

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Escrow Instructions ("Agreement") is made and entered into by and among Norine Mae Larson; Norine M. Larson, Trustee of the Norine M. Larson Trust dated August 31, 1990; Doris E. Marshburn, successor Trustee of the Marshburn Family Trust under declaration of Trust dated November 15, 1980, as amended; (collectively "Seller") and the City of Redlands ("City"), effective this 6th day of July, 2004 ("Effective Date"). Buyer and Seller are sometimes hereinafter individually or collectively referred to herein as a "Party" or the "Parties."

RECITALS

A. Seller is the owner of four parcels of property identified in the San Bernardino County Assessor's records as Assessor's Parcel Numbers: 0292-041-08, 09, 17 and 38 ("Properties"), and more particularly described in Exhibit "A-1" and depicted on the map attached as Exhibit "A-2." The Properties consist of approximately 25.29 acres of land.

B. Buyer is a municipal corporation and general law city organized and existing under the laws of the State of California.

In consideration of the mutual promises contained herein, the Parties agree as follows:

AGREEMENT

ARTICLE I PURCHASE AND SALE

Section 1.1 Purchase and Sale. On all of the terms, covenants and conditions contained in this Agreement, Seller agrees to sell the Properties to Buyer, and Buyer agrees to buy the Properties from Seller.

Section 1.2 Purchase Price. The purchase price for the Properties ("Purchase Price") is Two Million Five Hundred Thousand Dollars (\$2,500,000).

Section 1.3 Payment of the Purchase Price. Buyer shall pay the Purchase Price to Seller in cash upon "Close of Escrow" as defined herein.

ARTICLE II ESCROW

Section 2.1 Escrow, Escrow Holder, and Opening of Escrow. Within five (5) days of its execution of this Agreement, Buyer shall open an escrow to facilitate the transactions contemplated by this Agreement ("Escrow") with First American Title Company ("Escrow Holder") at the address specified in Section 8.6. Delivery by Buyer to Escrow of a fully-executed original or counterpart original of this Agreement and a deposit of \$25,000 in earnest money shall constitute the opening

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of Escrow ("Opening of Escrow"). The deposit shall be non-refundable to Buyer, but shall be applicable towards the Purchase Price if the Escrow is consummated in the time provided for herein.

This Agreement shall constitute escrow instructions ("Escrow Instructions") to Escrow Holder. The Parties shall execute such additional Escrow Instructions consistent with the provisions of this Agreement that are mutually acceptable to the Parties or that may be required by Escrow Holder. Escrow Holder's general provisions ("Standard Escrow Instructions") shall also constitute Escrow Instructions for purposes of this Agreement. As between the Parties, Buyer and Seller agree that if there is any conflict between the terms of this Agreement and the Standard Escrow Instructions, this Agreement shall control.

Section 2.2 Close of Escrow. Subject to the conditions set forth in Section 2.8, Escrow shall close on the date that fee title to the Properties is conveyed from Seller to Buyer as contemplated by this Agreement and evidenced by the recording of grant deeds ("Grant Deeds") in the form of Exhibit "B" attached hereto (Close of Escrow). Unless otherwise extended pursuant to the terms of this Agreement, Close of Escrow shall occur August 15, 2004 or sooner, after all conditions precedent to Close of Escrow have been satisfied or waived.

Section 2.3 Preliminary and Supplemental Title Reports. Escrow Holder shall deliver to Buyer, within ten (10) business days after the Opening of Escrow, Preliminary Title Reports covering the Properties issued by First American Title Insurance Company ("Title Insurer"). The Preliminary Title Reports shall be accompanied by complete copies of all underlying documents referred to in the Preliminary Title Reports as evidencing exceptions to title (collectively "PTRs").

