



Ford Motor Credit Company

1 American Road
P.O. Box 1739
Dearborn, Michigan 48121-1739

October 20, 2003

The Honorable Karl N. Haws, Mayor
City of Redlands
Police Department
35 Cajon Street
Redlands, CA 92373

Subject: Master Equipment Lease-Purchase Agreement - Lease No. 3967200

Dear Mayor Haws:

Thank you for selecting Ford Motor Credit Company as your Lease-Purchase Finance source. We, at Ford Credit, care about our customers and have a special interest in your continuous satisfaction with our services. For your records, we have enclosed a copy of the signed Master Equipment Lease-Purchase Agreement. Your Schedule (account number) is 3967211. **Be sure to refer to Schedule 3967211 should you require assistance.**

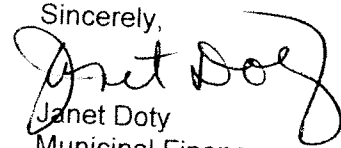
To assist us with the timely processing of your payments, please:

- allow seven mail days time to avoid late charges;
- include **Schedule 3967211** (account number) on your check, and
- make check payable to "Ford Motor Credit Company" to our Lockbox:

⇒ DEPT 67-434
FORD MOTOR CREDIT - MUNICIPAL
P. O. BOX 67000
DETROIT, MI 48267-0434

If I can be of any assistance, please contact me at **1-800-241-4199**.

Sincerely,


Janet Doty
Municipal Finance

Enclosures

Ford Motor Company



Commercial Lending Services
PO Box 1739 – MD 7500
Dearborn, MI 48126
(313) 248-4594

November 11, 2003

City of Redlands
Police Department
35 Cajon St.
Redlands, CA 92373

Dear Mayor Hawks:

Thank you for selecting Ford Motor Credit as your finance source. As stated in section 8 of the lease purchase agreement 3967211, you must provide certificate of title(s) for (9) 2004 Ford Crown Victoria, (3) 2004 Ford Explorer reflecting Ford Motor Credit as lien holder as soon as possible. We need this information to validate the lease agreement and secure our interest. If you are a title holding state, we will accept copies showing Ford Motor Credit as lien holder.

The items needed to title your vehicle(s) is a Certificate of Origin, and/or a title application. These items **MUST** list the following information in order to ensure our lien has been added and that the title is mailed to the correct address.

Ford Motor Credit, Co.
P.O. Box 1739
MD7500
Dearborn, MI 48121

If you have any questions, please feel free to contact Jody Karas at (800) 241-4199. As always, we appreciate your business.

Thank you,

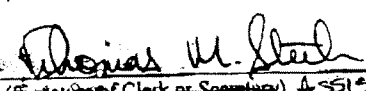
Ford Motor Credit, Co.
Municipal Finance

