

Welcome to tonight's City Council meeting!

The elected officials of the City of Bonners Ferry are appreciative of an involved constituency. Testimony from the public is encouraged concerning issues when addressed under the Public Hearing portion of the agenda. Any individual who wishes may address the council on any issue, whether on the agenda or not, during the Public Comments period. Normal business will preclude public participation during the business portion of the meeting with the discretion left to the Mayor and Council. Special accommodations to see, hear, or participate in the public meeting should be made at City Hall within two days of the public meeting.

Vision Statement

Bonners Ferry, "The Friendliest City", strives to achieve balanced growth, builds on community strengths, respects natural resources, promotes excellence in Government, and values quality of life. We are a city that welcomes all people.

**AGENDA
CITY COUNCIL MEETING
Bonners Ferry City Hall
7232 Main Street
267-3105
June 28, 2022
6:00 pm**

Join video Zoom meeting: <https://us02web.zoom.us/j/176727634>

Meeting ID: 176727634

Join by phone: 253-215-8782

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

Each speaker will be allowed a maximum of three minutes, unless repeat testimony is requested by the Mayor/Council.

REPORTS

Police/Fire/City Administrator/City Engineer/Urban Renewal District/SPOT/Golf/EDC

CONSENT AGENDA – {action item}

1. Call to Order/Roll Call
2. Approval of Bills and Payroll
3. Approval of the June 7, 2022 Council meeting minutes
4. Treasurer's report
5. **Electric** – Consider authorizing the Mayor to sign Task Order #5 with FCS (attachment)

NEW BUSINESS

6. **Electric** – Consider authorizing the Mayor to sign reimbursement paperwork for the Riverside Electrical Relocation Project (attachment) {action item}
7. **Golf** – Consider donating the green fees from the Friends of Mirror Lake golf tournament to the Friends of Mirror Lake {action item}
8. **Street** – Consider authorizing the Mayor to sign lease purchase agreement with Zions Bancorporation and Resolution 2022-004 for the wheeled loader (attachment) {action item}
9. **City** – Consider authorizing the Mayor to sign Covid fund letters for III-A (attachment) {action item}

ADJOURNMENT

INFORMATION – Draft minutes – Planning and Zoning meeting and Golf Committee meeting

**MINUTES
CITY COUNCIL MEETING
Bonners Ferry City Hall
7232 Main Street
267-3105
June 7, 2022
6:00 pm**

Mayor Dick Staples called the Council meeting of June 7, 2022, to order at 6:00 pm. Present for the meeting were: Council Members Brion Poston, Valerie Thompson, Rick Alonzo and Ron Smith. Also, present were: City Administrator Lisa Ailport, City Clerk/Treasurer Christine McNair, City Attorney Andrakay Pluid, City Engineer Mike Klaus, Police Chief Brian Zimmerman and Economic Development Coordinator David Sims. Members of the public present were: Dave Anderson, Marciavee Cossette, Jerry Higgs, David Clark, Emily Bosant, Denise Crichton and Ralph Lotspeich.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

Dave Anderson spoke regarding the Friends of Mirror Lake projects.

REPORTS

Golf Ralph Lotspeich said the daily green fees were down for May, but the season passes were up. The new cart paths have increased the accessibility during the wetter time of the year.

EDC David Sims said the advisory meetings will resume in the month of July at the Kootenai River Inn. He attended the Housing conference.

CONSENT AGENDA – {action item}

1. Call to Order/Roll Call
 2. Approval of Bills and Payroll
 3. Approval of the May 17, 2022 Special Council meeting minutes, May 17, 2022 Council meeting minutes, May 20, 2022 Special Council meeting minutes
 4. **Electric** – Consider authorizing the Mayor to sign the Right-of-Way grant application with the Bureau of Land Management for the Katka transmission line (attachment)
 5. **Electric** – Consider authorizing the Mayor to sign the contract with Saunders Line Construction to replace underground wire (attachment)
 6. **City** – Consider authorizing the Mayor to sign the Grant Match Letter for Fiscal Year 2023 for the Economic Development Coordinator (attachment)
 7. **City** – Consider authorizing the Mayor to sign Task Order #1 with Innovate for Water Meter Survey (attachment)
- Valerie Thompson moved to approve the consent agenda. Brion Poston seconded the motion. The motion passed. Ron Smith – yes, Rick Alonzo – yes, Valerie Thompson – yes, Brion Poston – yes

NEW BUSINESS

8. **Sewer** – Consider authorizing the purchase of a generator for Lift Station #3 (attachment) {action item}
Mike said one of the goals is to have a generator at every lift station. Currently Lift Stations #2, #5 & #6 have generators. Mike said the cost has increased by \$6,000. Rick Alonzo moved to authorize the purchase of a generator for Lift Station #3. Ron Smith seconded the motion. The motion passed. Valerie Thompson – yes, Rick Alonzo – yes, Brion Poston – yes, Ron Smith – yes
9. **Street** – Consider the Loader bids (attachment) {action item}
Lisa said we received two bids. The low bid was from Pape for \$212,700. Lisa spoke with Zions Bank; they offer financing with 4.17%. Valerie asked if there are early payment penalties. Lisa said there are not. Valerie Thompson moved to accept the bid from Pape Machinery for the purchase of a new loader in the amount of \$212,700 and to authorize staff to work with the vendor's or other bank financing, whichever produces the lowest bottom line cost and to prepare the appropriation lease documentation for future approval for any amount remaining after a down payment is applied. Rick Alonzo seconded the motion. The motion passed. Brion Poston – yes, Ron Smith – yes, Rick Alonzo – yes, Valerie Thompson – yes
10. **City** – Consider authorizing the Mayor to sign the dedication deed from Tim and Judith Gorshe (attachment) {action item}
Lisa said this is the completion of the land dedication from a public/private development agreement. Valerie asked Mike what the total cost was for the sewer. Mike said the Water and Sewer Department helped with the project, which made the costs come in under budget. Ron Smith moved to authorize the Mayor to sign the dedication deed from Tim and Judith Gorshe. Valerie Thompson seconded the motion. The motion passed. Rick Alonzo – yes, Valerie Thompson – yes, Brion Poston – yes, Ron Smith – yes

11. **Pool** – Consider authorizing the Mayor to sign the contract with Michelle Walker for water aerobics classes (attachment) {action item}

Lisa said Michelle did this as a pilot program last year. This year Michelle is interested in being a contract employee to teach water aerobics classes. Valerie Thompson moved to authorize the Mayor to sign the contract with Michelle Walker for water aerobics classes. Brion Poston seconded the motion. The motion passed. Brion Poston – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

12. **Electric** – Consider authorizing the Mayor to sign the contract with Schweitzer Engineering Services for controls and automation upgrades at the Moyie Hydro (attachment) {action item}

Mike recommended to table this item to a future meeting.

ADJOURNMENT

The meeting adjourned at 6:22 pm.