Section 2.4 Review of Title Documents. Buyer shall have ten (10) business days following receipt of the PTRs within which to notify Seller, in writing, of Buyer's disapproval of any exception to title disclosed in the PTRs. In the event the PTRs are supplemented ("Supplemental PTRs") by the Title Insurer, Buyer shall have five (5) business days after its receipt by Buyer of such Supplemental PTRs, within which to approve or disapprove any new matters disclosed in such Supplemental PTRs. In the event Buyer disapproves a matter disclosed in the Title Documents that Seller declines to cure and that Buyer declines to waive, the Escrow shall be cancelled with respect to the Properties upon written notice by either Party to the Escrow Holder and the other Party. Upon any such cancellation of Escrow, each Party shall pay one-half of the Escrow cancellation charges.

Section 2.5 Condition of Title. All matters contained in the PTRs that are not disapproved by Buyer prior to the end of the period referred to in Section 2.4 shall be deemed to be permitted exceptions ("Permitted Exceptions"). Seller shall convey the Properties to Buyer in fee simple title, which shall be, except for the Permitted Exceptions, free and clear of all leases, tenancies, rentals, mortgages, liens, charges, encumbrances, encroachments, easements, conditions, exceptions, assessments, taxes and other defects in title.

Section 2.6 Obligations of Buyer. In addition to performance by Buyer of all obligations of Buyer contained in this Agreement, on or before one (1) business day prior to Close of Escrow,

Buyer shall have deposited into Escrow: (i) the balance of the Purchase Price for the Properties; and (ii) all other sums and documents reasonably required of Buyer by Escrow Holder to the Close of Escrow.

Section 2.7 Obligations of Seller. In addition to fulfilling any other obligations of Seller contained in this Agreement, on or before one (1) business day prior to Close of Escrow, Seller shall deposit into Escrow; Grant Deeds to the Properties, substantially in the form of Exhibit "B," properly executed by Seller and recordable and any documents reasonably required of Seller by Escrow Holder to carry out Close of Escrow.

Section 2.8 Conditions Precedent to Close of Escrow. Seller's obligation to convey the Properties and Buyer's obligation to purchase the Properties are subject to the satisfaction (or written waiver by the benefitting Party) of the following conditions precedent:

- (a) Escrow has not been canceled and/or the Agreement has not been terminated pursuant to Sections 2.4, 2.9, 3.1 or 3.2;
- (b) Title Insurer is prepared to issue the policy of title insurance described in Section 2.13.

Section 2.9 Conditions Regarding Close of Escrow. In the event that any condition precedent to Close of Escrow referred to in Section 2.8 is neither satisfied nor waived in writing by the Party benefitting from the condition, such conditions shall be deemed to have failed and Escrow shall terminate with respect to the Properties. If either Party is at fault for cancellation of Escrow pursuant to this Section, including because the Party failed to act when or in the manner required pursuant to this Agreement, or because the Party acted in any such manner that impeded satisfaction of any condition precedent specified in Section 2.8, that Party shall be responsible for paying all Escrow cancellation costs. If the Escrow is terminated pursuant to this Section for any reason that is not the fault of a Party, the Parties shall equally bear the Escrow cancellation costs.

Section 2.10 Taxes and Assessments. Prior to or concurrent with Close of Escrow, Seller shall pay, cancel or terminate all prior current taxes, including special taxes assessments and improvement fees or charges levied on or against the Properties. Subsequent to the Close of Escrow, the Properties shall be tax-exempt. Any claims for a property tax refund shall be the sole responsibility and sole property of Seller and, at Seller's expense, Buyer will cooperate with Seller in processing any claim by Seller for a property tax refund after Close of Escrow. If for any reason the Properties are not considered tax exempt following the Close of Escrow, Buyer shall be responsible for all property taxes that become due and payable following the Close of Escrow.

Section 2.11 Payment of Costs. The costs associated with this transaction shall be paid as follows:

- (a) Seller shall pay an amount equal to the cost of obtaining a standard form CLTA title insurance policy covering the Properties in the amount of the Purchase Price including the cost of the PTRs;
- (b) Seller and Buyer shall share equally in all costs of Escrow, including the Escrow

- Holder's escrow fee;
- (c) Seller shall pay the cost of documentary transfer taxes, if any, in connection with the recordation of the Grant Deeds.

