

PARKLAND USE AGREEMENT

This Parkland Use Agreement (the "Agreement") is entered into by and between Redlands Security Company, a California general partnership ("Grantor") and the City of Redlands ("City") a municipal corporation organized and existing under the laws of the State of California. This Agreement shall be effective on and as of the date set forth below.

Recitals

A. Grantor is the owner of that certain parcel of land located in the City of Redlands described on Exhibit "A" and shown on the drawing marked Exhibit "A-1" which are attached hereto and incorporated herein by reference (the "Land").

B. The Land is immediately adjacent to the Jennie Davis Park which is owned, maintained and operated for the public benefit by the City (the "Park").

C. Grantor now desires to donate the Land to the City for expansion of the Park, the development and maintenance of a portion of a bike trail system and installation and maintenance of a fully covered and enclosed underground drainage system, but for no other purpose.

D. The City desires to obtain a gift of the Land from Grantor and to use the Land for the expansion of the Park and the development and maintenance of a portion of a bike trail system.

E. City and Grantor now desire to provide for a gift of the Land to the City for use to expand the Park and to develop and maintain a portion of a bike trail system, and to provide for the full benefit of that gift to the Park should any portion of the Land be used by the City for purposes other than expansion of the Park or the development and maintenance of a portion of a bike trail system, all pursuant to the terms of this Agreement.

Operative Provisions

NOW THEREFORE, In consideration of the above Recitals and of the covenants and conditions contained herein, Grantor and City agree as follows:

I.. Donation of Land.

1.1 Concurrently with the execution hereof, Grantor will convey to the City fee simple title to the Land, subject, however, to the power of termination described in Article II hereinbelow.

1.2 Conveyance of the Land to the City shall be accomplished by execution and delivery to the City of that certain Grant Deed, a copy of which is attached hereto as Exhibit "B" and which is incorporated herein by reference.

II. *Use of Land By City; Reversion to Grantor.*

The City specifically covenants that the Land, or monies equal to the value of the Land, will be used to improve and/or expand the Park, which improvement and expansion shall be in addition to improvement and expansion which would occur notwithstanding the gift herein described. In furtherance thereof, and without limiting the generality of the foregoing, the City specifically acknowledges and agrees that Grantor has donated the Land to the City for use in expanding the Park, and for the development and maintenance of a portion of a bike trail system and installation and maintenance of a fully covered and enclosed underground drainage system for the purpose of carrying storm and irrigation surface drainage ("Drainage System") and for no other purpose. The City further specifically agrees, notwithstanding any prior installation of the Drainage System, that if the Land, or any portion thereof, shall ever cease to be used as a City Park or a bike trail, which is open to the public, (the occurrence of any such event being referred to herein as the "Reversion Contingency"), then and thereupon the conveyance of the Land to the City shall be null and void and the Land shall, on demand, revert to Grantor, its successors and assigns, who shall then have the absolute right to reenter the Land and repossess the same to the exclusion of all others.

III. *Avoidance of Reversion.*

3.1 In the event of the occurrence of any Reversion Contingency, the City may, so far as that Reversion Contingency is concerned, prevent the exercise of Grantor's right to reenter as described in Article II above by strictly complying with the following:

(a) Within 30 days of the receipt by City of written notice from Grantor of the occurrence of the Reversion Contingency, the City shall give written notice to Grantor of its election to exercise its rights under this section 3.1. Such notice shall set forth a detailed description of the portion of the Land which is the subject of the Reversion Contingency which portion shall be the entire portion of the Land which is affected by or may reasonably be expected to be affected by the Reversion Contingency (such area being referred to herein as the "Affected Portion").

(b) Within 30 days of the expiration of the period specified in section 3.1(a) above, the City and Grantor shall each determine their best estimate of the market value of the Affected Portion, and shall provide that estimate, in writing, to the other. City and Grantor shall then use their best efforts to agree on the

market value of the Affected Portion within such 30 day period. If Grantor and City cannot agree upon the market value of the Affected Portion within such 30 day period, they shall then seek to immediately agree on an appraiser or, if they cannot agree within 20 days, either may petition the presiding judge of the San Bernardino Superior Court for designation of an independent real estate appraiser. The appraiser so selected shall immediately undertake to conduct a market-value appraisal of the Affected Portion. The value arrived at by such appraiser shall be binding on City and Grantor for purposes of this section 3.1. If such value is less than, equal to, or exceeds, by less than 5%, the value set forth in the City's written estimate of the value, Grantor shall pay the cost of the appraiser. Otherwise, the City shall pay the cost of such appraisal.