AUG 20 2003 17:51 FR FORD MUNICIPAL

313 390 2672 TO 919097987522

P.04/04

Ford Motor Credit Company
Municipal Finance Application - 3967211

Legal Name of Municipality ("Lessee") CITY OF REDLANDS		Department Using Equipment ("equipment") POLICE	Years in Operation 115
Federal ID Number 95-6000766		County SAN BERNARDINO	
Street Address 35 CATON ST.		City, State and Zip REDLANDS, CA 92373	
Billing Address (if different from above) PO BOX 3005		City, State and Zip REDLANDS, CA 92373	
Accounts Payable Contact Person: JULIE GILBERT		Accounts Payable Phone Number (909) 798-7530	
How will equipment be used? PATROL		Does this equipment replace previous equipment? ☒ Yes; replaces equipment purchased in 1994-2000 (year(s))	
How many units currently perform this function? APPR 85		☐ No; explain _____ <i>If more space is needed, continue on additional sheet.</i>	
Breakdown of Vehicles in Fleet Number of Vehicles in Fleet: Range of Model Year(s) <u>6</u> <u>5</u> <u>5</u> <u>6A</u> <u>2003</u> <u>2002</u> <u>2001</u> <u>1994-2000</u> <i>If more space is needed, continue on additional sheet.</i>		Public Liability Insurance coverage limits in the amount of \$1 million or the State maximum (if lower) is required. Self Insured: ☐ No ☒ Yes; the Appropriated Loss Reserve Amount: \$ 500,000 Name of Insurance Provider: DAVIS & GRAEBER	
Source of funds for proposed payments: ☒ General Fund Fund		Fiscal Year End: 06/30 Fund Balance: \$ 10,046,186 EST. As of 06/30/03	
Bank Reference: BANK OF AMERICA		Date of most recent Audited Financial Statement: 6/30/02 Funds have been appropriated for the current year: ☒ Yes ☐ No Major source of revenue: TAXES	
		Bank Contact Name and Phone Number, including Area Code: MARY MARTIN 800-965-1203	
CERTIFICATION			
I am the duly appointed, qualified and acting ASST. FINANCE DIRECTOR (Clerk or Secretary) of the Lessee and I certify as follows:			
(1) Lessee did, at a meeting of the governing body of the Lessee held on AUG 19, 03 , by motion duly made, seconded and carried, in accordance with all requirements of law, approve and authorize the execution and delivery of the proposed Lease of the equipment on its behalf by the following representative of the Lessee.			
Print Name and Title of Authorized Official KARL N. "KASEY" HAWES, MAYOR		Signature of Authorized Official	
<i>This signature line is to be signed by a person authorized by the governing body to execute the Lease on behalf of the Lessee.</i>			
(2) The meeting of the governing body of the Lessee at which the Lease was approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite majority of the members thereof or by other appropriate official approval and that the action approving the Lease and authorizing the execution thereof has not been altered or rescinded. The above-named representative of the Lessee held at the time of such authorization and holds at the present time the office set forth above.			
(3) The above information is true and correct, to the best of my knowledge.			
(SEAL)		 THOMAS M. STEELE (Print Name) Dated _____ # DOCUMENTS WILL BE FORWARDED TO CITY COUNCIL FOR FINAL APPROVAL	
Subscribed and sworn before me this _____ day of _____			
Notary Public			

An executed Opinion of Counsel will be required for transactions totaling more than \$100,000.

Printed Name of Attorney for Lessee:
DAN McHUGH

Attorney Phone and Fax Numbers, including Area Code:
(909) 798-7510 FAX (909) 798-7503

Revised September 2001

PLEASE NOTE: An ORIGINAL SEALED/NOTARIZED Municipal Finance Application is required when a transaction is \$100,000 or less AND there is no Opinion of Counsel provided. Please fax an advance copy to (313) 390-3783. Mail original to: Ford Motor Credit Co., PO Box 1739-MD 7500, Dearborn, MI 48121-1739.
 ATTN: Municipal Finance.

A COPY of the Municipal Finance Application (MFA) is acceptable when an ORIGINAL executed Opinion of Counsel is provided. In this instance, the MFA does not need to be notarized and sealed. Please fax a copy to (313) 390-3783.

Original will be signed by Mayor and returned along w/contract.

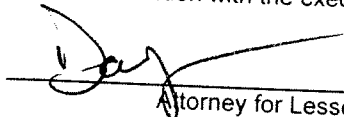
*** TOTAL PAGE.04 ***

PAGE.02

OPINION OF COUNSEL

With respect to that certain Master Equipment Lease-Purchase Agreement 3967200 dated 09/20/1995 by and between Ford Motor Company (Lessor) and City of Redlands (Lessee) as Supplemented by Schedule 3967211 thereto (the "Master Agreement"), I am of opinion that:

- (1) Lessee is a political subdivision of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power;
- (2) Lessee has the requisite power and authority to purchase the Equipment (as defined in the Master Agreement) and to execute and deliver the Master Agreement and to perform its obligations under the Master Agreement;
- (3) the execution, delivery and performance by Lessee of the Master Agreement have been duly authorized by all necessary action on the part of Lessee;
- (4) the Uniform Commercial Code of the state where the Equipment is located and/or the certificate of title laws of such state govern the method of perfecting Lessor's security interest in the Equipment;
- (5) the Master Agreement has been duly executed and delivered by Lessee and constitutes a legal, valid and binding obligation enforceable in accordance with its terms;
- (6) there are no suits, proceedings or investigations pending or, to my knowledge, threatened against or affecting Lessee, at law or in equity, or before or by any governmental or administrative agency or instrumentality which, if adversely determined, would have a material adverse effect on the transaction contemplated in the Master Agreement or the ability of Lessee to perform its obligations under the Master Agreement and Lessee is not in default under any material obligation for the payment of borrowed money, for the deferred purchase price of the property or for the payment of any rent under any lease agreement which either individually or in the aggregate would have the same substantial effect; and
- (7) all required public bidding procedures regarding the award of the Master Agreement and the purchase of the Equipment have been followed by Lessee and no governmental orders, permissions, consents, approvals or authorizations are required to be obtained and no registrations or declarations are required to be filed in connection with the execution and delivery of the Master Agreement.



