loan agreement or other instrument (other than this Agreement and the Note) to which the Borrower is a party or by which the Borrower may be bound, nor will such action result in any violation of the provisions of any state laws, or ordinances or resolutions of the Borrower; and

(3) the amount of the Loan represented hereby has been added to the amount of all other outstanding debt of the Borrower and together therewith does not result in the Borrower exceeding its statutory debt limitation.

(e) No Violation. No event has occurred and no condition exists that, upon execution of this Agreement and the Note or receipt of the Loan, would constitute a Default or an Event of Default. The Borrower is not in violation in any material respect, and has not received notice of any claimed violation, of any term of any agreement, statute, ordinance, resolution, bylaw or other instrument to which it is a party or by which it or its property may be bound.

(f) Use of Proceeds. The Borrower will apply the proceeds of the Loan solely to finance the Project Costs described in the Description of the Project/Summary of Disbursements attached hereto. In addition, the Borrower will pay the loan proceeds to a third party within five business days after the date they are advanced (except for proceeds to reimburse the Borrower for previously paid expenditures, which are deemed allocated on the date advanced).

(g) Completion of the Total Project; Payment of Total Project Costs. The Borrower shall proceed diligently to complete the Total Project and to obtain the necessary funds to pay the Total Project Costs thereof. The Borrower shall pay any amount required for the acquisition, construction and equipping of the Total Project in excess of the Loan Amount as set forth on the cover hereof.

Section 2.02. Particular Covenants of Borrower.

(a) Compliance with Statutory Requirements, Competitive Bidding, Montana Labor Laws, Environmental Review, and Other Legal Requirements. The Borrower has complied with all statutory requirements, including competitive bidding and labor requirements and environmental review, applicable to the acquisition and construction of the Project.

(b) Maintenance and Use of Project. The Borrower shall maintain the Project in good condition, make all necessary renewals, replacements, additions, betterments and improvements thereto, is not for private use, and maintain insurance with respect to the Project, its other properties and its operations in such amounts and against such risks as are customary for governmental entities such as the Borrower.

(c) Financial Reports and Audits. The Borrower shall comply with the provisions of Title 2, Chapter 7, Part 5 Montana Code Annotated.

(d) Liens. The Borrower shall not create, incur or suffer to exist any lien, charge or encumbrance on the project vehicle and/or equipment.

(e) Expenses. The Borrower will, at the request of the Board, pay all expenses relating to the Loan and the Note and this Agreement.

ARTICLE III. LOAN TO BORROWER.

Subject to the terms and conditions of this Agreement, the Board hereby agrees to loan and advance to the Borrower, and the Borrower agrees to borrow and accept from the Board, the Loan in the principal amount not to exceed \$54,000.00.

ARTICLE IV. LOAN PROVISIONS.

Section 4.01. Commencement of Loan Agreement

This Agreement shall commence on the date hereof unless otherwise provided in this Agreement.

Section 4.02. Termination of Agreement.

This Agreement will terminate upon payment in full of all amounts due under this Agreement and upon the full and complete performance and payment of all the Borrower's other obligations hereunder. Until such termination, all terms, conditions, and provisions of this Agreement shall remain in full force and effect.

Section 4.03. Term of Loan Agreement.

This Agreement shall be valid for the entire loan amount approved for one year from the Term Sheet Issuance Date. Beginning one year after the Term Sheet Issuance Date, the Board may refuse to make a loan advance if the Board determines that there has been a material adverse change in the circumstances of the Borrower.

Section 4.04. Loan Closing Submissions.

Concurrently with the execution and delivery of this Agreement, the Borrower is providing to the Board, the following documents (except that the Board may waive any of such documents):

(a) A certified resolution of the Borrower in form and substance substantially identical to that provided hereto; provided, however, that the Board may permit variances in such certified resolution from the form or substance of such resolution if, in the good faith judgment of the Board, such variance is not to the material detriment of the interests of the Program and the Bondholder;

(b) An opinion of the Borrower's counsel in form and substance substantially identical to the Attorney's Opinion hereto; provided, however, that the Board may permit variances in such opinion from the form or substance of such Attorney's Opinion if, in the good faith judgment of the Board, such variance is not to the material detriment of the interests of the Program and the Bondholder;

(c) The complete and executed EFT Authorization, attached hereto, required by the Board;

(d) A bill, or bills of sale, construction contract or contracts, invoice or invoices, purchase order or purchase orders or other evidence satisfactory to the Board that the Project has been purchased, ordered, constructed or installed by the Borrower or that any construction has been substantially completed and that payment therefor is due and owing or, if the Borrower is to be reimbursed, that payment has been made; and for any debt being refinanced, the canceled note or other financing document or other evidence satisfactory to the Board of such refinancing;

(e) Such other closing documents and certificates as the Board may reasonably request.

