

**EQUIPMENT LEASE PURCHASE AGREEMENT
[Joint Powers and Interagency Service Agreement]**

Parties to the Agreement:

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|--------------------------------------|-----------------|---|
| City of Star | “City” | City Hall 10769 W. State Street P.O. Box 130 Star, Idaho 83669 |
| Star Fire Protection District | “Fire District” | 11665 W. State Street, Suite B, Star, Idaho 83669 |

THIS AGREEMENT made on the Effective Date, by and between the Parties as herein this Agreement provided.

NOW, THEREFORE, in consideration of the mutual terms, covenants, and conditions contained herein and the recitals set forth which are a material part of the Agreement, the Parties agree as follows:

**SECTION 1
DEFINITIONS**

For Purposes of this Agreement, the words that appear in bold in this Section shall have the meaning herein provided unless the context of the word clearly requires otherwise.

- 1.1 Agreement:** Means and refers to this *Equipment Lease Purchase Agreement*.
- 1.2 City:** Means and refers to the *City of Star, Idaho*, Party to this Agreement.
- 1.3 Effective Date:** Means and refers to November 10, 2022.
- 1.4 Fire District:** Means and refers to *Star Fire Protection District*, Party to this Agreement.
- 1.5 Governing Bodies:** Means and refers to the City Council of the City and the Board of Commissioners of the Fire District.
- 1.6 Ladder Truck:** Means and refers to the following described apparatus: a 2018 Pierce/Dash Ascendant 107’ Aerial Ladder Truck VIN# 4P1BCAGFOJA018176.
- 1.7 Lease Term:** Means and refers to the term during which the Fire District leases the Ladder Truck from the City which commences on the Effective Date and automatically renews on each anniversary date of the Effective Date of this Agreement until the Fire District exercises its option to purchase or the Agreement is otherwise terminated as provide herein.
- 1.8 Party/Parties:** Means and refers to the City and/or the Fire District depending upon the context of the term in this Agreement.

**SECTION 2
RECITALS**

The Parties recite and declare their authority and considerations for entering into this Agreement as follows:

- 2.1** The Fire District is a fire protection district organized and existing pursuant to Chapter 14 of Title 31 Idaho Code; and
- 2.2** The City is a municipal corporation established in accordance with Article XII of the Constitution of the State of Idaho and Title 50 Idaho Code; and
- 2.3** The Fire District's duties and responsibilities are to provide protection of property against fire, and the preservation of life, enforce fire codes and other rules that are adopted by the state fire marshal, and the Fire District is authorized and empowered to hold, use, acquire, manage, occupy, possess, sell, convey and dispose of personal property [I.C. §§ 31-1401 and 31-1419]; and
- 2.4** The City, in order to prevent and extinguish fires, has the authority to purchase and lease fire engines and all other apparatus and it has the authority to lease personal property [I.C. §§ 50-309 and 50-1407]; and
- 2.5** The Fire District's boundaries include all areas within the City, limits of the City, and areas surrounding the City, and
- 2.6** The Fire District provides fire and emergency services within the City; and
- 2.7** The City is experiencing growth and demand for more multi-family housing, commercial and other construction which involves the development of structures and/or buildings of three stories or 35 feet and/or more in height; and
- 2.8** Ladder trucks allow fire fighters to reach greater heights to rescue victims and put out fires from above; and
- 2.9** The City is required to exercise its land use regulatory authority, as provided in Chapter 65 of Title 67 Idaho Code, for the health, safety and general welfare of the persons and property within the City and its impact area which includes ensuring that adequate public facilities and services are provided to people at a reasonable cost; and
- 2.10** The Fire District's Chief and administrative staff have considered the City Construction Growth dynamics, and have made a determination that the Ladder Truck, is appropriate and necessary for the Fire District's use in providing fire suppression services for City Construction Growth; and