Attorney for Lessee
Dan McHugh

SCHEDULE 3967211 - MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT

Lease No. 3967200

This Equipment Schedule dated as of 11/4/2003, is being executed by Ford Motor Credit Company ("Lessor"), and City of Redlands ("Lessee"), as a supplement to, and is hereby made a part of that certain Master Equipment Lease-Purchase Agreement dated as of 09/20/1995 ("Lease"), between Lessor and Lessee.

Lessor hereby leases to Lessee under and pursuant to the Lease, and Lessee hereby accepts and leases from Lessor under and pursuant to the Lease, subject to and upon the terms and conditions set forth in the Lease and upon the terms set forth below, and following items of Equipment:

QUANTITY	DESCRIPTION (MANUFACTURER, MODEL AND SERIAL NO.)	SUPPLIER
9	2004 Ford Crown Victoria Police Vehicles, 2FAHP71W54X114843, 2FAHP71W74X114844, 2FAHP71W94X114845, 2FAHP71W04X114846, 2FAHP71W24X114847, 2FAHP71W44X114848, 2FAHP71W64X114849, 2FAHP71W24X114850, 2FAHP71W44X114851, 2FAHP71W44X114851, 2004 Ford Explorer XLS, 1FMDU63W94ZA31320, 2004 Ford Explorer XLT's, 1FMDU63W84ZA25332, 1FMDU62K14ZA25333	Fairview Ford Sales, Inc.
1		
2		
EQUIPMENT LOCATION: City of Redlands Police Department 35 Cajon Street Redlands, CA 92373		

Initial Term: 36 Months

Commencement Date: 11/4/2003

Periodic Rent: 2 Consecutive Annual in Advance Payments of \$100,373.04 each (including interest), followed by one final payment of \$100,372.65, due under this Lease. The Periodic Rent Payment also includes any applicable sales/use tax due and payable on the Lease Payment Dates, set forth in Schedule 3967211, Page 2. California Tire Fee: \$60.00 and 7.75% State Sales Tax are due and payable at Schedule signing.

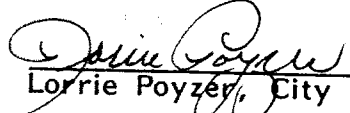
EXECUTED as of the date first herein set forth.

LESSEE: City of Redlands
Police Department

LESSOR: Ford Motor Credit Company

By: 
Karl N. Haws
Title: Mayor

By: 
Frank Mastrella
Title: Operations Manager, Municipal Finance

Attest: 
Lorrie Poyzer, City Clerk

Counterpart No. 1 of 1 manually executed and serially numbered counterparts. To the extent this Schedule constitutes chattel paper, no security interest herein may be perfected through the possession of any counterpart other than Counterpart No. 1.

SCHEDULE 3967211 - MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT

Lease No. 3967200

AMENDMENT

That certain Master Equipment Lease-Purchase Agreement, by and between Ford Motor Credit Company ("Lessor") and City of Redlands ("Lessee"), dated as of 09/20/1995 (the "Lease") is hereby amended as follows:

Lessee has not issued, and reasonably anticipates that it and its subordinate entities will not issue, tax-exempt obligations (including this Lease) in the amount of more than \$10,000,000 during the current calendar year; hereby designates this Lease as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, ("Code"); and agrees that it and its subordinate entities will not designate more than \$10,000,000 of their obligations as "qualified tax-exempt obligations" during the current calendar year.

Except as amended hereby, the Lease shall otherwise remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the 4th day of November, 2003.