Section 4.05. Initial and Subsequent Draws of Loan.

For the initial draw of the Loan, the Borrower shall deliver to the Board an executed copy of the Agreement, complete with all attachments as listed in Section 4.04, including the Note and the Agreement Resolution and other documents the Board requires.

For subsequent draws, if applicable, the Borrower shall deliver to the Board, an executed copy of a Disbursement Request items listed in 4.04(d) that are equal to or more than requested draw amount, and any other documents the Board requires.

ARTICLE V. LOAN REPAYMENTS AND NOTE.

Section 5.01. Payment of Loan Repayments

(a) The Loan Repayment Dates shall be on February 15 and August 15 of each year with the first Loan Repayment Date determined as follows:

<u>Date of Draw</u>	<u>First Loan Repayment Date</u>	<u>Payment Consisting of:</u>
February 15 through April 17	August 15	Principal and Interest
April 18 through June 16	August 15	Interest only
June 17 through August 14	February 15	Principal and interest from date of draw
August 15 through October 18	February 15	Principal and Interest
October 19 through December 17	February 15	Interest only
December 18 through February 14	August 15	Principal and Interest from date of draw

(b) Borrower hereby agrees the Loan Repayments will be made pursuant to the attached EFT Authorization on each Loan Repayment Date to be calculated by the Board and consisting of the sum of the following items:

(i) Principal in an amount based upon the initial Amortization Schedule, the Amortization Schedule being initially determined utilizing the Initial Interest Rate. Each advance of the principal of the Loan as shown on the Amortization Schedule shall be repaid in semiannual installments on each Loan Repayment Date commencing on the first Loan Repayment Date following the date thereof and ending on the final maturity date set forth on the Amortization Schedule. Principal payments will not be adjusted but the interest payment will be adjusted as provided in Section 5.01 hereof.

(ii) Interest for each Adjustment Period at the Loan Rate.

(c) The Loan Rate is a combination of the INTERCAP Bond rate per annum plus up to an additional one and fifty hundredth percent (1.50%) per annum as is necessary to pay the Borrower's share of Program Expenses, as determined by the Board, and shall not exceed the Maximum Rate.

(d) Within the following month of the Adjustment Date the Board shall calculate the new interest component of the Loan Repayments and shall send a revised Amortization Schedule to the Borrower showing the amount of the Borrower's semiannual Loan Repayments.

Section 5.02. Delinquent Loan Payments.

If the automatic EFT Authorization fails due to insufficient funds, from and after any Loan Repayment Date, until repaid, the Loan shall bear interest at a rate equal to two percent on the yield (coupon equivalent) as of the Loan Repayment Date, on U.S. Treasury Bills of a duration as close as possible to the term over which the Loan Repayment is delinquent.

Section 5.03. The Note.

On the date of this Agreement, the Borrower shall execute the attached Note. The obligations of the Borrower under the Note shall be deemed to be amounts payable under Section 5.01. Each payment made to the Board pursuant to the Note shall be deemed to be a credit against the corresponding obligation of the Borrower under Section 5.01 and any such payment made to the Board shall fulfill the Borrower's obligation to pay such amount hereunder and under the Note.

ARTICLE VI. TERM.

The term of the Loan will be a maximum of seven (7) years and the specific term for each loan draw will be set forth in the Borrower's Draw Certificate.

ARTICLE VII. OBLIGATIONS OF BORROWER UNCONDITIONAL

Section 7.01. Obligations of Borrower.

The obligations of the Borrower to make the payments required hereunder shall be absolute and unconditional without any defense or right of set off, counterclaim, or recoupment by reason of any default by the Board under the Loan Agreement or under any other indebtedness or liability at any time owing to the Borrower by the Board or for any other reason.

ARTICLE VIII. FINANCIAL COVENANTS (GENERAL FUND).