INFORMATION – Draft minutes – Planning and Zoning meeting

DRAFT

Task Order No. 5

Project Name: IFG Contract Negotiations Support

The City of Bonners Ferry ("Client") hereby requests and authorizes FCS Group ("FCS GROUP") to provide the professional services and described below.

A. PROJECT TASK DESCRIPTION

- ✓ Provide negotiations support to the City to include technical analysis, meetings, presentation development or other requests by the City.
- ✓ Task billed hourly up to approved contract amount.

B. PRICING

Estimated cost to complete initial task: not to exceed \$5,000. Option to increase for an additional \$5,000, if necessary.

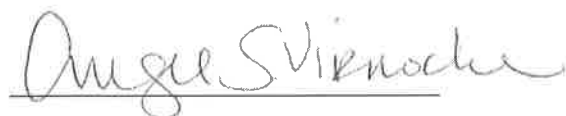
C. SCHEDULE OF DELIVERABLES

The parties expect the services under Task Order No. 5 to be completed by December 31, 2022.

The scope and services covered under this authorization shall be performed in accordance with all the terms and conditions in the Master On-call/Task Order Agreement dated January 19, 2021.

APPROVED:

**FINANCIAL CONSULTING
SOLUTIONS GROUP, INC.**



Angie Sanchez Virnoche
Vice President/Principal

Date: 23Jun22

APPROVED:

CITY OF BONNERS FERRY

Name: James R. Staples
Title: Mayor

Date: _____

LEASE PURCHASE AGREEMENT

This equipment lease purchase agreement (the "Lease") dated as of June 30, 2022, by and between ZIONS BANCORPORATION, N.A., One South Main Street, 18th Floor, Salt Lake City, Utah 84133 ("Lessor"), and City of Bonners Ferry, 7232 Main Street #149, Bonners Ferry, Idaho 83805. ("Lessee"), a body politic and corporate existing under the laws of the State of Idaho. This Lease includes all Exhibits hereto, which are hereby specifically incorporated herein by reference and made a part hereof.

Now *therefore*, for and in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

Lease of Equipment

Section 1.1 *Agreement to Lease*. Lessor hereby demises, leases, and lets to Lessee and Lessee rents, leases and hires from Lessor, the "Equipment" (as hereinafter defined), to have and to hold for the term of this Lease; provided, however, that the obligation of Lessor to lease any item of the Equipment and to make payment to the Vendor therefor is subject to the condition precedent that Lessee shall provide the following at its cost, in form and substance satisfactory to Lessor:

- (i) Evidence satisfactory to Lessor as to due compliance with the insurance provisions of Section 10.2 hereof;
- (ii) Invoice of the Vendor of such item of Equipment; and
- (iii) Delivery and Acceptance Certificate in the form attached hereto as Exhibit "E" executed by Lessee acknowledging delivery to and acceptance by Lessee of such items of Equipment.

Section 1.2 *Title*. During the term of this Lease, title to the Equipment will be transferred to, and held in the name of, Lessee, subject to retransfer to Lessor. Upon termination of this Lease as provided in Sections 3.3 (a) or 3.3 (c), title to the Equipment will transfer automatically to Lessor without the need for any further action on the part of Lessor, Lessee, or any other person, provided that if any action is so required, Lessee by this Lease appoints Lessor its irrevocable attorney in fact to take any action to so transfer title to the Equipment to Lessor. Lessor at all times will have access to the Equipment for the purpose of inspection, alteration, and repair.

Section 1.3 *Security*. To secure the payment of all of Lessee's obligations to Lessor under this Lease, Lessee grants to Lessor a security interest in the Equipment and in all additions, attachments, accessions, and substitutions to or for the Equipment. The security interest granted herein includes proceeds. Lessee agrees to execute such additional documents, including financing statements, affidavits, notices, and similar instruments, in form satisfactory to Lessor, which

Lessor deems necessary or advisable to establish and maintain its security interest in the Equipment. Lessor understands and agrees that the security interest granted in this Section shall be subject and subordinate to presently existing security interests and/or purchase money security interests in miscellaneous equipment which may be installed in accordance with the provisions of Section 9.3.

ARTICLE II

Definitions

The terms defined in this Article II shall, for purposes of this Lease, have the meaning herein specified unless the context clearly otherwise requires:

“*Business Day*” shall mean any day except Saturday, Sunday and legal holidays on which banks in the State of Idaho and Utah are closed.

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Commencement Date*” shall mean the date when the term of this Lease begins and Lessee’s obligation to pay rent accrues, as set forth in Section 3.1.

“*Equipment*” shall mean the property which Lessor is leasing to Lessee referred to in Section 1.1 and more fully described in Exhibit “A.”

“*Governing Body*” means the governing body of the Lessee

“*Greater Boise*” shall refer to the Idaho Supreme Court decision, *Greater Boise Auditorium Dist. v. Frazier*, NO. 43704, 2015 WL 6080521 (Idaho Oct. 15, 2015).

“*Lessee*” shall mean City of Bonners Ferry, Idaho.

“*Lessor*” shall mean ZIONS BANCORPORATION, N.A., Salt Lake City, Utah, its successors and assigns.

“*Notice of Intent to Renew*” shall mean the Lessee’s notice of intent to renew this Lease for a Renewal Term, as required by Section 3.2 of this Lease.

“*Option Purchase Price*” shall mean the amount which Lessee must pay Lessor to purchase the Equipment, as determined by Article V.

“*Original Term*” shall mean the period from the Commencement Date until the end of the fiscal year of Lessee in effect at the Commencement Date, as set forth in Section 3.2.

“*Principal Outstanding*” means the remaining unpaid principal outstanding under this Lease as specified on Exhibit “C” attached hereto.

“*Renewal Terms*” shall mean all of the additional periods of one year (coextensive with Lessee’s fiscal year) for which this Lease shall be effective in the event of renewal of the Lease as provided in Article III.

“*Rental Payment Date*” means the dates upon which Rental Payments are to be made by the Lessee to the Lessor hereunder as specified on Exhibit “C” attached hereto.

“*Rental Payments*” means the rental payments payable by Lessee pursuant to the provisions of this Lease during the Term hereof.

“*Term*” or “*Term of this Lease*” shall mean the Original Term and all Renewal Terms provided for in this Lease under Section 3.2.

“*Vendor*” shall mean the manufacturer of the Equipment and the manufacturer’s agent or dealer from whom Lessor purchased or is purchasing the Equipment.

ARTICLE III

Lease Term

Section 3.1 Commencement. The Term of this Lease shall commence as of:

_____ the date this Lease is executed.

_____ days after the receipt, installation, and operation of the Equipment, and its acceptance by Lessee, as indicated by an acceptance certificate signed by Lessee.

_____ the date the Vendor receives full payment for the Equipment from Lessor.

X _____ June 30, 2022.

Such date will be referred to as the Commencement Date.