LESSEE: City of Redlands
Police Department

LESSOR: Ford Motor Credit Company

By:

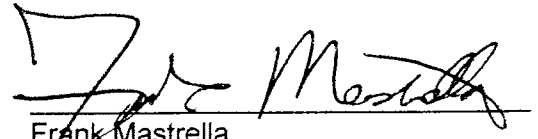


Karl N. Haws

Title:

Mayor

By:



Frank Mastrella

Title:

Operations Manager, Municipal Finance

Attest:


Lorrie Poyzer City Clerk

Payment Schedule

Lease Number: 3967200

APR: 5.15%

Lease Payment Number	Lease Payment Date	Lease Payment	Interest Portion	Principal Portion	Concluding Payment
1	11 / 4 / 2003	100,373.04	0.00	100,373.04	186,238.39
2	11 / 4 / 2004	100,373.04	9,591.28	90,781.76	95,456.63
3	11 / 4 / 2005	100,372.65	4,916.02	95,456.63	1.00
TOTALS		301,118.73	14,507.30	286,611.43	

LESSOR: FORD MOTOR CREDIT COMPANY
P. O. Box 1739
Dearborn, MI 48121-1739

DELIVERY AND ACCEPTANCE CERTIFICATE

The undersigned Lessee hereby acknowledges receipt of the Equipment described below ("Equipment") as fully installed and in good working condition; and Lessee hereby accepts the Equipment after full inspection thereof as satisfactory for all purposes of the Master Equipment Lease-Purchase Agreement ("Lease") executed by Lessee and Lessor.

MASTER LEASE DATE	MASTER LEASE NUMBER	SCHEDULE 3967211 DATE	DELIVERY NUMBER	PURCHASE DATE	PURCHASE ORDER NO.
09/20/1995	3967200	11/4/2003	1		

EQUIPMENT INFORMATION

QUANTITY	DESCRIPTION (MANUFACTURER, MODEL AND SERIAL NO.)	SUPPLIER
88	2004 Ford Crown Victoria Police Vehicles, 2FAHP71W54X114843, 2FAHP71W74X114844, 2FAHP71W94X114845, 2FAHP71W04X114846, 2FAHP71W24X114847, 2FAHP71W44X114848, 2FAHP71W64X114849, 2FAHP71W24X114850, 2FAHP71W44X114851, TO BE DELIVERED WEEK OF 11/10/03	Fairview Ford Sales, Inc.

LESSEE: City of Redlands
Police Department
35 Cajon Street
Redlands, CA 92373

BY:

Michael S. [Signature]
Equip Maint MGR
(Title)

DATE ACCEPTED:

Oct 24, 2003

Form **8038-G****Information Return for Tax-Exempt Governmental Obligations**(Rev. November 2000)
Department of the Treasury
Internal Revenue ServiceUnder Internal Revenue Code section 149(e)
See separate instructions

OMB No. 1545-0720

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

Part I Reporting AuthorityIf Amended Return, check here ☐

1 Issuer's name City of Redlands		2 Issuer's employer identification 95-6000766	
3 Number and street (or P. O. box if mail is not delivered to Street address) 35 Cajon Street		Room/suite	4 Report number G2003-3967211
5 City, town, or post office, state, and ZIP code Redlands, CA 92373			6 Date of Issue 11/4/2003
7 Name of issue			8 CUSIP number NONE
9 Name title of officer or legal representative whom the IRS may call for more information Dan McHugh			10 Telephone number of officer or legal representative 909-798-7510

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11	☐ Education	11	
12	☐ Health and hospital	12	
13	☐ Transportation	13	
14	☒ Public safety	14	\$186,238.39
15	☐ Environment	15	
16	☐ Housing	16	
17	☐ Utilities	17	
18	☐ Other. Describe ☐	18	
19 If obligations are TANs or RANs, check box ☐ If obligations are BANs, check box ☐			
20 If obligations are in the form of a lease or installment sale, check box ☒			

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

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	10/21/05	\$ 186,238.39	\$ N/A	3 years	5.15%

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

N/A

22	Proceeds used for accrued interest	22	
23	Issue Price of entire issue (Enter amount from line 21, column (b)).	23	
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	
25	Proceeds used for credit enhancement	25	
26	Proceeds allocated to reasonably require reserve or replacement fund	26	
27	Proceeds used to currently refund prior issues	27	
28	Proceeds used to advance refund prior issues	28	
29	Total (add lines 23 through 27)	29	
30	Nonrefunding proceeds of the issue (subtract line 28 from line 22 and enter amount here)	30	