Section 2.12 Brokerage Fees. The Parties agree that Seller is solely responsible for any fees and commissions relating to brokerage fees.

Section 2.13 Title Policy. Escrow Holder shall deliver to Buyer, through Escrow, an CLTA owner's policy of title insurance insuring Buyer's fee ownership of the Properties, subject only to the usual printed title company exceptions and the Permitted Exceptions, in amounts equal to the Purchase Price, issued by Title Insurer and dated as of Close of Escrow.

Section 2.14 Execution of Other Documents; Compliance with Regulations. The Parties will do such other things and will execute all documents which are reasonably necessary for Close of Escrow to occur. Furthermore, the Parties shall comply at their own expense with all applicable laws required for Close of Escrow to occur including, but not limited to, any required filings with governmental authorities.

Section 2.15 Recording of Documents and Delivery of Funds. Upon receipt of the funds and instruments described in this Article, and upon the satisfaction or waiver of the conditions precedent to Close of Escrow referred to in this Article, Escrow Holder shall cause the Grant Deeds and other documents specified in this Agreement to be recorded in the official records of the County of San Bernardino. Upon Close of Escrow, Escrow Holder shall deliver conformed copies of the Grant Deeds and all other appropriate documents to Buyer.

Section 2.16 Escrow Cancellation Charges. Notwithstanding any other provision of this Agreement to the contrary, in the event that Close of Escrow fails to occur as result of the default of a Party, the defaulting party ("Defaulting Party") shall be liable for all Escrow cancellation charges. In the event that Close of Escrow fails to occur for any other reason, Buyer and Seller shall each be responsible for and shall pay one-half of all Escrow cancellation charges unless specified otherwise in this Agreement.

ARTICLE III FEASIBILITY, DUE DILIGENCE AND INSPECTIONS

Section 3.1 Feasibility, Due Diligence, and Inspections. Buyer shall have thirty (30) business days from the date of this Agreement to complete its due diligence, ("Due Diligence Period"). At all times prior to Close of Escrow, Seller agrees that it shall provide to Buyer, in writing, any information relating to the Properties that reasonably may impact in any manner Buyer's proposed use of the Properties. After providing Seller with at least twenty-four (24) hours written notice, Buyer and its consultants, agents, contractors and employees ("Buyer's Agents") shall have the opportunity during the Due Diligence Period to enter the Properties during regular business hours, or as reasonably necessary, to make inspections of the Properties. After providing Seller with at least twenty-four hours written notice, Buyer may conduct any such tests or inspections as Buyer may

elect or deem necessary including, but not limited to, the following:

- (a) **General Inspection.** Buyer, at its sole cost and expense, shall review the feasibility of, and all factors relevant to, its proposed use of the Properties, and may conduct any and all inspections, reviews, examinations and tests of the Properties to determine the feasibility of such use.
- (b) **Inspection of Studies and Reports.** To assist in Buyer's due diligence investigations, if any, at the time of execution and delivery of this Agreement, Seller shall deliver to Buyer copies of all surveys, soil tests, engineering studies and any other test results or reports in Seller's possession or under Seller's control concerning the Properties ("Seller's Reports"). If so requested by Buyer, Seller shall instruct those who prepared the Seller's Reports to divulge to Buyer any other information they may have about the Properties.

Section 3.2 Consequences of Feasibility and Due Diligence Inspection. If Buyer fails to disapprove, in writing, of the physical or environmental condition of the Properties prior to the end of the Due Diligence Period, or any extension thereto, Buyer shall be deemed to have approved the physical and environmental condition of the Properties. Buyer shall notify Seller in writing if Buyer disapproves the physical or environmental condition of the Properties as a result of any inspection, study, test or review conducted pursuant to Section 3.1. In such event, within fifteen (15) business days after receipt of any such notification, Seller may either: (i) cancel the Escrow with respect to the Properties by delivering written notice to Buyer and Escrow Holder; or (ii) give written notice to Buyer that Seller intends to remove or abate the condition prior to Close of Escrow ("Abatement Option"). If Seller elects to exercise the Abatement Option, Seller shall do so at its own cost and expense prior to Close of Escrow, or after Close of Escrow pursuant to a separate written agreement with Buyer.