Section 8.01. Representation Regarding Property Tax Limitations.

The Borrower recognizes and acknowledges that the amount of taxes it may levy may be limited by the state pursuant to § 15-10-402, et seq. The Borrower is familiar with the Montana property tax provisions and acknowledges that the Loan Repayments to be made under the Agreement and Note are not exceptions to those provisions. The Borrower represents and covenants that such Loan Repayments can and will be made from revenues available to the Borrower, notwithstanding those provisions.

Section 8.02. Levy and Appropriate Funds to Repay Loan.

The Borrower agrees that in order to meet its obligation to make the Loan Repayments and all other payments hereunder that it will budget for as authorized and appropriate from taxes or any other available sources in each fiscal year during the term of this Agreement an amount sufficient to pay the principal of and interest hereon within property tax limitations and will reduce other expenditures if necessary to make the payments hereunder when due.

Section 8.03. Reports and Opinion; Inspections.

(a) The Borrower shall deliver to the Board by no later than August 15 of each year during the term of this Agreement, a certificate in substantially the form attached hereto that the Governing Body of the Borrower has budgeted and appropriated for the then current Fiscal Year an amount sufficient to make the Loan Repayments due in that Fiscal Year, as required in Article VIII.

(b) The Borrower agrees to permit the Board to visit, examine, and inspect, at any reasonable time, the property constituting the Project, and the Borrower's facilities, and any accounts, books and records, including its receipts, disbursements, contracts, investments, and any other matters relating thereto and to its financial standing, and to supply such reports and information as the Board or the Trustee may reasonably require.

ARTICLE IX. DISCLAIMER OF WARRANTIES.

THE BOARD AND ITS AGENTS MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESSED OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, OR FITNESS FOR ANY OR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PROJECT OR ANY PORTION THEREOF OR ANY OTHER WARRANTY WITH RESPECT THERETO. In no event shall the Board or its respective agents be liable for any incidental, indirect, special, or consequential damages in connection with or arising out of this Agreement or the Project or the existence, furnishing, functioning, or Borrower's use of the Project or any item or products or services provided for in this Agreement.

ARTICLE X. OPTION TO PREPAY LOAN.

The Borrower may request the Board approve prepayment of the loan, in whole or if in part, in multiples of \$100, any unpaid principal of the Note plus interest accrued to the date of prepayment. Upon approval, the Board will initiate an electronic debit using the attached EFT Authorization for prepayment of the Loan in whole or in part upon giving 30 days prior written notice to the Board unless the Board agrees to shorter notice.

If the Loan is prepaid in part, the principal amount of the Loan shall be reduced by the portion of the prepayment representing principal and the Loan shall be reamortized by ratably reducing the principal portion of each remaining Loan Repayment.

ARTICLE XI. ASSIGNMENT.

This Agreement may not be assigned or encumbered by the Borrower for any reason without the express written consent of the Board.

ARTICLE XII. EVENTS OF DEFAULT AND REMEDIES.

Section 12.01. Events of Default Defined.

If any of the following events occur, it is an "Event of Default":

(a) Failure by the Borrower to pay any Loan Repayment required to be paid hereunder at the time specified herein and the continuation of such failure for a period of three (3) days after telephonic or e-mail notice by the Board that such payment has not been received;

(b) Failure by the Borrower to observe and perform any covenant, condition, or agreement on its part to be observed or performed under this Agreement, other than as referred to in Section 12.01(a) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Borrower by the Board, unless the Board shall agree in writing to an extension of time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Board will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the Default is corrected;

(c) Any warranty, representation, or other statement by or on behalf of the Borrower contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement or in connection with the Loan, is false or misleading in any material respect;

(d) The Borrower files a petition in voluntary bankruptcy under the United States Bankruptcy Code or seeks relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law;

(e) The Borrower is generally not paying its debts as the debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including without limitation a receiver, liquidator or trustee) of the Borrower or any of its property is appointed by court order or takes possession thereof and such order remains in effect or the possession continues for more than 30 days.

Section 12.02. Notice of Default.

The Borrower agrees to give the Board prompt written notice if any petition referred to in Section 12.01(d) is filed by the Borrower or upon the occurrence of any other event or condition constituting a Default or an Event of Default immediately upon becoming aware of the existence thereof.

