

RESOLUTION OF CITY OF PAYETTE

STATE OF IDAHO

NO. 160

A RESOLUTION AUTHORIZING ENTERING INTO AN EQUIPMENT FINANCE AGREEMENT DATED Jan. 15, 1990 OF CITY OF PAYETTE, STATE OF IDAHO, FOR THE PURPOSE OF FINANCING THE ACQUISITION OF SOMAT Model 2PB-9S Som-A-System (Sewage Treatment System) AS EQUIPMENT NEEDED BY THE ISSUER AND CREATING THE OBLIGATIONS OF THE ISSUER STRICTLY ACCORDING TO THE TERMS HEREOF; AUTHORIZING ENTERING INTO SAID EQUIPMENT FINANCE AGREEMENT AND RELATED DOCUMENTS; PROVIDING TERMS FOR THE SECURITY OF THE HOLDER OF SAID EQUIPMENT FINANCE AGREEMENT AND THE REMEDIES OF THE HOLDER OF SAID AGREEMENT, AND OTHERWISE APPROVING SUCH ACTIONS AS MAY BE NECESSARY FOR DUE ENTERING INTO, EXECUTION AND LAWFUL ISSUANCE OF SAID AGREEMENT.

WHEREAS, CITY OF PAYETTE, State of Idaho (the "Issuer" herein) desires to acquire for the essential purposes of the Issuer's lawful governmental functions certain Equipment hereinafter described, and the Governing Body of the Issuer has determined that a real need exists for said Equipment and for the financing thereof as provided herein; and

WHEREAS, the Issuer is authorized pursuant to the provisions of Section \_\_\_\_\_ of the Idaho Code, as amended, (sometimes referred to herein as the "Law") to create obligations for its lawful governmental purposes and for its ordinary expenses as provided herein, and

WHEREAS, the Issuer has taken all necessary steps, including any legal bidding procedure if any, under applicable law to arrange for the acquisition of such Equipment and the Issuer itself has selected said Equipment and the vendor thereof and is prepared to acquire the same pursuant to the terms hereof; and

WHEREAS, upon fulfillment of all conditions hereof, the Issuer proposes to enter into an Equipment Finance Agreement with First Security Bank of Idaho, N.A., or its assignee. Under said Equipment Finance Agreement, the Issuer will finance all or part of the Equipment with payments constituting current expense of the Issuer to be appropriated from year to year by the Governing Body of the Issuer;

WHEREAS, the plan to proceed with the acquisition of the Equipment and the financing thereof pursuant to the Equipment Finance Agreement has been and hereby is approved by the \_\_\_\_\_ City Council \_\_\_\_\_, as the Governing Body of the Issuer, there being no other or further governing body or governmental entity of any kind required under law to provide approval thereof; and

NOW, THEREFORE, BE IT RESOLVED BY CITY OF PAYETTE \_\_\_\_\_, STATE OF IDAHO, THROUGH ITS GOVERNING BODY, THAT:

Section 1. Equipment Authorized. The acquisition and financing of the Equipment are hereby authorized in accordance with law. Said Equipment shall consist of the items more fully described in Schedule I to the Equipment Finance Agreement (which is attached hereto as Exhibit "A" and by this reference incorporated herein), including accessions and other appurtenances which may be used in connection therewith.

Section 2. Agreement Authorized. For the purposes of financing and paying all or part of the costs of the acquisition of the Equipment and all costs incidental thereto including costs of financing, the Issuer hereby authorizes the entering into and the execution of the attached Equipment Finance Agreement, dated as of Jan. 15 \_\_\_\_\_, 1990 ("Agreement" herein). The Governing Body specifically finds

that the financing and payment on an installment basis, subject to annual appropriations of said payment by the Governing Body, represents an obligation of the Issuer as a current expense for the necessary governmental functions of the Issuer as the annual payments are and shall be appropriated and paid from year to year as more fully provided in the Equipment Finance Agreement.

Section 3. Agreement as Eligible Investment. It is hereby declared to be the intent of this Resolution that the Agreement issued under authority hereof shall be a municipal obligation constituting an eligible investment for all insurance companies, credit unions, building and loan associations, trust companies, banking corporation and associations, investment companies, executors and trustees and other fiduciaries, pension profit-sharing and retirement funds and all other such public or quasi-public organizations specified by statutes of the State of Idaho.