(c) Within 60 days of the agreement by City and Grantor on the market value of the Affected Portion or within 60 days of the obtaining of an appraisal, as the case may be, the City shall deposit into a segregated, interest bearing account at a bank or savings and loan association a sum equal to the agreed upon or appraised value, as the case may be, of the Affected Portion.

(d) The sum deposited into an account pursuant to section 3.1(c) above, plus all interest accrued thereon, shall be used, within 18 months of the deposit of such sum into the account, for one of the following purposes: (i) to pay for capital improvements at the Park which have not already been budgeted by the City (such amounts shall not be used for maintenance of the park, for any part of the Park's normal operation budget, to pay any debt incurred in providing prior capital improvements, for improvement or maintenance of any other City property, nor for any other purpose except capital improvements at the Park, or (ii) donated to the A. K. Smiley Public Library Endowment Fund, to be administered by the Library Board of Trustees.

3.2 After following the procedures set forth in section 3.1 above as to the Affected Portion all of the Land except such Affected Portion shall remain subject to all of the provisions hereof including, without limitation, Article II and section 3.1 hereinabove.

IV. ***Miscellaneous Matters.***

4.1 The City specifically covenants to Grantor that all necessary approvals to the execution of this Agreement have been obtained and that this Agreement, when executed by the City and Grantor as provided hereinbelow, shall constitute the legal, valid, and binding obligation of the City in accordance with the terms hereof.

4.2 This Agreement is entered into in the City of Redlands, County of San Bernardino, State of California and shall be governed by the laws of the State of California. Any litigation concerning this Agreement between the parties hereto shall be

instituted and prosecuted in the Courts in San Bernardino County, California, and the parties waive any right to a change of venue.

4.3 Nothing contained in this Agreement including, without limitation, Articles II and III above, is intended as, nor shall any provision hereof be interpreted as, a limitation on the remedies available in the event of a breach hereof. In the event of a breach, the aggrieved party may, in lieu of the remedies set forth herein, bring an action in a court of competent jurisdiction. In the event such an action is brought, the parties hereto specifically agree that monetary damages would be extremely difficult or impossible to assess, and that monetary damages will not adequately compensate the aggrieved party. The parties, therefore, agree that in the event of a breach, the court may award specific enforcement or other equitable remedies to redress such breach and to, as much as possible, give the aggrieved party the full expected benefit of this Agreement.

4.4 In the event of any litigation between the parties hereto with respect to the subject matter hereof, the prevailing party in such action, in addition to whatever other remedies the Court may deem proper, shall be entitled to an award of reasonable attorney's fees and costs incurred on the prosecution of such action.

4.5 This Agreement shall be binding on the parties hereto and their respective heirs, successors, and assigns, and any reference to the City or Grantor herein shall be deemed to include their heirs, successors and assigns.

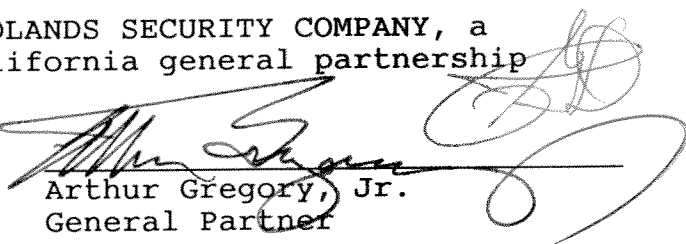
4.6 The City specifically covenants that it will, at any time, execute any documents required by the Internal Revenue Service or otherwise reasonably requested by Grantor to document the gift to the City herein described or to allow Grantor and/or the partners thereof, to take a charitable deduction for reason of such gift.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective this 5th day of ~~March~~ JUNE, 1990.