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

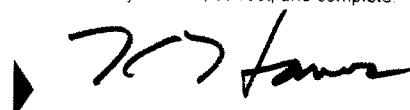
N/A

31	Enter the remaining weighted average maturity of the bonds to be currently refunded		years
32	Enter the remaining weighted average maturity of the bonds to be advanced refunded		years
33	Enter the last date on which the refunded bonds will called		
34	Enter the date(s) the refunded bonds were issued		

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141 (b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36	
b Enter the final maturity date of the guaranteed investment contract			
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37	
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ☐ and enter the name of the issuer ☐ and the date of the issue ☐			
38	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box		☐
39	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box		☐
40	If the issuer has identified a hedge, check box		☐

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Please
Sign
Here

Issuer's authorized representative

Nov. 4, 2003

Date

Karl N. Haws, Mayor

Type or print name and title

INSURANCE FACT SHEET

We require a Certificate of Insurance or Declaration Page shown in the name of the Municipality listed below. If more than one insurance company is used, indicate each and for what type coverage. Per the Master Equipment Lease-Purchase Agreement, Lease No. 3967200, we require Liability and Physical Damage on all vehicles, Liability and Property Damage on all other Equipment and FORD MOTOR CREDIT COMPANY named as Loss Payee and Additional Insured. **RETURN TO: Ford Motor Credit Company, Municipal Finance, PO Box 1739 - MD 7500, Dearborn, MI 48121-1739.**

SCHEDULE NO: 3967211

**PLEASE NOTE: FORD MOTOR CREDIT COMPANY REQUIRES
A MINIMUM OF \$1,000,000 PUBLIC LIABILITY COVERAGE;
OR THE STATE MAXIMUM (IF LOWER) IS REQUIRED**

MUNI: City of Redlands
ADDRESS: ~~Police Department~~
35 Cajon Street
CITY: Redlands, CA 92373

CONTACT: Julie Gilbert, Accts. Payable

PHONE: (909) 798-7530

EQUIP DESC: (9) 2004 Ford Crown Victoria Police Vehicles, 2FAHP71W54X114843, 2FAHP71W74X114844, 2FAHP71W94X114845, 2FAHP71W04X114846, 2FAHP71W24X114847, 2FAHP71W44X114848, 2FAHP71W64X114849, 2FAHP71W24X114850, 2FAHP71W44X114851, (1) 2004 Ford Explorer XLS, 1FMDU63W94ZA31320, (2) 2004 Ford Explorer XLT's, 1FMDU63W84ZA25332, 1FMDU62K14ZA25333

INSURANCE COMPANY: Genesis Insurance Company

ADDRESS: Davis & Graeber Insurance Services, 470 E. Highland Avenue

CITY: Redlands STATE: CA ZIP: 92373
PHONE: (909) 793-2373 CONTACT PERSON: Ross Jones / Roberta Rees
POLICY NO: YXB300948 EXPIRATION DATE: 07/01/04

LIABILITY AMT: \$5,000,000 (primary) PROPERTY DAMAGE AMT: _____
PHYSICAL DAMAGE AMT: COMPREHENSIVE DEDUCTIBLE: _____
COLLISION DEDUCTIBLE: _____

INSURANCE COMPANY: Arch Specialty Insurance Company

ADDRESS: Davis & Graeber Insurance Services, 470 E. Highland Avenue

CITY: Redlands STATE: CA ZIP: 92373

PHONE: (909) 793-2373 CONTACT PERSON: Ross Jones / Roberta Reeves

POLICY NO: 72UFPL395400 EXPIRATION DATE: 07/01/04

LIABILITY AMT: \$5,000,000 (over primary) PROPERTY DAMAGE AMT: _____
PHYSICAL DAMAGE AMT: COMPREHENSIVE DEDUCTIBLE: _____
COLLISION DEDUCTIBLE: _____

SELF-INSURED:

IF YOU ARE SELF-INSURED FOR ANY COVERAGE, PLEASE PROVIDE THE NAME OF YOUR INSURANCE POOL/FUND.

NAME OF INSURANCE POOL/FUND: _____

SELF-INSURED FOR: LIABILITY: \$ 500,000 PROPERTY: \$ _____ PHYSICAL: \$ _____

CONTINUOUS COVERAGE: FROM: _____ TO: _____

PLEASE SIGN: _____

Karl N. Haws, Mayor

Attest: _____
Lorrie Poyzer, City Clerk

MINUTES

of a regular meeting of the City Council of the City of Redlands held in the Council Chambers, Civic Center, 35 Cajon Street, at 3:00 P.M. on November 4, 2003.