- 2.11 The City purchased the Ladder Truck, upon the condition and consideration that the City would then lease, with a purchase option, the Ladder Truck to the Fire District which the Fire District would then use to provide fire protection services; and
- 2.12 The Parties have negotiated the terms and conditions of the Fire District's lease and option to purchase the Ladder Truck from the City as provided herein this Agreement:
- 2.13 Each Party has the authority, pursuant to Idaho Code § 67-2326, to make the most efficient use of their powers by enabling them to cooperate to their mutual advantage and thereby provide services and facilities and perform functions in a manner that will best accord with geographic, economic, population, and other factors influencing the needs and development of the respective Parties; and
- 2.14 Each Party has the authority, pursuant to Idaho Code § 67-2328, to exercise any power, privilege or authority authorized by the Idaho Constitution, statute or charter, held by them jointly with each other; and
- 2.15 Each Party has the authority, pursuant to Idaho Code § 67-2328, to enter into agreements with one another for joint or cooperative action which includes, but is not limited to, joint-use, ownership and/or operation agreements; and
- 2.16 Each Party has the authority and the power, pursuant to Idaho Code § 67-2332 to contract with each other to perform any governmental service, activity, or undertaking which each Party is authorized by law to perform including joint contracting for capital equipment.

SECTION 3 JOINT EXERCISE OF POWER AGREEMENT PROVISIONS

- 3.1 **Duration.** This Agreement is perpetual until the Agreement is terminated as is herein provided in Section 4.4.2 and or Section 12 of this Agreement or upon the completion of the Parties performances of the covenants of this Agreement which govern the Fire District's exercise of its right to purchase the Ladder Truck.
- 3.2 **No Separate Legal Entity Created:** This Agreement does not establish any separate legal entity.
- 3.3 **Purpose.** The authority for and the purposes of this Joint Powers Agreement are set forth in Section 2 of this Agreement and are herein incorporated by this reference.
- 3.4 **Finance.** The manner of finance of the lease and option to purchase the Ladder Truck by the Fire District are hereinafter set forth in Section 4 of this Agreement.
- 3.5 **Termination and Disposition of Property.** The termination of this Agreement shall occur upon transfer of the ownership of the Ladder Truck from the City to the Fire District as set forth in Section 4.4.2 and Section 12 of this Agreement.

**SECTION 4
LEASE TERM/ OPTION TO PURCHASE**

- 4.1** The City hereby leases to the Fire District and the Fire District rents and leases from the City, during the Lease Term, the Ladder Truck in accordance with this Agreement.
- 4.2** The City acknowledges that the Fire District has paid the City the sum of Ten Thousand and No/100th Dollars (\$10,000) which the City used together with City funds to purchase the Ladder Truck; and
- 4.3** During the Lease Term the Fire District shall pay the City the sum of One and No/100th Dollars (\$1.00) (“Lease Payment”) on or before the Fire District’s purchase of the Ladder Truck or termination of this Agreement.
- 4.4** **Fire District Right to Purchase:** The Fire District may exercise its right to purchase the Ladder Truck from the City at any time, subsequent to the second anniversary date of the Effective Date of this Agreement for no additional payment sum, subject to first providing written notice to the City.
- 4.4.1** Upon the Fire District’s providing written notice to the City of its exercise of its right to purchase; the City shall, within a reasonable time, provide the Fire District a transfer of title together with any additional documents of title that are required by law to affect the Fire District’s ownership of the Ladder Truck.
- 4.4.2** After the completion of the Fire District’s purchase of the Ladder Truck, this Agreement shall be terminated.

**SECTION 5
LADDER TRUCK DELIVERY ACCEPTANCE / TITLE**

- 5.1** The Fire District accepts the City’s delivery of the Ladder Truck.
- 5.2** **Ladder Truck Title:** The City warrants that it has unincumbered title to the Ladder Truck.

**SECTION 6
MAINTENANCE AND USE OF LADDER TRUCK BY FIRE DISTRICT**

- 6.1** **Maintenance.** The Fire District shall, at all times during the Lease Term at the Fire District’s own cost and expense maintain, preserve, and keep the Ladder Truck in good working order and condition; and the Fire District will, from time to time, make or cause to be made all necessary and proper repairs, replacements and renewals. The City shall have no responsibility in any maintenance or making of any improvements or additions to the Ladder. The Fire District shall not make material modifications to the Ladder Truck without prior consent of the City which consent shall not be unreasonably withheld.
- 6.2** **Use of Ladder Truck.** The Fire District will not install, use, operate, or maintain the Ladder Truck improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement.