Section 12.03. Remedies on Default.

If an Event of Default referred to in Section 12.01 shall have occurred, the Board shall declare the Loan and all other amounts due hereunder to be immediately due and payable, and upon notice to the Borrower the same shall become due and payable without further notice or demand. Whenever any Event of Default referred to in Section 12.01 hereof shall have happened and be continuing, the Board shall have the right to take one or any combination of the following remedial steps:

(a) Declare the Loan and all other amounts due hereunder to be immediately due and payable, and upon notice to the Borrower the same shall become immediately due and payable by Borrower without further notice or demand; and

(b) Take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its or the Board's rights hereunder, including without limitation, the appointment of a receiver as provided in the Act.

Section 12.04. Attorneys' Fees and Other Expenses.

Upon an Event of Default, the Borrower shall pay to the Board the reasonable fees and expenses of attorneys and other reasonable expenses incurred by either of them, or by any agency of the State selected by the Board to act on its behalf or by the Attorney General, in the collection of Loan Repayments or any other sum due or the enforcement of performance of any other obligations of Borrower.

Section 12.05. Application of Money.

Any money collected by the Board pursuant to Section 12.03 shall be applied: (a) first, to pay any attorney's fees or other fees and expenses owed by Borrower pursuant to Section 12.04 hereof; (b) second, to pay interest due on the Loan; (c) third, to pay principal due on the Loan; (d) fourth, to pay any other amounts due hereunder; and (e) fifth, to pay interest and principal on the Loan and other amounts payable hereunder but which are not due, as they become due (in the same order, as to amounts which come due simultaneously, as in (a) through (d) in this Section 12.05).

Section 12.06. No Exclusive Remedy, Waiver, and Notice.

No remedy herein conferred upon or reserved to the Board is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy, or power accruing upon any Default or Event of Default shall impair any such right, remedy, or power or shall be construed to be a waiver thereof, but any such right, remedy, or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Board to exercise any remedy reserved to it in this Article XII, it shall not be necessary to give any notice, other than such notice as may be required in this Article XII.

ARTICLE XIII. MISCELLANEOUS.

Section 13.01. Notices.

All notices, certificates or other communications hereunder shall be sufficiently given when hand delivered or five days after mailing by registered or certified mail, postage prepaid, to the Borrower at the address specified herein and to the other parties at the following address:

- (1) Board: Montana Board of Investments
Attn: Bond Program Office
P.O. Box 200126
Helena, Montana 59620-0126
- (2) Borrower: City of Thompson Falls
P.O. Box 99
Thompson Falls, MT 59873

Any of the parties may, by notice in writing given to the others, designate any further or different address to which subsequent notices, certifies or other communications shall be sent.

Section 13.02. Binding Effect.

This Agreement shall inure to the benefit of and shall be binding upon the Board, the Borrower, and their respective successors and assigns.

Section 13.03. Severability.

In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.04. Amendments, Changes, and Modifications.

This Agreement may not be amended, changed, or modified by the Borrower unless the amendment shall have been consented to in writing by the Board and made part of this Agreement.

Section 13.05. Execution in Counterparts.

This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all which shall constitute but one and the same instrument.

Section 13.06. Applicable Act.

This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 13.07. Consents and Approvals.

Whenever the written consent or approval of the Board shall be required under the provisions of this Agreement, such consent or approval may be given by the Executive Director of the Board, or designee, unless otherwise provided by law or by rules, regulations or resolutions of the Board.

Section 13.08. Indemnity.

The Borrower agrees to indemnify and hold harmless the Board, their respective officers, employees, and agents, from and against any and all losses, claims, damages, liability, or expenses, of every conceivable kind, character and nature whatsoever, including, but not limited to, losses, claims, damages, liabilities, or expenses (including reasonable fees for attorneys, accountants, consultants, and other experts) (collectively referred to hereinafter in this Section 13.08 as "Damages") as follows:

(a) For all Damages arising out of, resulting from, or in any way connected with the Loan or this Agreement, without limitation; and

(b) For all Damages arising out of, resulting from, or in any way connected with the acquisition, construction, installation, and operation of the Project.

Notwithstanding the foregoing, the Borrower shall have no liability for damages solely arising out of, resulting from, or connected to the Loan or Agreement of any other Borrower.