PRESENT

Karl N. (Kasey) Haws, Mayor
Susan Pepler, Mayor Pro Tem
Pat Gilbreath, Councilmember
Gary George, Councilmember

ABSENT

Jon Harrison, Councilmember

STAFF

John Davidson, City Manager; Daniel J. McHugh, City Attorney; Lorrie Poyzer, City Clerk; Michael Reynolds, City Treasurer; Jim Bueermann, Police Chief; Mel Enslow, Fire Chief; Tina Kundig, Finance Director; Ronald C. Mutter, Public Works Director; Marjie Pettus, Administrative Services Director; Gary G. Phelps, Municipal Utilities Director; and Jeffrey L. Shaw, Community Development Director.

The meeting was opened with an invocation by Councilmember George followed by the pledge of allegiance.

CONSENT CALENDAR

Minutes - On motion of Councilmember Gilbreath, seconded by Councilmember George, the minutes of the regular meeting of October 21, 2003, were approved as submitted.

Bills and Salaries - On motion of Councilmember Gilbreath, seconded by Councilmember George, payment of bills and salaries was acknowledged.

Agreement - SunGard Bi-Tech - On motion of Councilmember Gilbreath, seconded by Councilmember George, the City Council, by AYE votes of all present, approved the annual support agreement for customer support and software updates with SunGard Bi-Tech for the period November 20, 2003, to November 19, 2004.

Lease Purchase Agreement - Police Vehicles - On motion of Councilmember Gilbreath, seconded by Councilmember George, the City Council, by AYE votes of all present, approved a lease purchase agreement with Ford Motor Credit Company for nine Ford Crown Victoria and three Ford Explorer police vehicles and authorized the Mayor and City Clerk to execute the agreement on behalf of the City.

Resolution No. 6211-6212 - CFD No. 2003-1 - On motion of Councilmember Gilbreath, seconded by Councilmember George, the City Council, by AYE votes of all present, adopted Resolution No. 6211, a resolution of the City Council of the City of Redlands of intention to establish a Community Facilities



Ford Motor Credit Company

1 American Road
P.O. Box 1739
Dearborn, Michigan 48121-1739

October 30, 2003

The Honorable Karl N. Haws, Mayor
City of Redlands
Police Department
35 Cajon Street
Redlands, CA 92373

Subject: Master Equipment Lease-Purchase Agreement - Lease No. 3967200

Dear Mayor Haws:

Enclosed are the **revised** subject documents for the Equipment being acquired from Fairview Ford Sales, Inc.. Please review the following documentation for accuracy:

- **Opinion of Counsel** - Please have your attorney sign where indicated.
- **Amendment** - Please sign where indicated. If not appropriate, line through the form and return unsigned.
- **Schedule 3967211**, Page 1 - Please sign where indicated.
- **Delivery and Acceptance Certificate(s)** - Please sign and indicate the **date** the Equipment was accepted by you or your authorized representative.
- **Temporary Insurance Form** - Please complete and sign where indicated.
- **8038-G** - Please review and sign where indicated. On your behalf, we will forward the signed original form to the IRS.

Also enclosed is an invoice for the first payment check payable to Ford Motor Credit Company in the amount of \$100,373.04 for the first payment. **Please return the check and all signed original documents by 11/10/2003**, preferably to the express mail address below. If documents cannot be returned by this date, or if you have any questions, please call me at **1-800-241-4199**, and refer to Schedule 3967211.

<u>Overnight/Express Delivery</u>	<u>U.S. Regular Mail</u>
Ford Motor Credit Company Commercial Lending - MD 7500 1 American Road, Suite 2277 Dearborn, MI 48126 ATTN: Carol Tom, Municipal Finance	Ford Motor Credit Company Commercial Lending - MD 7500 P. O. Box 1739, Suite 2277 Dearborn, MI 48121-1739 ATTN: Carol Tom, Municipal Finance

After the documents are signed for Ford Motor Credit Company, a set of copies will be sent to you.

Sincerely,

Enclosures

Janet Doty
Municipal Finance

PLEASE NOTE: The interest rate may be subject to a rate increase or require a rate extension fee if the documents are not returned by 11/30/2003.