Section 4. Tax Exemptions. It is hereby declared to be the intent of this Resolution that the Agreement issued under authority hereof and the interest income therefrom, is a municipal obligation which shall be exempt from all taxes imposed by the State of Idaho or any political subdivisions thereof, and shall be exempt from Federal income taxation under the Internal Revenue Code.

Section 5. Binding Covenants. All covenants, stipulations, obligations and agreements contained in this Resolution, the Agreement and other documents executed in connection therewith shall be deemed to be obligations and covenants of the Issuer and binding upon the Issuer, create a general obligation of the Issuer, all rights, powers and privileges conferred and duties and liabilities imposed upon the Issuer by all of such documents shall be exercised or performed by the Mayor of Payette with the attest or concurrence of the City Clerk (John Frank) except where applicable statutes or regulations would require action by the entire Governing Body or other officers. No obligation or covenant of the Issuer contained in any of such documents shall be deemed an obligation or covenant of any officer, agent or employee of the Issuer in his or her individual capacity and neither the members of the Governing Body

nor any officers of the Issuer issuing or executing the Agreement shall be personally liable on the Agreement or subject to accountability by reason of the issuance thereof.

Section 6. Severability. In case any one or more of the provisions of this Resolution, the Agreement, or other documents executed in connection therewith, shall for any reason be held by any court of competent jurisdiction to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions of this Resolution or of any such documents and this Resolution and all such documents shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained therein.

Section 7. Conditions Precedent. All acts and conditions relating to the passage of this Resolution, necessary to provide authority for execution of the Agreement and other documents necessary in connection therewith, required by the Constitution or the Act or other laws of the State of Idaho, have happened or do exist sufficient to comply with law.

Section 8. Officers and Successors. The members of the Governing Body, the Mayor, the Clerk and all other applicable officers, attorneys, and other agents or employees of the Issuer are hereby authorized and instructed to do all acts and things required of them by this Resolution, the Agreement and other documents executed in connection therewith, for the full punctual and complete performance of all of the terms, covenants and agreements contained therein and constituting obligations of the issuer. In the event the \_\_\_\_\_ Mayor, the Clerk, or any other officer of the Issuer shall be replaced hereafter by election, resignation, removal or otherwise, or in the event a designated officer is at any time unable to act by reason of illness, disability or absence from the State of Idaho, then in either such event, the duly elected, appointed or acting successor or lawful substitute, as the case may be, shall be entitled to act, including in the execution of Bonds and other documents, and such act or signature shall be fully effective and binding on the Issuer.

Section 9. Interpretation. This Resolution, the Agreement, and other documents executed in connection therewith shall be interpreted and construed in accordance with the laws of the State of Idaho, with the intent and purpose that all such documents shall carry forth the matters necessary for the acquisition and financing of the Equipment and performance of all other obligations of the Issuer herein contained or referred to. Liberal construction of all thereof shall be observed for the assurance and protection of the holder of the Agreement, and any ambiguities or minor errors herein shall not invalidate this Resolution, and the further documents in furtherance hereof may be executed in substantial compliance herewith.

Section 10. Publication. If publication of this Resolution is required under laws or ordinances governing the Issuer for the due effectiveness hereof the Issuer will cause the same to be published as so required.

Section 11. Effective Date. This Resolution shall take effect \_\_\_\_\_  
January 15, 1990

ATTEST:

John P. Frank  
Its: Clerk

By: Floyd L. Mason  
Its: Mason

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STATE OF IDAHO )  
COUNTY OF Payette ) ss.

I, John P Franks, the duly chosen, qualified and acting Clerk of The City of Payette, State of Idaho, do hereby certify that the foregoing eight (8) pages, constitute a true and correct copy of a Resolution adopted by the City Council in proceedings at a regular meeting of said governing body at its Chambers in Payette, Idaho, held pursuant to due, legal and timely notice served upon all members thereof, on \_\_\_\_\_, the 15<sup>th</sup> day of January, 1990, at the hour of 8 o'clock P.m., as recorded by me in the regular official book of records of the proceedings kept in my office, that said proceedings were duly had and taken as therein shown, that said Resolution has not been modified since its adoption, and that the meeting therein shown was duly held and the persons therein named were present at said meeting and voted as therein shown. I have attached hereto a form of notice and evidence of posting and/or publication of notice of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of The City of Payette this 15<sup>th</sup> day of January, 1990.

John P. Franks  
City Clerk

(SEAL)

(certificate)