Section 3.2 *Duration of Lease: Nonappropriation.* This Lease will continue until the end of the fiscal year of Lessee in effect at the Commencement Date (the “Original Term”). The Lessee may, in its sole discretion, and when and if it duly budgets and appropriates funds therefor from revenues legally available to it for the ensuing fiscal year, renew this Lease by giving notice of intent to renew (“Notice of Intent to Renew”) to the Lessor, in which case, the Lease shall be extended for an additional period of one year coextensive with Lessee’s fiscal year (each, a “Renewal Term”). Each Renewal Term shall commence on October 1st of the fiscal year following adoption of the budget as provided hereinabove and shall terminate on September 30th of the following calendar year.

Lessee hereby declares that, as of the date of the execution of this Lease, Lessee currently has an essential need for the Equipment which is the subject of this Lease to carry out and give effect to the public purposes of Lessee. Lessee reasonably believes that it will have a need for the type

of equipment which is the subject of this Lease for the duration of the Original Term and all Renewal Terms. If Lessee does not appropriate funds to continue the leasing of the Equipment for any ensuing Renewal Term, this Lease will terminate upon the expiration of the Original or Renewal Term then in effect and Lessee shall notify Lessor of such termination at least ten (10) days prior to the expiration of the Original Term or Renewal Term then in effect; provided, however, that a failure to give such written notice shall not constitute an event of default, result in any liability on the part of the Lessee or otherwise result in the termination of this Lease as set forth hereinabove.

Section 3.3 *Termination*. This Lease will terminate upon the earliest of any of the following events:

- (a) the expiration of the Original Term or any Renewal Term of this Lease and the failure of Lessee to appropriate funds and provide a Notice of Intent to Renew to continue the leasing of the Equipment for the ensuing Renewal Term;
- (b) the exercise by Lessee of any option to purchase granted in this Lease by which Lessee purchases all of the Equipment;
- (c) a default by Lessee and Lessor's election to terminate this Lease under Article VII herein; or
- (d) the expiration of the Term of this Lease.

Section 3.4 *Return of Equipment Upon Termination*. Upon termination of this Lease pursuant to Sections 3.3 (a) or 3.3 (c), Lessee shall return the Equipment to Lessor in the condition, repair, appearance and working order required in Section 9.2 hereof in the following manner as may be specified by Lessor by loading the Equipment at Lessee's cost and expense, on board such carrier as Lessor shall specify and shipping the same, freight prepaid, to the destination designated by Lessor.

Lessee shall obtain all governmental authorizations to permit return of the Equipment to Lessor and Lessee shall pay to Lessor such sum as may be necessary to cover replacement of all broken or missing parts.

ARTICLE IV

Rental Payments

Section 4.1 *Amount*. Lessee will pay Lessor as rent for the use of the Equipment during the Original Term and any Renewal Terms on the dates and in the amounts set forth in Exhibit "C" attached hereto. All Rental Payments shall be paid, exclusively from legally available funds, in lawful money of the United States of America to Lessor at or to such other person or entity or at such other place as Lessor may from time to time designate by written notice to Lessee.

Section 4.2 *Portion of Rental Payments Attributable to Interest*. The portion of each Rental Payment which is paid as and is representative of interest is set forth in Exhibit "C" attached hereto.

Section 4.3 *No Right to Withhold*. Notwithstanding any dispute between Lessee, Lessor, Vendor or any other party, Lessee will make all Rental Payments when due, without withholding any portion of such rent, pending final resolution of such dispute by mutual agreement between the parties thereto or by a court of competent jurisdiction.

Section 4.4 *Rental Payments to Constitute a Current Obligation of the Lessee*. The Lessee and the Lessor acknowledge and agree that the obligation of the Lessee to pay Rental Payments hereunder constitutes a current obligation of the Lessee payable exclusively from current and legally available funds and shall not in any way be construed to be an indebtedness or liability of the Lessee under Article VIII Section 3 of the Idaho Constitution, or within any Idaho statutory provisions, or any other requirement applicable to the Lessee concerning the creation of indebtedness, including the law as established in *Greater Boise*. The Lessee has not hereby pledged the credit of the Lessee to the payment of the Rental Payments, or the interest thereon, nor shall this Lease obligate the Lessee to apply money of the Lessee to the payment of Rental Payments beyond the then current Original Term or Renewal Term, as the case may be, or any interest thereon.

ARTICLE V

Purchase of Equipment

Section 5.1 *Option Purchase Price*. On any Business Day on or after June 30, 2022, Lessee may purchase the Equipment from Lessor at a price equal to the principal amount outstanding on the Rental Payment Date immediately preceding the date of calculation (unless such date is a Rental Payment Date, in which case, the principal amount outstanding as of such date), plus accrued interest from such Rental Payment Date to such date of calculation at the rate of interest per annum in effect for the period during which the calculation is made, as set forth in Exhibit "C."

Section 5.2 *Manner of Exercise of Option*. To exercise the option, Lessee must deliver to Lessor written notice specifying the date on which the Equipment is to be purchased (the "Closing Date"), which notice must be delivered to Lessor at least thirty (30) days prior to the Closing Date specified therein. At the closing, Lessor will deliver to Lessee a bill of sale transferring the Equipment to Lessee free and clear of any lien or encumbrance created by or arising through Lessor, but without warranties, and will deliver all warranties and guarantees of Vendors of the Equipment.

Section 5.3 *Conditions of Exercise of Option*. Lessee may purchase the Equipment pursuant to the option granted by this Lease only if Lessee has made all Rental Payments when due (or has remedied any defaults in the payment of rent, in accordance with the provisions of this Lease) and if all other representations, covenants, warranties, and obligations of Lessee under this Lease have been satisfied (or all breaches of the same have been waived by Lessor in writing).

Section 5.4 *Termination Purchase*. Upon the expiration of the Term of the Lease and provided that the conditions of Section 5.3 have been satisfied, Lessee shall be deemed to have purchased the Equipment (without the payment of additional sums) and shall be vested with all rights and

title to the Equipment. Lessor agrees that upon the occurrence of the events as provided in this Section, it shall deliver to Lessee the documents specified in Section 5.2, and shall comply with the delivery provisions of Section 5.2 relating to termination upon exercise of the option to purchase.

ARTICLE VI

Representations, Covenants, and Warranties of Lessee and Lessor

Section 6.1 *Representations, Covenants and Warranties of Lessee*. Lessee represents, covenants, and warrants as follows:

- (a) Lessee is a body politic and corporate, duly organized and existing under the Constitution and laws of the State of Idaho.
- (b) Lessee is authorized by the Constitution and laws of the State of Idaho to enter into this Lease and to effect all of Lessee's obligations hereunder. The Governing Body of Lessee has executed the resolution attached as Exhibit "B" to this Lease which specifically authorizes Lessee to execute and deliver this Lease.
- (c) All procedures and requirements, including any legal bidding requirements, have been met by Lessee prior to the execution of this Lease in order to insure the enforceability of this Lease and all rent and other payment obligations will be paid out of funds legally available for such purpose.
- (d) The Governing Body of Lessee has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which Lessee's execution of this Lease was authorized, as evidenced by the certificate of open meeting law attached to the Resolution of Governing Body which is attached hereto as Exhibit "B."
- (e) The letter attached to this Lease as Exhibit "D" is a true opinion of special counsel.
- (f) Lessee will use and service the Equipment in accordance with Vendor's instructions and in such a manner as to preserve all warranties and guarantees with the respect to the Equipment.
- (g) During the term of this Lease, the Equipment will be used by Lessee only for the purpose of performing one or more governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority.
- (h) The representations, covenants, warranties, and obligations set forth in this Article are in addition to and are not intended to limit any other representations, covenants, warranties, and obligations set forth in this Lease.
- (i) The Equipment shall be used solely by Lessee and shall not be subject to any direct or indirect private business use.