**SECTION 7
LIENS, TAXES, OTHER GOVERNMENTAL CHARGES**

7.1 The Fire District shall keep the Ladder Truck free of all liens, charges and incumbrances except those created by this Agreement. The parties intend that the Ladder Truck will be used for the Fire District's proprietary purposes and, therefore, the Ladder Truck will be exempt from all taxes presently assessed and levied with respect to personal property. In the event that the use, possession or acquisition of the Ladder Truck is found to be subject to taxation in any form the Fire District will pay, as the same may come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Ladder Truck and any equipment or other property acquired by the Fire District and substitution for, as a renewal or replacement of, or modification, improvement or addition to the Ladder Truck.

**SECTION 8
INSURANCE**

8.1 The Fire District shall maintain at its own expense (a) casualty insurance insuring the Ladder Truck against loss or damage by fire or/and all other risk covered by standard extended coverage endorsement then in use in the state of Idaho, and any other risk reasonably required by the City, and then amount at least equal to the replacement cost of the Ladder Truck (b) liability insurance that protects the City from liability and any and all events for amount satisfactory to the City, and (c) workers compensation coverage as required by the laws of the state of Idaho. All insurance proceeds from casualty losses shall be payable as hereinafter provided. The Fire District shall furnish to the City certificates evidencing such coverage throughout the lease term. All such casualty and liability insurance shall be with insurers that are acceptable to the City, shall name the City as a lost payee and an additional insured, respectfully, and shall contain a provision to the effect that such insurance shall not be cancelled or modified materially without first giving written notice thereof to the City at least 30 days in advance of such cancellation or modification. All such casualty insurance shall contain provisions making any loss payable to the Fire District and the City as their respective interests may appear. In the event the Fire District shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep the Ladder Truck in good repair and operation condition, the City may (but shall be under no obligation to) purchase the required insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; all amounts so advanced therefore by the City shall constitute additional rent for the current rental term and the Fire District covenants and agrees to pay such amounts so advanced by the City with interest thereon from the date advanced until paid at the rate of 18% per annum or maximum interest rate permitted by law whichever is less.

**SECTION 9
DAMAGE, DESTRUCTION AND USE OF NET PROCEEDS**

9.1 **Risk of Loss:** The Fire District is responsible for the entire risk of loss, damage or destruction of the Ladder Truck.

9.2 **Damage, Destruction:** If the Ladder Truck or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty; the Fire District and the City will cause the net

proceeds of any insurance claim to be paid for the prompt replacement, repair restoration modification or improvement of the Ladder Truck, unless the Fire District shall have exercised its option to purchase the Ladder Truck. Any balance of the net proceeds remaining after such work shall be paid to the Fire District. In the event the net proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement required by damage destruction of the Ladder Truck, the Fire District shall either complete such replacement repair restoration modification or improvement and pay any cost thereof and excess of the amount of the net proceeds, unless the Fire District exercises its option to purchase the Ladder Truck. The amount of the net proceeds, if any remaining after completing such repair, restoration, modification or improvement or after purchasing the City's interest in the Ladder Truck shall be retained by the Fire District.

SECTION 10 DISCLAIMER OF WARRANTIES, VENDOR'S WARRANTIES, USE OF THE LADDER TRUCK

10.1 Disclaimer of Warranties. The Fire District selected the Ladder Truck and purchased as is without warranty. The City makes no warranty or representation either express or implied as to the value, design, condition, merchantability or fitness for a particular purpose or fitness for use of the Ladder truck, or warranty or representation with respect thereto.

SECTION 11 ASSIGNMENT, INDEMNIFICATION

11.1 No Assignment of Subleasing: None of the City's or the Fire District's interested in, to and under this Agreement and/or the Ladder Truck may be sold, assigned, sub leased, pledged or otherwise encumbered by either party without the prior written consent of the other party.

11.2 Indemnification: To the extent permitted by law, the Fire District shall indemnify, protect, hold harmless, save and keep harmless the City from and against any and all liabilities, obligations, losses, claims and damages whatsoever, regardless of cause thereof, and all expenses in connection therewith (including, without limitation, counsel fees and expenses, penalties connected therewith imposed on interest received) arising out of or as (a) result of the entering into of this Agreement, (b) the ownership of any item of the Ladder Truck, (c) the manufacture, ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Ladder Truck (d) or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Ladder Truck resulting in damage to property or injury to or death to any person, and/or (e) the breach of any covenant herein or any material misrepresentation contained herein. The indemnification arising under this section shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Lease Term for any reason.

