

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding relating to the establishment of a land donation and conservation easement program ("MOU") is made this 7th day of November, 2006, by and between the City of Redlands, a general law city ("City"), and the Redlands Conservancy, a non-profit corporation ("Conservancy"). The City and Conservancy are sometimes individually referred to herein as a "Party" and, together, as the "Parties."

RECITALS

WHEREAS, the City and Conservancy jointly desire to establish a program to maintain the City's high quality of life, potential for cultural and heritage tourism, and high property values associated with the City's proximity to natural and agricultural open land; and

WHEREAS, the City and Conservancy desire to encourage public donations of conservation-quality open lands by promoting and offering the availability of tax benefits for qualifying donations; and

WHEREAS, the City wishes to obtain assistance and reduce the expenses it incurs associated with the management of City-owned open lands; and

WHEREAS, the Conservancy has represented to the City that the Conservancy has the willingness and expertise to monitor and maintain conservation-quality open lands, including trail easements, held in and around the City; and

WHEREAS, the Conservancy is a qualifying 501(c)(3), tax-exempt organization in the State of California, and is an acknowledged land trust;

Now, therefore, in consideration of the mutual promises contained herein, the City and the Conservancy agree as follows:

AGREEMENT

Section 1. City Obligations. The City shall:

- A. Recommend to private property owners and developers seeking City-issued land use entitlements and who have indicated a willing interest in donating conservation-quality lands, that such land donations be made to the Conservancy;
- B. Provide the Conservancy with a first right of refusal vis-à-vis other non-profit organizations to obtain, at no cost to the Conservancy, conservation easements on those conservation-quality open lands currently owned, or

proposed for acquisition, by the City that would benefit by the establishment of a conservation easement over such lands;

- C. Consider allocating annually a portion of its open space and park lands budget towards the monitoring and maintenance costs for conservation-quality open lands and conservation easements that are the subject of this Agreement, with the understanding that the City and the Conservancy shall each use reasonable efforts to cooperatively pursue funding sources to pay the costs of such monitoring and maintenance; and
- D. Pay all reasonable costs involved in the creation of conservation easements contemplated by this Agreement, including but not limited to, the costs of land surveys, land appraisals (IRS requires donor to pay this if claiming tax deductions) and document recording costs; and pay reasonable monitoring and maintenance costs associated with the protection of the donated property's conservation value, with the understanding that each transaction shall be reviewed and approved on a case-by-case basis by the City prior to the City incurring any such costs.

Section 2. Conservancy Obligations. The Conservancy shall:

- A. Receive donations of conservation-quality open lands from willing land owners with the specific terms of the land donation and the establishment of a conservation easement thereon to be determined with each such transaction;
- B. With the agreement of City, establish conservation easements on conservation-quality open lands owned or proposed for donation to the City, naming the Conservancy as the holder of such easements;
- C. Conduct all activities associated with land donations and the establishment of conservation easements in a timely manner;
- D. Hold the conservation easements in perpetuity unless the Conservancy dissolves or otherwise becomes incapable of maintaining such easements, at which time the easements shall be conveyed to another qualifying organization satisfactory to the City;
- E. Maintain all conservation easements in accordance with an "Easement Management Plan" which shall be mutually developed by the Conservancy and the City;
- F. After establishment of conservation easements thereon, convey fee title to the donated conservation-quality open lands at no cost to the City.

Section 4. Termination. This Agreement may be terminated by either Party by providing twenty (20) days prior written notice to the other Party.

Section 5. Entire Agreement. This Agreement represents the entire agreement of the Parties with respect to the subject matter of this Agreement.

Section 6. Amendment. This Agreement shall be amended only by written instrument, executed by the Parties.

Section 7. Notices. All notices and other communications provided for hereunder shall be in writing (including by telecopier) and shall be mailed, telecopied or delivered as follows:

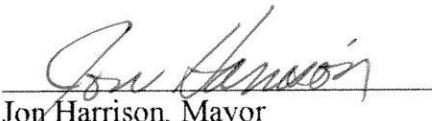
City of Redlands
35 Cajon Street, Suite 15A
P.O. Box 3005 (mailing)
Redlands CA 92373-1505
Facsimile: (909) 798-7670

Redlands Conservancy
P.O. Box 855
Redlands, CA 92373

All such notices and communications shall be deemed received, (a) if personally delivered, upon delivery, (b) if sent by first class mail, on the third business day following deposit into the mails and (c) if sent by telecopier, upon acknowledgment of receipt thereof by the recipient.

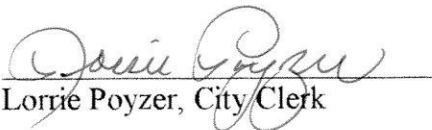
IN WITNESS WHEREOF, the parties have executed this Agreement, to be effective as set forth herein.

CITY OF REDLANDS


Jon Harrison, Mayor

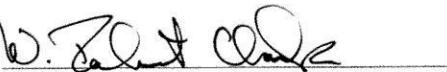
Date: November 7, 2006

ATTEST:


Lorrie Poyzer, City Clerk

Date: November 7, 2006

REDLANDS CONSERVANCY



Date: 10-24-2006