- (j) Lessee covenants and certifies to and for the benefit of Lessor throughout the term of this Lease that:
- (1) No use will be made of the proceeds of this Lease, or any funds or accounts of Lessee which may be deemed to be proceeds of this Lease, which use, if it had been reasonably expected on the date of execution of this Lease, would have caused this Lease to be classified as an “arbitrage bond” within the meaning of Section 148 of the Code;
 - (2) Lessee will at all times comply with the rebate requirements of Section 148(f), to the extent applicable;
 - (3) in order to preserve the status of this Lease as other than a “private activity bond” as described in Sections 103(b)(1) and 141 of the Code, as long as this Lease is outstanding: (I) none of the proceeds of this Lease or the Equipment financed therewith shall be used for any “private business use” as that term is used in Section 141(b) of the Code and defined in Section 141(b)(6) of the Code; and (II) no part of this Lease shall be secured in whole or in part, directly or indirectly, by any interest in any equipment used in any such “private business use” or by payments in respect of such equipment, and shall not be derived from payments in respect of such equipment;
 - (4) it will not take any action or omit to take any action such that would cause interest on this Lease to become ineligible for the exclusion from gross income of Lessor as provided in Section 103 of the Code.
- (k) The obligations of Lessee under this lease are not federally guaranteed within the meaning of Section 149(b) of the Code.
- (l) This Lease is being executed for the purpose of acquiring the Equipment and is not being issued to refund or refinance any outstanding obligation of Lessee, nor to reimburse Lessee for any expenditures made prior to the date hereof.
- (m) In compliance with Section 149 (e) of the Code relating to information reporting, Lessee has caused or will cause to be filed with the Internal Revenue Service, IRS form 8038-G or 8038-GC, as appropriate.
- (n) Lessee has selected the Equipment and desires to lease the Equipment for use in the performance of its governmental or proprietary functions. Lessor, at Lessee’s request, has ordered or shall order the Equipment and shall lease the same to Lessee as herein provided, Lessor’s only role being the facilitation of the financing of the Equipment for the Lessee. Lessor will not be liable for specific performance or for damages if the supplier or manufacturer of the Equipment for any reason fails to fill, or delays in filling, the order for the Equipment. Lessee acknowledges that Lessor is not a manufacturer of or a dealer in the Equipment (or similar equipment) and does not inspect the Equipment prior to delivery to Lessee. Lessee agrees to accept the Equipment and authorizes Lessor to add the serial number of the Equipment to Exhibit

“A.” Lessor shall have no obligation to install, erect, test, inspect, or service the Equipment. *For purpose of this Lease and of any purchase of the Equipment effected under this Lease, Lessor expressly disclaims any warranty with respect to the condition, quality, durability, suitability, merchantability or fitness for a particular purpose of the Equipment in any respect, and any other representation, warranty, or covenant, express or implied. Lessor will not be liable to Lessee for any liability, loss, or damage caused or alleged to be caused, directly or indirectly, by any inadequacy, deficiency, or defect in the Equipment, or by any use of the Equipment, whatsoever.* Lessor assigns to Lessee, without recourse, for the Term of this Lease all manufacturer warranties and guarantees, express or implied, pertinent to the Equipment, and Lessor directs Lessee to obtain the customary services furnished in connection with such guarantees and warranties at Lessee’s expense, subject to Lessee’s obligation to reassign to Lessor all such warranties and guarantees upon Lessor’s repossession of the Equipment.

- (o) During the Original Term, or any Renewal Terms, of this Lease, Lessee covenants and agrees that (1) the decision to renew or not renew this Lease shall be made solely by the Governing Body and not by any other officers or officials acting on behalf of the Lessee, and (2) the appropriate officers of the Lessee charged with the responsibility of formulating budget proposals will include in the budget proposals submitted to the Governing Body, in any year in which this Lease shall be in effect, items for all payments required for the ensuing Renewal Term under this Lease. However, the inclusion of Renewal Term Rental Payments in budget proposals shall not limit the sole discretion of the Governing Body whether to renew the Lease.
- (p) There are no legal or governmental proceedings or litigation pending or, to the best knowledge of Lessee, threatened or contemplated (or any basis therefor) wherein an unfavorable decision, ruling or finding might adversely affect the transactions contemplated in or the validity of this Lease
- (q) Lessee has never non-appropriated or defaulted under any of its payment or performance covenants, either under any municipal lease of the same general nature as this Lease or under any of its bonds, notes or other debt obligations for which its general credit or revenues are pledged.

Section 6.2 *Representations, Covenants and Warranties of Lessor.* Lessor represents, covenants, and warrants as follows:

- (a) During the Original Term, or any Renewal Terms, of this Lease, Lessor will provide Lessee with quiet use and enjoyment of the Equipment, without suit, trouble, or hindrance from Lessor, except upon default by Lessee as set forth in this Lease.
- (b) Lessor has not caused to be created any lien or encumbrance on the Equipment except the security interest provided in Section 1.3 of this Lease.

ARTICLE VII

Events of Default and Remedies

Section 7.1 *Events of Default Defined*. The following shall be “events of default” under this Lease and the terms, “event of default” and “default” shall mean, whenever they are used in this Lease, any one or more of the following events:

- (a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein; and
- (b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 7.1 (a), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied as given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected.

The foregoing provisions of this Section 7.1 are subject to (i) the provisions of Section 3.2 hereof with respect to nonappropriation; and (ii) if by reason of *force majeure* Lessee is unable in whole or in part to carry out its agreement on its part herein contained, other than the obligations on the part of Lessee contained in Article IV hereof, Lessee shall not be deemed in default during the continuance of such inability. The term “*force majeure*” as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the state wherein Lessee is located or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms, droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessee.

Section 7.2 *Remedies on Default*. Whenever any event of default referred to in Section 7.1 hereof shall have happened and be continuing, Lessor shall have the right, at its sole option without any further demand or notice to take one or any combination of the following remedial steps:

- (a) With or without terminating this Lease, retake possession of the Equipment and sell, lease or sublease the Equipment for the account of Lessee, holding Lessee liable for the difference between (i) the rents and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term, as appropriate, and (ii) the purchase price, rent or other amounts paid by a purchaser, lessee or sublessee of the Equipment pursuant to such sale, lease or sublease. In the event that the Lease is terminated and the purchase price, rent or other amounts paid by such subsequent purchaser, lessee or sublessee exceeds the value of the Equipment and costs of such sale, lease, or sublease, such funds in excess of the value of the Equipment and costs shall be remitted to the Lessee; and

- (b) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights as the owner of the Equipment.