SCHEDULE 3967211 - MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT

Lease No. 3967200

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1	2004 Ford Explorer XLS, 1FMDU63W94ZA31320,	
2	2004 Ford Explorer XLT's, 1FMDU63W84ZA25332, 1FMDU62K14ZA25333	
EQUIPMENT LOCATION: City of Redlands Police Department 35 Cajon Street Redlands, CA 92373		

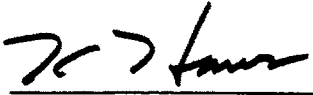
Initial Term: 36 Months Commencement Date: 11/4/2003

Periodic Rent: 2 Consecutive Annual in Advance Payments of \$100,373.04 each (including interest), followed by one final payment of \$100,372.65, due under this Lease. The Periodic Rent Payment also includes any applicable sales/use tax due and payable on the Lease Payment Dates, set forth in Schedule 3967211, Page 2. California Tire Fee: \$60.00 and 7.75% State Sales Tax are due and payable at Schedule signing.

EXECUTED as of the date first herein set forth.

LESSEE: City of Redlands
Police Department

LESSOR: Ford Motor Credit Company

By: 
Karl N. Haws
Title: Mayor

By: _____
Frank Mastrella
Title: Operations Manager, Municipal Finance

Attest: 
Lorrie Poyzer, City Clerk

Counterpart No. 1 of 1 manually executed and serially numbered counterparts. To the extent this Schedule constitutes chattel paper, no security interest herein may be perfected through the possession of any counterpart other than Counterpart No. 1.

SCHEDULE 3967211 - MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT

Lease No. 3967200

AMENDMENT

That certain Master Equipment Lease-Purchase Agreement, by and between Ford Motor Credit Company ("Lessor") and City of Redlands ("Lessee"), dated as of 09/20/1995 (the "Lease") is hereby amended as follows:

Lessee has not issued, and reasonably anticipates that it and its subordinate entities will not issue, tax-exempt obligations (including this Lease) in the amount of more than \$10,000,000 during the current calendar year; hereby designates this Lease as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, ("Code"); and agrees that it and its subordinate entities will not designate more than \$10,000,000 of their obligations as "qualified tax-exempt obligations" during the current calendar year.

Except as amended hereby, the Lease shall otherwise remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the 4th day of November, 2003.

LESSEE: City of Redlands
Police Department

LESSOR: Ford Motor Credit Company

By:



Karl N. Haws
Mayor

Title:

By:

Frank Mastrella

Title:

Operations Manager, Municipal Finance

Attest:


Lorrie Poyzer City Clerk

INSURANCE FACT SHEET

We require a Certificate of Insurance or Declaration Page shown in the name of the Municipality listed below. If more than one insurance company is used, indicate each and for what type coverage. Per the Master Equipment Lease-Purchase Agreement, Lease No. 3967200, we require Liability and Physical Damage on all vehicles, Liability and Property Damage on all other Equipment and FORD MOTOR CREDIT COMPANY named as Loss Payee and Additional Insured. **RETURN TO: Ford Motor Credit Company, Municipal Finance, PO Box 1739 - MD 7500, Dearborn, MI 48121-1739.**

SCHEDULE NO: 3967211

**PLEASE NOTE: FORD MOTOR CREDIT COMPANY REQUIRES
A MINIMUM OF \$1,000,000 PUBLIC LIABILITY COVERAGE;
OR THE STATE MAXIMUM (IF LOWER) IS REQUIRED**

MUNI: City of Redlands
ADDRESS: Police Department
35 Cajon Street
CITY: Redlands, CA 92373

CONTACT: Julie Gilbert, Accts. Payable

PHONE: (909) 798-7530

EQUIP DESC: (9) 2004 Ford Crown Victoria Police Vehicles, 2FAHP71W54X114843, 2FAHP71W74X114844, 2FAHP71W94X114845, 2FAHP71W04X114846, 2FAHP71W24X114847, 2FAHP71W44X114848, 2FAHP71W64X114849, 2FAHP71W24X114850, 2FAHP71W44X114851, (1) 2004 Ford Explorer XLS, 1FMDU63W94ZA31320, (2) 2004 Ford Explorer XLT's, 1FMDU63W84ZA25332, 1FMDU62K14ZA25333

