

*Original filed
with Res. 6436*

LEASE WITH OPTION TO PURCHASE #05-078-AF

This LEASE WITH OPTION TO PURCHASE dated October 4, 2005 (this "Lease") is by and between MUNICIPAL FINANCE CORPORATION, ("Corporation") a corporation duly organized and operating under the laws of the State of California as lessor and CITY OF REDLANDS, a municipal corporation duly organized and existing under the laws of the State of California ("Lessee") as lessee.

RECITALS:

WHEREAS, Lessee deems it essential for Lessee to acquire the property described herein for its own public purposes; and

WHEREAS, it is intended that this Lease be treated as a tax-exempt obligation of Lessee for federal income tax purposes; and

WHEREAS, Lessee and Corporation agree to mutually cooperate now and hereafter, to the extent possible, in order to sustain the intent of this Lease and the bargain of both parties hereto.

WITNESSETH:

NOW, THEREFORE in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

SECTION 1. Lease. Corporation hereby leases to Lessee, and Lessee hereby leases and hires from Corporation all property (the "Property") described in the schedule or schedules (collectively, the "Schedule") executed by the parties concurrently herewith and hereafter and made a part hereof. Hereinafter, reference to Corporation means Corporation and Corporation's assigns for those rights, interests and obligations that may be assigned by Corporation.

SECTION 2. Term. The terms and conditions of this Lease shall become effective upon the authorized execution of this Lease by the parties hereto. The rental term of the Property leased hereunder commences and terminates on the dates specified in the Schedule.

SECTION 3. Representations, Covenants and Warranties of Lessee. Lessee represents, covenants and warrants to Corporation that:

(a) Lessee is a municipal corporation and political subdivision, duly organized and existing under the Constitution and laws of the State of California with authority to enter into this Lease and to perform all of its obligations hereunder.

(b) Lessee's governing body has duly authorized the execution and delivery of this Lease and further represents and warrants that all

MINUTES of a regular meeting of the City Council of the City of Redlands held in the Council Chambers, Civic Center, 35 Cajon Street, on October 4, 2005, at 3:00 P.M.

PRESENT Susan Pepler, Mayor
Gilberto Gil, Mayor Pro Tem
Pat Gilbreath, Councilmember
Gary George, Councilmember
Jon Harrison, Councilmember

ABSENT None

STAFF John Davidson, City Manager; Daniel J. McHugh, City Attorney; Lorrie Poyzer, City Clerk; Beatrice Sanchez, Deputy City Clerk (evening session); Michael Reynolds, City Treasurer; Jim Bueermann, Police Chief; Jim Drabinski, Fire Chief; Don Gee, Redevelopment Agency Director; 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 Gilbreath followed by the pledge of allegiance.

CONSENT CALENDAR

Minutes - On motion of Councilmember Pepler, seconded by Councilmember Gil, the minutes of the regular meeting of September 20, 2005, were approved as submitted.

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

Resolution No. 6436 - Lease-Purchase Agreement - Street Sweepers - On motion of Councilmember Pepler, seconded by Councilmember Gil, the City Council unanimously adopted Resolution No. 6436, a resolution of the City Council of the City of Redlands authorizing the execution and delivery of a lease with option to purchase with Municipal Finance Corporation for the purchase of two street sweepers from Kelly Equipment and authorizing certain actions in connection therewith, and authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City.

Planning Commission Actions - On motion of Councilmember Pepler, seconded by Councilmember Gil, the report of the Planning Commission meeting held on September 27, 2005, was acknowledged as received.