Section 7.3 *No Remedy Exclusive*. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Article VII it shall not be necessary to give any notice, other than such notice as may be required in this Article VII.

Section 7.4 *Waiver of Certain Damages*. With respect to all of the remedies of Section 7.2 above, Lessee expressly waives any damages occasioned by Lessor's repossession of the Equipment.

ARTICLE VIII

Payment of Taxes, Fees, Permits, and Utility Services

Section 8.1 *Interpretation*. This Lease for all purposes will be treated as a net lease.

Section 8.2 *Taxes and Fees*. Subject to the provisions of Section 11.19 hereof, Lessee agrees to pay and to indemnify and hold Lessor harmless from, all license, sales, use, personal property, and other taxes and fees, together with any penalties, fines, and interest on such taxes and fees imposed or levied with respect to the Equipment and the ownership, delivery, lease, possession, use, operation, sale, and other disposition of the Equipment, and upon the rental or earnings arising from any such disposition. Lessee may in good faith and by appropriate proceedings contest any such taxes and fees so long as such proceedings do not involve any danger of sale, forfeiture, or loss of the Equipment or of any interest in the Equipment.

Section 8.3 *Permits*. Lessee will provide all permits and licenses necessary for the installation, operation, and use of the Equipment. Lessee will comply with all laws, rules, regulations, and ordinances applicable to the installation, use, possession, and operation of the Equipment. If compliance with any law, rule, regulation, ordinance, permit, or license requires changes or additions to be made to the Equipment, such changes or additions will be made by Lessee at its own expense.

Section 8.4 *Utilities*. Lessee will pay all charges for gas, water, steam, electricity, light, heat or power, telephone, or other utilities furnished to or used in connection with the Equipment (including charges for installation of such services) during the Original Term, or any Renewal Terms, of this Lease. There will be no abatement of rent on account of the interruption of any such services.

ARTICLE IX

Use, Repairs, Alterations, and Liens

Section 9.1 *Use*. Lessee will not install, use, operate, or maintain the Equipment improperly, carelessly, in violation of any applicable law, or in a manner contrary to that contemplated by this Lease. Lessee agrees that the Equipment is and at all times will remain personal property not withstanding that the Equipment or any part of the Equipment may now or hereafter become affixed in any manner to real property or to any building or permanent structure.

Section 9.2 *Repairs*. Lessee at its own cost will service, repair, and maintain the Equipment so as to keep the Equipment in as good condition, repair, appearance, and working order as when delivered to and accepted by Lessee under this Lease, ordinary wear and tear excepted. At its own cost, Lessee will replace any and all parts and devices which may from time to time become worn out, lost, stolen, destroyed damaged beyond repair, or rendered unfit for use for any reason whatsoever. All such replacement parts, mechanisms, and devices will be free and clear of all liens, encumbrances, and rights of others, and immediately will become a part of the Equipment and will be covered by this Lease (for all purposes including the obligation of Lessee to retransfer title to Lessor under Section 1.2 herein) to the same extent as the Equipment originally covered by this Lease.

Section 9.3 *Alterations*. Lessee may install such miscellaneous equipment as may be necessary for use of the Equipment for its intended purposes so long as either (a) the installation of such equipment does not alter the function or manner of operation of the Equipment, or (b) Lessee, upon termination of this Lease (other than termination pursuant to Section 3.3(b) or (d)), restores the Equipment to its function and manner of operation prior to the installation of such equipment. Subject to the obligations described above, Lessee may remove such equipment upon termination of this Lease, if the removal of such equipment will not substantially damage the Equipment. Without the prior written consent of Lessor, Lessee will not make any other alterations, changes, modifications, additions, or improvements to the Equipment except those needed to comply with Lessee's obligations to change, add to, or repair the Equipment as set forth in Sections 9.2 and 10.3 herein. Any alterations, changes, modifications, additions, and improvements made to the Equipment, other than miscellaneous equipment installed as set forth above, immediately will become a part of the Equipment and will be covered by this Lease (for all purposes, including the obligation of Lessee to retransfer title to Lessor under Section 1.2 herein) to the same extent as the Equipment originally covered by this Lease.

Section 9.4 *Liens*. Except with respect to the security interest provided in Section 1.3 hereof, Lessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Equipment or any interest in the Equipment. Lessee promptly and at its own expense will take such action as may be necessary to duly discharge any mortgage, pledge, lien, charge, encumbrance, or claim, not excepted above, if the same arises at any time.

ARTICLE X

Indemnification, Insurance, and Damage to or Destruction of the Equipment

Section 10.1 *Indemnification*. Subject to the provisions of Section 11.19 hereof, Lessee assumes liability for and agrees to indemnify Lessor from and against any and all liability (including attorney's fees) of any nature imposed upon, incurred by, or asserted against Lessor which in any way relates to or arises out of ownership, delivery, lease, possession, use, operation, condition, sale, or other disposition of the Equipment. Notwithstanding anything contained in this Section to the contrary, Lessor shall not be indemnified for, or relieved of, any liability which may be incurred from Lessor's breach of this Lease, or from Lessor's willful or wanton misconduct.

Section 10.2 *Insurance*. Lessee, at Lessor's option, will either self-insure, or at its cost, will cause casualty insurance and property damage insurance to be carried and maintained on the Equipment, with all such coverages to be in such amounts sufficient to cover the value of the Equipment at the commencement of this Lease (as determined by the purchase price paid for the Equipment), and public liability insurance with respect to the Equipment in the amounts required by law, but in no event with a policy limit less than \$1,000,000 per occurrence. All insurance shall be written in such forms, to cover such risks, and with such insurers, as are customary for public entities such as the Lessee. A combination of self-insurance and policies of insurance may be utilized. If policies of insurance are obtained, Lessee will cause Lessor to be a loss payee as its interest under this Lease may appear on such property damage insurance policies, and an additional insured on a primary and noncontributory basis on such public liability insurance in an amount equal to or exceeding the minimum limit stated herein. Subject to Section 10.3, insurance proceeds from insurance policies or budgeted amounts from self-insurance as relating to casualty and property damage losses will, to the extent permitted by law, be payable to Lessor in an amount equal to the then outstanding principal and accrued interest components of the Rental Payments at the time of such damage or destruction. Lessee will deliver to Lessor the policies or evidences of insurance or self-insurance satisfactory to Lessor, together with receipts for the applicable premiums before the Equipment is delivered to Lessee and at least thirty (30) days before the expiration of any such policies. By endorsement upon the policy or by independent instrument furnished to Lessor, such insurer will agree that it will give Lessor at least thirty (30) days' written notice prior to cancellation or alteration of the policy. Lessee will carry workers compensation insurance covering all employees working on, in, or about the Equipment, and will require any other person or entity working on, in, or about the Equipment to carry such coverage, and will furnish to Lessor certificates evidencing such coverages throughout the Term of this Lease.