**SECTION 12
DEFAULT AND REMEDIES**

12.1 Events of Default Defined. The following events shall constitute as an "Event of Default" under this Agreement:

12.1.1 Failure by the Fire District to pay any Lease Payment or other payment required to be paid under this Agreement at the time specified in this Agreement;

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

12.1.3 Any statement, representation or warranty made by the Fire District in or pursuant to the Lease or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;

12.1.4 Any provision of the Lease shall at any time for any reason cease to be valid and binding on the Fire District, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the Fire District or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of the City, or the Fire District shall deny that it has any further liability or obligation under that Lease.

12.1.5 The Fire District shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of the Fire District or of all or a substantial part of the assets of the Fire District, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against the Fire District in any bankruptcy, reorganization or insolvency proceeding.

12.1.6 An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of the Fire District or of all or a substantial part of the assets of the Fire District, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days.

12.2 Remedies on Default. Whenever any Event of Default under this Agreement exists, the City 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:

12.2.1 By written notice to the Fire District, declare all Lease Payments and other amounts payable by the Fire District under this Agreement to be due; and

12.2.2 With or without terminating the Lease, the City may, upon 5 days written notice to the Fire District, enter the premises where the Ladder Truck that is Subject to the lease is located and retake possession of the Ladder Truck or require the Fire District, at Fire District's expense, to promptly return the Ladder Truck to the possession of the City at such place within the City as the City shall specify; and

12.2.3 The City may take whatever action at law or in equity may appear necessary or desirable to enforce its rights under the Lease or as the owner of the Ladder Truck that is subject to the Lease; and

12.2.4 The City may take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Agreement.

12.3 No Remedy Exclusive. No remedy conferred upon or reserved to the City by this Section 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. 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 by the City.

12.4 Agreement to Pay Attorneys' Fees and Expenses. If the Fire District should default under any of the provisions hereof and the City should employ attorneys or incur other expenses for the collection of moneys or for the enforcement of performance or observance of any obligation or agreement on the part of the Fire District contained in this Agreement, the Fire District agrees, to the extent it is permitted by law to do so, that it will, if assessed by a court of competent jurisdiction, pay to the City the reasonable fees of those attorneys and other reasonable expenses so incurred by the City.

SECTION 13 MISCELLANEOUS

13.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business.

13.2 Binding Effect; Entire Agreement Amendments and Modifications. This Agreement shall inure to the benefit of and shall be binding upon the City and the Fire District and their respective successors and assigns. The terms of this Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the City and the Fire District; nor shall any such amendment that affects the rights of the City's assignee be effective without such assignee's consent. 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.

13.3 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Idaho.

13.4 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.

13.5. Amendments, Changes and Modifications. This Agreement may be amended, added to, changed or modified by written agreement duly executed by the City and the Fire District.

13.6. Execution In Counterparts· Chattel Paper. This Agreement, including in writing each schedule, may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument; except (1) to the extent that various schedules and this Agreement as it relates thereto constitutes separate leases as provided in this Agreement and (2) that City's interest in, to and under any schedule and the Agreement as it relates to that schedule, and the Ladder Truck listed in that schedule may be sold or pledged only by delivering possession of the original counterpart of that schedule marked "counterpart no.1," which counterpart no. 1 shall constitute chattel paper for purposes of the uniform commercial code.

13.7. Usury. The parties hereto agree that the charges in this Agreement shall not be a violation of usury or other law, any such excess charge shall be applied in such order as to conform this Agreement and such lease to such applicable law.

13.8. Jury Trial Waiver. To the extent permitted by law, the City and the Fire District agree to waive its right to a trial by jury.

13.9, Facsimile Documentation. The Fire District agrees that a facsimile copy of this Agreement may be treated as an original and will be admissible as evidence of this Agreement.

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 undersigned parties have by action and/or authority of their Governing Bodies caused this Agreement to be executed.

STAR FIRE PROTECTION DISTRICT

DATED: 11/10/2022

By: 
Jared Moyle, *Chairman*

CITY OF STAR

DATED: _____

By: _____
Trevor Chadwick, *Mayor*