Section 3.3 Right to Observe Inspections and Testing. Seller may be present and may observe any inspections, studies or tests conducted by Buyer or Buyer's consultants; however, Seller shall not interfere with, or in any manner impede, any such inspection, study or test, and Buyer shall in no way be responsible for the safety of, or liable for, Seller during any such inspection, study or test.

Section 3.4 Repair of the Properties. If Escrow is cancelled with respect to the Properties, Buyer shall promptly repair any damage it has caused to the Properties.

Section 3.5 License for Buyer Inspections. As consideration to Buyer, Seller hereby grants a non-exclusive license to Buyer to enable Buyer to conduct Buyer's Due Diligence activities as to its proposed use of the Properties ("Buyer License"). The Buyer License shall include, but is not limited to, allowing Buyer to enter, cross over, on, along, through and across the Properties and to make environmental and geological tests and borings. The Buyer License is granted subject to any covenants, restrictions, reservations, rights-of-way and encumbrances of record.

ARTICLE IV SELLER'S REPRESENTATIONS AND WARRANTIES

Section 4.1 In addition to any other representations and warranties made by Seller pursuant to this Agreement, Seller warrants and represents that the following facts are true and correct as of the date Seller executes this Agreement, and that the truth and accuracy of such representations and warranties shall constitute a condition to Close of Escrow. As used in this Agreement, the phrase "to Seller's knowledge" shall be limited to the actual knowledge of the signatories to this Agreement and any and all of Seller's representatives with supervisory or managerial responsibilities related to the Properties and any constructive knowledge imparted to any of them as a result of any report, study or other documentation in Seller's possession.

(a) To Seller's knowledge, there are no actions, suits, material claims, legal proceedings or any other proceedings pending or threatened before any court or governmental agency that could have a material, adverse effect on Buyer's purchase, ownership or intended use of the Properties.

(b) To Seller's knowledge, there are no liens or encumbrances on, or claims to, or covenants, conditions and restrictions, leases, easements, rights-of-way or other matters affecting the Properties, except as indicated in the PTRs or disclosed in writing to Buyer and approved by Buyer.

(c) To Seller's knowledge, neither this Agreement, nor any action required hereunder, violates or shall violate any contract, agreement or instrument to which Seller is a party or which affects the Properties, or any portion thereof. No other person or entity is required to consent to, acknowledge or execute this Agreement in order to validate its execution by Seller or to permit the consummation of the transactions contemplated herein.

(d) To Seller's knowledge, neither Seller, nor any other party to Seller's knowledge, is in default with respect to any obligations or liabilities pertaining to the Properties, nor are there any existing state of facts or circumstances, or any condition or event, that would constitute or result in any such default upon the giving of notice or the passage of time or both. Seller has not received written notice or otherwise learned of any default or impending default by Seller or any other party of any obligations or agreements that could have a material and adverse effect upon the Properties.

(e) To Seller's knowledge, Seller has not: (i) made a general assignment for the benefit of creditors; (ii) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by Seller's creditors; (iii) suffered the appointment of a receiver to take possession of all or substantially all of Seller's assets; (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Seller's assets; (v) admitted in writing its inability to pay its debts as they come due; or (vi) made an offer of settlement, extension or composition to its creditors generally.

(f) To Seller's knowledge, Seller has delivered to Buyer any and all information then in Seller's possession pertaining to any known defect or condition of the Properties that may make it unsuitable for Buyer's intended use, and Seller warrants that it shall continue thereafter to deliver to

Buyer any and all such information thereafter obtained or discovered by Seller.