Section 10.3 *Damage to or Destruction of the Equipment*. If all or any part of the Equipment is lost, stolen, destroyed, or damaged, Lessee will give Lessor prompt notice of such event and will, to the extent permitted by law, repair or replace the same at Lessee's cost within thirty (30) days after such event, and any replaced Equipment will be substituted in this Lease by appropriate endorsement. All insurance proceeds received by Lessor under the policies required under Section 10.2 with respect to the Equipment lost, stolen, destroyed, or damaged, will be paid to Lessee if the Equipment is repaired or replaced by Lessee as required by this Section. If Lessee fails or refuses to make the required repairs or replacement, such proceeds will be paid to Lessor to the extent of the then remaining portion of the Rental Payments to become due during the Term of this

Lease less that portion of such Rental Payments attributable to interest which will not then have accrued. No loss, theft, destruction, or damage to the Equipment will impose any obligation on Lessor under this Lease, and this Lease will continue in full force and effect regardless of such loss, theft, destruction, or damage. Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss, theft, destruction, or damage to the Equipment and for injuries or deaths of persons and damage to property however arising, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such damage to property be to Lessee's property or to the property of others.

ARTICLE XI

Miscellaneous

Section 11.1 *Assignment and Sublease by Lessee*. Lessee may not assign, transfer, pledge, or encumber this Lease or any portion of the Equipment (or any interest in this Lease or the Equipment), or sublet the Equipment, without the prior written consent of Lessor. Consent to any of the foregoing acts shall not constitute a consent to any subsequent like act by Lessee or any other person. Lessee agrees that Lessor may impose on the Equipment such plates or other means of identification as necessary to indicate that the Equipment is subject to this Lease and the restrictions set forth in this Section.

Section 11.2 *Assignment by Lessor*. The parties hereto agree that all rights of Lessor hereunder may be assigned, transferred or otherwise disposed of, either in whole or in part; provided that (1) notice of any such assignment, transfer or other disposition is given to Lessee; (2) as part of any such assignment, transfer or other disposition, the name and address of the assignee or transferee must be registered on registration books maintained by Lessee for this Lease; and (3) as part of any such assignment, transfer or other disposition, this Lease must be surrendered to Lessee and the interest of any such assignee or transferee indicated on the face hereof and after such notation hereon, Lessee will redeliver this Lease to the new owner or owners hereof. Lessee shall maintain registration books for this Lease and shall be obligated to make the payments required hereby, including principal and interest payments, solely to the registered owner or owners hereof.

Section 11.3 *Lessor's Right to Perform for Lessee*. If Lessee fails to make any payment or fails to satisfy any representation, covenant, warranty, or obligation contained herein or imposed hereby, Lessor may (but need not) make such payment or satisfy such representation, covenant, warranty, or obligation, and the amount of such payment and any expenses incurred by Lessor, as the case may be, together with interest thereon as herein provided, will be deemed to be additional rent payable by Lessee on Lessor's demand, subject to the provisions of Section 11.19 hereof.

Section 11.4 *Addresses*. All notices to be given under this Lease will be made in writing and mailed or delivered by registered or certified mail, return receipt requested to the following addresses until either Lessee or Lessor gives written notice to the other specifying a different address:

- (a) if to Lessee, at 7232 Main Street #149, Bonners Ferry, Idaho 83805 Attn: Lisa Ailport.

(b) if to Lessor, at ZIONS BANCORPORATION, N.A., One South Main Street, 18th Floor, Salt Lake City, Utah, 84133. Attention: Public Financial Services.

Section 11.5 *Manner of Payment*. All payments by Lessee will be made in cash, by certified or cashier's check, or by other manner acceptable to Lessor.

Section 11.6 *Nonwaiver*. No breach by Lessee in the satisfaction of any representation, covenant, warranty, or obligation contained herein or imposed hereby may be waived except by the written consent of Lessor, and any such waiver will not operate as a waiver of any subsequent breach. Forbearance or indulgence by Lessor in any regard whatsoever shall not constitute a waiver of the covenant or obligation and until complete performance by Lessee of said covenant or obligation Lessor shall be entitled to invoke any remedy available to it under this Lease despite said forbearance or indulgence. No collection of rent shall operate as a waiver of any default.

Section 11.7 *Severance Clause*. Any provision in this Lease which is prohibited by Idaho law will be treated as if it never were a part of this Lease, and the validity of the remaining terms of this Lease will be unaffected.

Section 11.8 *Entire Agreement; Addendum*. This Lease and the attached Exhibits constitute the entire agreement between Lessor and Lessee and supersedes any prior agreement between Lessor and Lessee with respect to the Equipment, except as is set forth in an Addendum, if any, which is made a part of this Lease and which is signed by Lessor and Lessee.

Section 11.9 *Amendments*. This Lease may be amended only by a written document signed by Lessor and Lessee, or their respective successors and assigns.

Section 11.10 *Inurement*. Subject to the restrictions in Section 11.1 above, this Lease is binding upon and inures to the benefit of Lessor and Lessee and their respective successors and assigns.

Section 11.11 *Governing Law*. This Lease is governed by the laws of the State of Idaho.

Section 11.12 *Headings*. Headings used in this Lease are for convenience of reference only and the interpretation of this Lease will be governed by the text only.

Section 11.13 *Offset*. Rental Payments or other sums payable by Lessee pursuant to this Lease shall not be subject to set-off, deduction, counterclaim or abatement and Lessee shall not be entitled to any credit against such Rental Payments or other sums for any reason whatsoever, including, but not limited to any damage or destruction of the Equipment or any restriction or interference with Lessee's use of the Equipment.

Section 11.14 *Rate on Overdue Rental Payments*. In the event the Lessee should fail to make any of the Rental Payments required hereunder, the Rental Payment in default shall continue as an obligation of the Lessee until the amount in default shall have been fully paid, and Lessee agrees to pay the same with interest thereon, to the extent permitted by law, from the date such amount was originally payable at the rate equal to the original interest rate payable with respect to such Rental Payments.

Section 11.15 *Nature of this Agreement*. Lessor and Lessee agree that it is their intention that, for federal income tax purposes, the interest of Lessor in the Equipment is as a secured party and the interest of Lessee is as a debtor with the aggregate principal amount of the Rental Payments constituting the purchase price of the Equipment, and that Lessor neither has nor will have any equity in the Equipment.

Section 11.16 *Set-Up Fee*. As additional consideration for the rights herein granted to Lessee, Lessee agrees to pay Lessor a commencement or set-up fee of 0.00 on the date this Lease is executed.