Section 13.09. Waiver of Personal Liability.

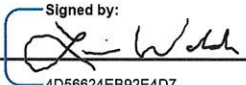
No member, officer, agent, or employee of the Board shall be individually or personally liable for the making of the Loan or be subject to any personal liability or accountability by reason hereof; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law or by this Agreement.

Section 13.10. Captions.

The captions or headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Agreement.

IN WITNESS WHEREOF, the Board has executed this Agreement by its duly authorized officers and the Borrower has caused this Agreement to be executed in its name by its duly authorized officers. All the above occurred as of the date first above written.

BOARD OF INVESTMENTS OF THE
STATE OF MONTANA

Signed by: 
4D56624EB92E4D7...
By Louise Welsh
Its Director of Municipal Loans

CITY OF THOMPSON FALLS

By Rusti Leivestad
Its Mayor

WITNESS OR ATTEST:

By Chelsea Peterson
Its City Clerk/Treasurer

DESCRIPTION OF THE PROJECT/SUMMARY OF DISBURSEMENTS
FOR
CITY OF THOMPSON FALLS

Allocated
Amount
of Loan

Description of Project

1. Patrol vehicles and equipment \$54,000.00

Draw #	Description of Item	Amount Allocated for Item	Date of Draw	Amount of Draw	Amount Remaining for Item
3070-01	#1 above	\$54,000.00	2/28/2025	\$54,000.00	\$0.00

**BORROWER'S DRAW CERTIFICATE NO. 3070-1
FOR DISBURSEMENT OF FUNDS
UNDER THE LOAN AGREEMENT**

The undersigned, Authorized Representative of the City of Thompson Falls (the "Borrower") under the Loan Agreement, dated February 28, 2025 (the "Loan Agreement"), by and between the Board of Investments of the state of Montana (the "Board"), certify pursuant to Section 4.04, as follows:

1. We have read Section 4.05 of the Loan Agreement and subsections of Section 4.04 referred to therein and have reviewed appropriate records and documents of the Borrower relating to matters covered by this Certificate. All capitalized terms used in this Certificate shall have the meanings given them in the Loan Agreement unless otherwise defined herein;
2. All terms and conditions of the Loan Agreement to be complied with by the Borrower as of this date have been complied with and satisfied, and all documents described in Section 4 have been delivered;
3. The item number, amount, and nature of each item of Project Costs, as shown on the attached Borrower's Cash Advance Certificate, hereby requested to be reimbursed or paid to the Borrower: (a) has been paid or incurred; (b) is an eligible Project Cost; and (c) has not been previously reimbursed or paid by the Program under the Loan Agreement;
4. To our knowledge after reasonable investigation, there has been no default by the Borrower under the Loan Agreement, which has not been cured; and
5. All representations and warranties made by the Borrower in the Loan Agreement are true and correct on and as of the date of this Certificate and has the same effect as if made on such date.

You are hereby requested to advance pursuant to Section 4.05 of the Loan Agreement the amount shown below and make payment to the entitled entity to receipt thereof as shown on the EFT Authorization.

Cash Amount to (ACH):	\$54,000.00
Term to be Amortized:	February 28, 2025 through February 15, 2032 (7 years)
Project Description:	Patrol vehicles and equipment

WITNESS my hand this 28th day of February, 2025.

CITY OF THOMPSON FALLS

By Rusti Leivestad
Its Mayor

ATTEST:

By Chelsea Peterson
Its City Clerk/Treasurer

Loan #3070

PROMISSORY NOTE

FOR VALUE RECEIVED, the City of Thompson Falls, a political subdivision organized under the laws of the state of Montana (the "Borrower"), hereby promises to pay to the order of the Board of Investments of the State of Montana (the "Board") the principal amount of FIFTY-FOUR THOUSAND NO/100 DOLLARS (\$54,000.00) or such lesser amount as shall actually be advanced to the Borrower under the Loan Agreement (hereinafter defined) as evidenced by the Amortization Schedule attached hereto and as annually revised in March for every year the loan advance is outstanding, together with interest thereon in the amount calculated as provided in the Loan Agreement, payable semiannually on February 15 and August 15 in the amounts and as provided in the Loan Agreement and as set forth hereto.

The maturity date of this loan as evidenced by this Promissory Note is February 15, 2032 or sooner at the option of the Borrower pursuant to the Loan Agreement.