INSURANCE COMPANY: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

PHONE: _____ CONTACT PERSON: _____

POLICY NO: _____ EXPIRATION DATE: _____

LIABILITY AMT: _____ PROPERTY DAMAGE AMT: _____

PHYSICAL DAMAGE AMT: _____ COMPREHENSIVE DEDUCTIBLE: _____

COLLISION DEDUCTIBLE: _____

INSURANCE COMPANY: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

PHONE: _____ CONTACT PERSON: _____

POLICY NO: _____ EXPIRATION DATE: _____

LIABILITY AMT: _____ PROPERTY DAMAGE AMT: _____

PHYSICAL DAMAGE AMT: _____ COMPREHENSIVE DEDUCTIBLE: _____

COLLISION DEDUCTIBLE: _____

SELF-INSURED:

IF YOU ARE SELF-INSURED FOR ANY COVERAGE, PLEASE PROVIDE THE NAME OF YOUR INSURANCE POOL/FUND.

NAME OF INSURANCE POOL/FUND: _____

SELF-INSURED FOR: LIABILITY: \$ _____ PROPERTY: \$ _____ PHYSICAL: \$ _____

CONTINUOUS COVERAGE: FROM: _____ TO: _____

PLEASE SIGN: _____

Karl N. Haws, Mayor

Attest: _____

Lorrie Poyzer, City Clerk

Payment Schedule

Lease Number:

3967200

APR: 5.15%

Lease Payment Number	Lease Payment Date	Lease Payment	Interest Portion	Principal Portion	Concluding Payment
1	11 / 4 / 2003	100,373.04	0.00	100,373.04	186,238.39
2	11 / 4 / 2004	100,373.04	9,591.28	90,781.76	95,456.63
3	11 / 4 / 2005	100,372.65	4,916.02	95,456.63	1.00
TOTALS		301,118.73	14,507.30	286,611.43	

Information Return for Tax-Exempt Governmental Obligations

(Rev. November 2000)
Department of the Treasury
Internal Revenue ServiceUnder Internal Revenue Code section 149(e)
See separate instructions

OMB No. 1545-072

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

Part I Reporting AuthorityIf Amended Return, check here ☐

1 Issuer's name

City of Redlands

2 Issuer's employer identification

95-6000766

3 Number and street (or P. O. box if mail is not delivered to Street address)

35 Cajon Street

Room/suite

4 Report number

G2003-3967211

5 City, town, or post office, state, and ZIP code

Redlands, CA 92373

6 Date of Issue

11/4/2003

7 Name of issue

8 CUSIP number

NONE

9 Name title of officer or legal representative whom the IRS may call for more information

Dan McHugh

10 Telephone number of officer or legal representative
909-798-7510**Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule**11 ☐ Education12 ☐ Health and hospital13 ☐ Transportation14 ☒ Public safety15 ☐ Environment16 ☐ Housing17 ☐ Utilities18 ☐ Other. Describe ☐

11

12

13

14

\$186,238.39

15

16

17

18

19 If obligations are TANs or RANs, check box ☐ If obligations are BANs, check box ☐20 If obligations are in the form of a lease or installment sale, check box ☐**Part III Description of Obligations. (Complete for the entire issue for which this form is being filed.)**

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	10/21/05	\$ 186,238.39	\$ N/A	3 years	5.15%

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

N/A

22 Proceeds used for accrued interest

23 Issue Price of entire issue (Enter amount from line 21, column (b)).

24 Proceeds used for bond issuance costs (including underwriters' discount)

25 Proceeds used for credit enhancement

26 Proceeds allocated to reasonably require reserve or replacement fund

27 Proceeds used to currently refund prior issues

28 Proceeds used to advance refund prior issues

29 Total (add lines 23 through 27)

30 Nonrefunding proceeds of the issue (subtract line 28 from line 22 and enter amount here).

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

N/A

31 Enter the remaining weighted average maturity of the bonds to be currently refunded

32 Enter the remaining weighted average maturity of the bonds to be advanced refunded

33 Enter the last date on which the refunded bonds will called

34 Enter the date(s) the refunded bonds were issued

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141 (b)(5)

36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)

b Enter the final maturity date of the guaranteed investment contract

37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units

b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ☐ and enter the name of the issuer ☐ and the date of the issue ☐38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ☐39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ☐40 If the issuer has identified a hedge, check box ☐

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Please
Sign
Here

Issuer's authorized representative

Nov. 4, 2003
Date

Karl N. Haws, Mayor

Type or print name and title