"Grantor"

REDLANDS SECURITY COMPANY, a
California general partnership

By:


Arthur Gregory, Jr.
General Partner

"City"

THE CITY OF REDLANDS, a
California municipal
corporation

By: [Signature]

Its: Mayor

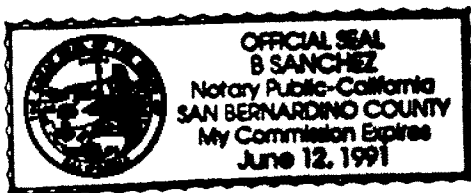
And: [Signature]

Its: City Clerk

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) SS

On this 5th day of June, in the year 1990,
before me, B. Sanchez, Notary Public, personally appeared Arthur Gregory, Jr. personally
known to me (or proved to me on the basis of satisfactory evidence)
to be the person ~~is~~ who executed the within instrument as
General Partner of the company
therein named and acknowledge to me that the company executed it.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

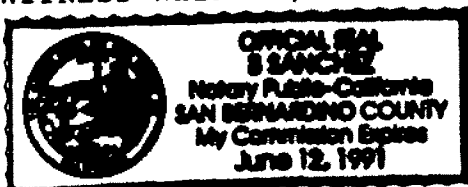


B. Sanchez
B. SANCHEZ
My Commission Expires 6/12/91

COUNTY OF SAN BERNARDINO)

On this 5th day of June, in the year 1990,
before me, B. Sanchez, Notary Public, in and for said State,
personally appeared CHARLES G. DEMIRJYN, known to me to be the MAYOR
of the City of Redlands, and LORRIE POYZER, known to me to be the
CITY CLERK of the City of Redlands, of the municipal corporation that
executed the within instrument, and known to me to be the persons who
executed the within instrument on behalf of the City of Redlands
therein named, and acknowledged to me that the City of Redlands
executed the within instrument.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



B. Sanchez
B. SANCHEZ
My Commission Expires 6/12/91

That portion of Block 29, BARTON RANCH, in the City of Redlands, County of San Bernardino, State of California, as per plat recorded in Book 6 of Maps, Page 19, records of said County, described as follows:

COMMENCING at the intersection of the centerline of New York Street and the South line of the North 1/2 of said Block 29, produced Westerly; thence North $89^{\circ} 54' 32''$ East along the South line of said North 1/2 of Block 29, 616.00 feet; thence continuing along the South line of said North 1/2 of said Block 29, 275.71 feet to a point 386.8 feet West of the West line of Texas Street as shown on said map; thence North $0^{\circ} 42' 12''$ West parallel with the West line of said Texas Street, 290.70 feet to the South right of way line of Redalnds Boulevard, formerly known as Central Avenue and formerly known as Highway 99; thence North $58^{\circ} 15' 45''$ West along said right of way line, 23.24 feet to the Southeast corner of that certian parcel of land conveyed to the City of Redlands by deed recorded September 28, 1934 in Book 996, Page 195, Official Records of said County, said corner also being the True Point of Beginning; thence South $89^{\circ} 54' 32''$ West along the South line of the aforesaid parcel conveyed to the City of Redlands, 56.85 feet to an angle point therein; thence North $58^{\circ} 15' 45''$ West along the Southwesterly line of the aforesaid parcel conveyed to the City of Redlands, 183.41 feet to the most Westerly corner of the aforesaid parcel conveyed to the City of Redlands; thence South $89^{\circ} 54' 32''$ West parallel with the South line of the North 1/2 of said Block 29, 44.15 feet; thence South $0^{\circ} 43' 15''$ East 56.50 feet; thence North $67^{\circ} 41' 38''$ East 62.93 feet; thence South $58^{\circ} 15' 45''$ East 227.35 feet; thence North $0^{\circ} 42' 12''$ West 47.35 feet; thence North $31^{\circ} 44' 15''$ East 10.04 feet to the True Point of Beginning.



EXHIBIT "A"

EXHIBIT A-1

- (C) Easement from American Legion to Redlands Security Company
- (D) Easement from Redlands Security Company to American Legion
- (E) Donation from Redlands Security Company to City of Redlands