This Promissory Note is issued pursuant to the Loan Agreement dated as of February 28, 2025, between the Board and the Borrower (the "Loan Agreement") and issued in consideration of the loan made thereunder (the "Loan") and in evidence of the obligations of the Borrower set forth in Section 5 thereof. Payments hereunder shall be made directly to the Board pursuant to the EFT Authorization attached hereto. All the terms, conditions and provisions of the Loan Agreement are, by this reference hereto, incorporated herein as a part of this Promissory Note.

Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

Pursuant to the Loan Agreement, advances shall be made to the Borrower under the Loan Agreement from time to time upon the terms and conditions set forth in the Loan Agreement.

This Promissory Note is entitled to the benefits and is subject to the conditions of the Loan Agreement. The obligations of the Borrower to make the payments required hereunder shall be absolute and unconditional without any defense or right of setoff, counterclaim, or recoupment by reason of any default by the Board under the Loan Agreement or under any other indebtedness or liability at any time owing to the Borrower by the Board or for any other reason.

This Promissory Note is subject to optional prepayment under the terms and conditions provided in Article X of the Loan Agreement upon giving 30 days prior written notice to the Board or less if the Board agrees to shorter notice.

If an "Event of Default" occurs under Section 12.01 of the Loan Agreement, the principal of this Promissory Note may be declared due and payable in the manner and to the extent provided in Article XII of the Loan Agreement.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Montana to be done, to exist, to happen and to be performed precedent to and in the issuance of this Note, in order to make it a valid and binding obligation of the Borrower according to its terms, have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required; that the Borrower will, as authorized by and according to applicable provisions and limitations of law annually levy sufficient tax receipts or collect sufficient revenues, as the case may be, with other funds available therefor, to pay the

principal and interest hereon when due; and that this Note, together with all other indebtedness of the Borrower outstanding on the date of original issue hereof and on the date of its actual issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness of the Borrower.

IN WITNESS WHEREOF, the City of Thompson Falls has caused this Promissory Note to be duly executed, attested, and delivered, as of this 28th day of February, 2025.

CITY OF THOMPSON FALLS

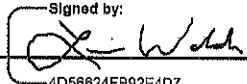
By Rusti Leivestad
Its Mayor

(SEAL)

ATTEST:

By Chelsea Peterson
Its City Clerk/Treasurer

BOARD OF INVESTMENTS OF THE
STATE OF MONTANA

Signed by:

4D56824EB92E4D7...
By Louise Welsh
Its Director of Municipal Loans

**MONTANA BOARD OF INVESTMENTS
ELECTRONIC FUNDS TRANSFER (EFT)/AUTOMATED CLEARING HOUSE (ACH)
AUTHORIZATION**

INTERCAP LOAN PROGRAM

Borrower Name: City of Thompson Falls

Loan #:3070

I, the undersigned, a duly authorized representative, hereby authorize the Montana Board of Investments to initiate electronic debit and/or credit entries to the Account listed below. The authorized representative acknowledges the origination of ACH transactions to the listed account complies with provisions of U.S. law.

Name of Financial Institution to debit/credit Account:

Address:

City, State, Zip:

Financial Institution Routing Number:

For Credit To:

☒ Checking ☐ Savings (check one) **Account Number:**

For Further Credit To (such as to _____ Fire or School District):

Type of transfer for this account: ACH/EFT INTERCAP Loan# 3070

This authority remains in effect until the Montana Board of Investments and the designated Financial Institution have received a revised EFT Authorization from an authorized representative or Loan #3070 has been paid in full according to its terms.

Signature →

Date →

Printed Name →

Please notify the Montana Board of Investments if you have applied a filter or a block to your account.

Please mail with documents or upload the completed form to:

<https://investmentmt.com/INTERCAP/>

CERTIFICATE OF APPROPRIATION

The undersigned City Clerk/Treasurer hereby certifies with respect to the Loan Agreement (the "Loan Agreement"), dated as of February 28, 2025, by and between the City of Thompson Falls (the "Borrower") and the Board of Investments (the "Board") that:

1. The governing body of the Borrower prepared its budget for the fiscal year 2025.
2. The Borrower included in the budget an amount designated and sufficient to make the Loan Repayments (as defined in the "Loan Agreement") due in fiscal year 2025.