Section 11.17 *Designation of Issue for Tax Purposes*. In accordance with Section 265 of the Code, Lessee hereby designates this Lease as an issue qualifying for the exception for certain qualified tax-exempt obligations to the rule denying banks and other financial institutions 100% of the deduction for interest expenses which is allocable to tax-exempt interest. Lessee reasonably anticipates that the total amount of tax-exempt obligations other than (i) private activity bonds, as defined in Section 141 of the Code (a qualified 501 (c)(3) bond, as defined in Section 145 of the Code, and any bond issued to refund certain obligations issued before August 8, 1986 as described in Section 265 (b)(3)(B)(ii)(II) of the Code not being treated as a private activity bond for this purpose), (ii) any obligation to which Section 141 (a) of the Code does not apply by reason of Sections 1312, 1313, 1316 (g) or 1317 of the Tax Reform Act of 1986 and which is described in Section 265 (b)(3)(C)(ii)(II) of the Code, and (iii) any obligation issued to refund (other than to advance refund within the meaning of Section 149 (d)(5) of the Code) any obligation to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation which will be issued by the Lessee and by any aggregated issuer during the current calendar year will not exceed \$10,000,000.

Section 11.18 *Exhibits*. This Lease shall not be effective as against Lessor until such time as all Exhibits attached hereto, consisting of Exhibits "A" through "F," inclusive, are completed to the satisfaction of Lessor and delivered to Lessor.

Section 11.19 *Limitation of Lessee's Obligations*. Lessee's obligations hereunder for indemnification or any other obligations in excess of Rental Payments are subject to the limitations as set forth in *Greater Boise*.

EXHIBITS

Exhibit A	Description of Equipment
Exhibit B	Resolution of Governing Body
Exhibit C	Payment Schedule
Exhibit D	Opinion of Special Counsel
Exhibit E	Delivery and Acceptance Certificate

[Signature page to follow]

This Lease is hereby executed this _____ day of June, 2022.

Lessor:

ZIONS BANCORPORATION, N.A.

By _____

Lessee:

CITY OF BONNERS FERRY

By _____

Its _____

EXHIBIT A
Description of Equipment

Quantity	Description/Serial Numbers
One (1)	John Deere 624P Wheel Loader #1DW624PACMLZ13259

Initials of Lessee Signatory

EXHIBIT B
Resolution of Governing Body
Extract of Minutes

The City Council (the "Governing Body") of Bonners Ferry, Idaho met in regular session at its regular meeting place at 7232 Main Street #149, Bonners Ferry, Idaho on June 28, 2022, with the following members of the Governing Body present:

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Also present:

Absent:

After the meeting had been duly called to order and the minutes of the preceding meeting read and approved, the following resolution was introduced in written form, read in full, and pursuant to motion duly made by _____ and seconded by _____ was adopted by the following vote:

YEA:

NAY:

The resolution was then signed by the _____ in open meeting and recorded by the _____. The resolution is as follows:

A resolution approving the form of the Lease Purchase Agreement with ZIONS BANCORPORATION, N.A., Salt Lake City, Utah. Finding that it is in the best interests of Bonners Ferry, Idaho to enter into said Agreement, and authorizing the execution and delivery thereof.

Whereas, the City Council (the "Governing Body") Bonners Ferry, Idaho has determined that a true and very real need exists for the leasing of the equipment described in the Equipment Lease Agreement presented to this meeting; and

Whereas, the Governing Body has reviewed the form of the Lease Purchase Agreement and has found the terms and conditions thereof acceptable to Bonners Ferry, Idaho; and

Whereas, the Governing Body has taken the necessary steps, including any legal bidding requirements, under applicable law to arrange for the leasing of such equipment under the Lease Purchase Agreement.

Be it resolved by the Governing Body of Bonners Ferry, Idaho as follows:

Section 1. The terms of said Lease Purchase Agreement are in the best interests of Bonners Ferry, Idaho for the leasing of the equipment described therein.

Section 2. The _____ (title) and _____ (title) are hereby authorized to execute and deliver the Lease Purchase Agreement and any related documents necessary to the consummation of the transactions contemplated by the Lease Purchase Agreement for and on behalf of Bonners Ferry, Idaho.

Section 3. The officers of the Governing Body and Bonners Ferry, Idaho are hereby authorized and directed to fulfill all obligations under the terms of the Lease Purchase Agreement.

Adopted and approved this _____ day of June, 2022.

By _____

Attest:

By _____

[SEAL] ↑

STATE OF IDAHO)
)ss.
COUNTY OF)

I, hereby certify that I am the duly qualified and acting _____ of Bonners Ferry, Idaho.

I further certify that the above and foregoing instrument constitutes a true and correct copy of the minutes of a regular meeting of the City Council including a Resolution adopted at said meeting held on June 30, 2022, as said minutes and Resolution are officially of record in my possession, and that a copy of said Resolution was deposited in my office on June 28, 2022.

In witness whereof, I have hereunto set my hand and affixed the corporate seal of this _____ day of June, 2022.

By _____

[SEAL] ↑

STATE OF IDAHO)
)
 :SS.
)
COUNTY OF)

I, _____, the duly qualified _____ of Bonners Ferry, Idaho do hereby certify:

(a) that:

In accordance with the requirements of Idaho Code §§ 74-201 through 74-208, as amended (“Idaho Open Meeting Law”), public notice of the June 28, 2022 meeting of the Governing Body Bonners Ferry, Idaho, June 28, 2022 was given, specifying the date, time and place of the meeting in accordance with Idaho Open Meeting Law.

In witness whereof, I have hereunto set my hand and affixed the official seal of Bonners Ferry, Idaho this _____ day of June, 2022.

By _____

[SEAL] ↑

EXHIBIT C
Payment Schedule

Lessee:

Date of Lease:

Amount Due:

1. Interest has been computed at the rate of 4.26% per annum. Interest shall accrue from the Commencement Date.
2. Rental Payments shall be due June 3, commencing June 3, 2023. The payments set forth on the attached debt service schedule (which lists separately principal, interest, and total Rental Payments), should the Lessee renew the Lease for five Renewal Terms, shall be due on the 3rd day of June, up to and including June 3, 2027.
3. The Option Purchase Price, on any given date of calculation, is equal to the Principal Outstanding on the Rental Payment Date immediately preceding the date of calculation (unless such calculation date is a Rental Payment Date, in which case, the Principal Outstanding as of such date) plus accrued interest from such Rental Payment Date at the rate set forth in paragraph number 1 above.

Date	Principal	Coupon	Interest	Total P+I
06/30/2022	-	-	-	-
06/03/2023	20,981.58	4.260%	4,440.94	25,422.52
06/03/2024	21,515.31	4.260%	3,907.20	25,422.51
06/03/2025	22,431.87	4.260%	2,990.65	25,422.52
06/03/2026	23,387.47	4.260%	2,035.05	25,422.52
06/03/2027	24,383.77	4.260%	1,038.75	25,422.52
Total	\$112,700.00	-	\$14,412.59	\$127,112.59

Initials of Lessee Signatory

EXHIBIT D
Opinion of Special Counsel
(Use Attorney's Letterhead)

To: ZIONS BANCORPORATION, N.A.
One South Main Street, 18th Floor
Salt Lake City, Utah 84133

Ladies and Gentlemen:

As special counsel for Bonners Ferry, Idaho ("Lessee"), I have examined duly executed originals of the Lease Purchase Agreement (the "Lease") dated June 30, 2022, between the Lessee and ZIONS BANCORPORATION, N.A., Salt Lake City, Utah ("Lessor"), and the proceedings taken by Lessee to authorize and execute the Lease. Based upon such examination as I have deemed necessary or appropriate, I am of the opinion that:

1. Lessee is a body politic and corporate, legally existing under the laws of the State of Idaho.
2. The Lease has been duly authorized, executed, and delivered by Lessee.
3. The governing body of Lessee has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which Lessee's execution of the Lease was authorized.
4. The Lease is a legal, valid, and binding obligation of Lessee, enforceable in accordance with its terms except as limited by the state and federal laws affecting remedies and by bankruptcy, reorganization, or other laws of general application affecting the enforcement of creditors' rights generally.
5. The Lease is in accordance with and does not violate the usury statutes of the State of Idaho, if any.
6. There are no legal or governmental proceedings or litigation pending or, to the best of my knowledge, threatened or contemplated (or any basis therefor) wherein an unfavorable decision, ruling or finding might adversely affect the transactions contemplated in or the validity of the Lease.
7. The Equipment (as defined in the Lease) constitutes personal property and when subjected to use by Lessee will not become fixtures under applicable law.

Attorney for Lessee

EXHIBIT E
Delivery And Acceptance Certificate

To: ZIONS BANCORPORATION, N.A.

Reference is made to the Lease Purchase Agreement between the undersigned (“Lessee”), and ZIONS BANCORPORATION, N.A. (“Lessor”), dated June 30, 2022 (“the Lease”) and to the Equipment as such term is defined therein. In connection therewith we are pleased to confirm to you the following:

1. All of the Equipment has been delivered to and received by the undersigned; all installation or other work necessary prior to the use thereof has been completed; said Equipment has been examined and/or tested and is in good operating order and condition and is in all respects satisfactory to the undersigned and as represented, and that said Equipment has been accepted by the undersigned and complies with all terms of the Lease. Consequently, you are hereby authorized to pay for the Equipment in accordance with the terms of any purchase orders for the same.
2. In the future, in the event the Equipment fails to perform as expected or represented we will continue to honor the Lease during the Original Term and Renewal Terms (as such terms are defined in the Lease), if any, in all respects and continue to make our rental and other payments thereunder in the normal course of business and we will look solely to the vendor, distributor or manufacturer for recourse.
3. We acknowledge that Lessor is neither the vendor nor manufacturer or distributor of the Equipment and has no control, knowledge or familiarity with the condition, capacity, functioning or other characteristics of the Equipment.
4. The serial number or VIN number for each item of Equipment which is set forth on Exhibit “A” to the Lease is correct.

This certificate shall not be considered to alter, construe, or amend the terms of the Lease.

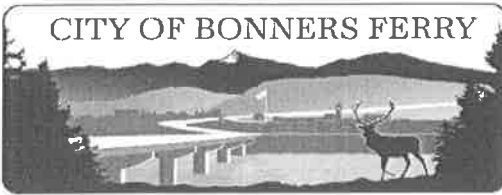
Lessee:

By: _____
(Authorized Signature)

(Print name and title)

Date: _____

Witness



7232 Main Street
PO Box 149
Bonners Ferry, ID 83805
208-267-3105
email: cityhall@bonnersferry.id.gov

June 28, 2022

The Honorable Brad Little
Office of the Governor
State Capitol
PO Box 83720
Boise, ID 83720

RE: COVID Funds for III-A Trust

Dear Governor Little,

On behalf of the City of Bonners Ferry, we seek your support to include one-time federal COVID/ARPA funds to III-A Trust for COVID related costs/medical treatment in the State of Idaho's 2023 budget.

For your background, III-A Trust is a health insurance trust created by public agencies. III-A Trust's mission is to provide the best health coverage at the lowest rates for our local governments so those savings may be passed back to the taxpayers.

Our members include fire and EMS districts, police departments, highway districts, irrigation districts, cities, and sewer and water districts – most of whom did not receive federal or state funds for COVID medical costs.

Our public employees continued to serve Idaho citizens throughout the pandemic. The State of Idaho health plan, counties and cities received some assistance. However, most First Responders and special districts fell through the cracks and have no access to these funds. We believe the federal COVID funds are intended to help Idaho First Responders and other essential public workers that continue to be hit the hardest.

COVID-related medical expenses are entirely responsible for the significant rate increase our members will incur – we estimate a 12.8% medical rate increase per our actuarial report directly as a result of paying for COVID medical services/programs. These costs will fall directly on Idaho taxpayers in the form of property tax increases or extracted as payroll deductions from public employees.

COVID expenses incurred by III-A Trust:

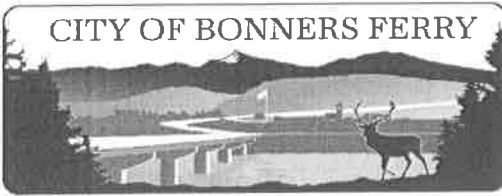
Total COVID Spend:	\$4,270,409
CFAC Reimbursement 12/2020:	\$782,500
Remaining Reimbursement Request:	\$3,487,909

As public employees of a local government agency, we request your support and assistance to use federal funds intended for COVID relief to offset these costs.

We sincerely appreciate your help.

Best Regards,

James R. Staples
Mayor



7232 Main Street
PO Box 149
Bonners Ferry, ID 83805
208-267-3105
email: cityhall@bonnersferry.id.gov

June 28, 2022

Brandon Woolf, Controller
State of Idaho Controller's Office
700 W. State St.
P.O. Box 83720
Boise, ID 83720

RE: COVID Funds for III-A Trust

Dear Mr. Woolf,

On behalf of the City of Bonners Ferry, we seek your support to include one-time federal COVID/ARPA funds to III-A Trust for COVID related costs/medical treatment in the State of Idaho's 2023 budget.

For your background, III-A Trust is a health insurance trust created by public agencies. III-A Trust's mission is to provide the best health coverage at the lowest rates for our local governments so those savings may be passed back to the taxpayers.

Our members include fire and EMS districts, police departments, highway districts, irrigation districts, cities, and sewer and water districts – most of whom did not receive federal or state funds for COVID medical costs.

Our public employees continued to serve Idaho citizens throughout the pandemic. The State of Idaho health plan, counties and cities received some assistance. However, most First Responders and special districts fell through the cracks and have no access to these funds. We believe the federal COVID funds are intended to help Idaho First Responders and other essential public workers that continue to be hit the hardest.

COVID-related medical expenses are entirely responsible for the significant rate increase our members will incur – we estimate a 12.8% medical rate increase per our actuarial report directly as a result of paying for COVID medical services/programs. These costs will fall directly on Idaho taxpayers in the form of property tax increases or extracted as payroll deductions from public employees.

COVID expenses incurred by III-A Trust:

Total COVID Spend:	\$4,270,409
CFAC Reimbursement 12/2020:	\$782,500
Remaining Reimbursement Request:	\$3,487,909

As public employees of a local government agency, we request your support and assistance to use federal funds intended for COVID relief to offset these costs.

We sincerely appreciate your help.

Best Regards,

James R. Staples
Mayor