Dated this February 28, 2025.

CITY OF THOMPSON FALLS

By Chelsea Peterson
Its City Clerk/Treasurer

OPINION OF BORROWER'S COUNSEL

[TO BE TYPED ON LETTERHEAD OF BORROWER'S COUNSEL]

TO BE DATED THE DATE OF CLOSING

(February 28, 2025)

THIS OPINION LETTER IS NOT INTENDED TO BE A GUARANTEE BY THE BOARD THAT ALL THE PROVISIONS HEREIN HAVE BEEN MET. THIS DOCUMENT IS INTENDED TO BE NO MORE THAN A GUIDE FOR THE BORROWER'S COUNSEL. IT IS THE RESPONSIBILITY OF BORROWER'S COUNSEL TO INDEPENDENTLY RESEARCH, EXAMINE, AND VERIFY THAT THE PROVISIONS HEREIN HAVE BEEN MET.

Board of Investments
of the State of Montana
2401 Colonial Drive, 3rd Floor
P.O. Box 200126
Helena, MT 59620-0126

Ladies and Gentlemen:

I have served as counsel to the City of Thompson Falls (the "Borrower") in connection with its participation in the INTERCAP Program (the "Program") of the Board of Investments of the State of Montana (the "Board"). Terms used herein which are defined in the Loan Agreement, dated as of February 28, 2025, (the "Loan Agreement") between the Borrower and the Board shall have the meanings specified therein. The resolution of the Borrower authorizing its participation in the Program and the issuance of its Loan Agreement relating thereto is herein referred to as the Loan Agreement Resolution.

I have examined, among other things:

- i) the Borrower Act;
- ii) the Loan Agreement dated as of February 28, 2025, and executed by the Borrower;
- iii) the Promissory Note (the "Note") dated as of February 28, 2025, and executed by the Borrower;
- iv) Resolution No. _____ of the Borrower, dated _____ (the "Loan Agreement Resolution");
- vii) the proceedings of the Borrower with respect to the due execution and delivery by the Borrower of the Loan Agreement, and Note Electronic Funds Transfer Authorization (the Program Documents), and such certificates and other documents relating to the Borrower, the Program Documents and the Loan Agreement Resolution of the Borrower and have made such other examination of applicable Montana law and a review of the Borrower's actions with respect to applicable ordinances and resolutions as we have deemed necessary in giving this opinion.

Based upon the foregoing, I (we) am of the opinion that:

(a) The Borrower is a political subdivision duly organized and validly existing under the laws and Constitution of the State of Montana with full legal right, power and authority to enter into, execute and perform its obligations under the Program Documents and to carry out and effectuate the transactions contemplated thereunder.

(b) The execution of the Loan Agreement and Promissory Note have been duly authorized and are valid, binding and enforceable against the Borrower in accordance with its terms.

(c) The Loan Agreement Resolution of the Borrower has been duly adopted and is valid, binding and enforceable against the Borrower in accordance with its terms.

(d) The Borrower has taken all action required to be taken by it to authorize the execution and delivery of and the performance of the obligations contained in the Program Documents; and such authorization is in full force and effect on the date hereof.

(e) The Borrower has complied with all applicable competitive bidding requirements for the purchase, acquisition, and construction of the Project.

(f) No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any person, organization, court, or governmental agency or public body whatsoever is required to be obtained by the Borrower in connection with the execution, delivery and performance of the Program Documents or the consummation of the other transactions effected or contemplated thereby.

(g) The execution, delivery and performance of the Program Documents, and compliance with the provisions thereof will not conflict with or constitute a breach of, a violation of, or default under, the Constitution of the State of Montana, or any existing law, charter, judgment, ordinance, administrative regulation, decree, order or resolution of or relating to the Borrower and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument, to which the Borrower is a party or by which it is bound or to which it is subject.

(h) The Program Documents executed by the Borrower, when delivered to the Board, will have been duly authorized and executed and will constitute validly issued and legally binding obligations of the Borrower according to their terms.

(i) No other lien has been filed on the project vehicle and/or equipment.

It is understood that the enforceability of the Program Documents may be limited by applicable bankruptcy, insolvency, moratorium, reorganization, or other similar laws affecting the enforcement or creditors rights.

Sincerely,

Borrower Attorney