(g) To Seller's knowledge, Seller has not received any notice regarding any presence of hazardous wastes, toxic substances or related materials ("Hazardous Materials") on the Properties requiring removal or mitigation under applicable laws. To Seller's knowledge, the Properties are not in violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or the environmental conditions of, under, or in the vicinity of the Properties, including, without limitation, soil and groundwater conditions. To Seller's knowledge, no hazardous materials exist on, under or in the vicinity of the Properties; or have been transported to or from the Properties; or have been used, generated, stored or disposed of on, under or in the vicinity of the Properties.

(h) Seller has the full right and authority to enter into this Agreement and consummate the transactions contemplated herein, and each person signing this Agreement in behalf of Seller is authorized to do so.

Section 4.2 Seller is selling the Properties in "As-Is" condition. Except as otherwise expressly provided in this Agreement, Seller hereby disclaims all warranties of any kind or nature whatsoever (including warranties of habitability and fitness for particular purpose), whether expressed or implied, including but not limited to warranties with respect to either of the Properties, or its condition or suitability for Buyer's intended use.

ARTICLE V BUYER'S REPRESENTATIONS AND WARRANTIES

Section 5.1 In addition to any other representations and warranties made by Buyer pursuant to this Agreement, Buyer warrants and represents that the following facts are true and correct as of the date Buyer executes this Agreement, and the truth and accuracy of such representations and warranties shall constitute a condition to Close of Escrow. As used in this Agreement, the phrase "to Buyer's knowledge" shall be limited to the actual knowledge of the signatories to this Agreement on behalf of Buyer and any constructive knowledge imparted to it as a result of any report, study or other documentation in Buyer's possession.

(a) To Buyer's knowledge, neither this Agreement, nor any action required hereunder, violates or shall violate any contract, agreement or instrument to which Buyer is a party. No other person or entity is required to consent to, acknowledge, or execute this Agreement in order to validate its execution by Buyer or to permit the consummation of the transactions contemplated herein.

(b) To Buyer's knowledge, Buyer, subject to the provisions of this Agreement, has the full right and authority to enter into this Agreement and consummate the transactions contemplated herein, and each person signing this Agreement on behalf of Buyer is authorized to do so.

(c) To Buyer's knowledge, except as set forth in this Agreement, there is no existing state of facts or circumstances, or any condition or event, that would preclude Buyer from fulfilling its

obligations under this Agreement.

Section 5.2 Buyer hereby covenants and agrees that: (a) except as expressly set forth in this Agreement, Seller make no representations or warranties of any kind whatsoever, express or implied, in connection with this Agreement, the purchase of the Properties by Buyer, the condition of the Properties, or whether the Properties is appropriate for Buyer's intended use; (b) Buyer has, or prior to Close of Escrow will have, fully investigated the Properties and all matters pertaining thereto; and (c) Buyer has, or prior to Close of Escrow will have, diligently investigated all zoning and land use regulations, other governmental requirements, site and physical conditions and other matters affecting the use and condition of the Properties.

Section 5.3 Condition of the Properties. Seller warrants that, to its actual knowledge without independent investigation, there are no hazardous chemicals or toxic substances located on, in or under the Properties. The provisions of this Section shall not relieve Buyer of the duty to conduct a thorough environmental inspection, if any, pursuant to Article III.

ARTICLE VI INSURANCE AND INDEMNIFICATION

Section 6.1 Indemnification by Buyer. Buyer shall indemnify, defend and hold harmless Seller its from any loss of or damage to the Properties, or injury or death of any person whomsoever, including attorneys' fees and costs, arising from the activities caused in whole or in part by any intentional or negligent act of Buyer or Buyer's Agents, or by any act or omission of Buyer or Buyer's Agents in the exercise of rights pursuant to the Buyer License, or from all mechanic liens, materialmen liens and other liens resulting from the use of the Buyer License; provided, however, that Buyer shall not be liable in such instances that a loss, damage or injury is caused by Seller or by any act or omission for which Seller is liable without fault of Buyer.

ARTICLE VII DISPUTES AND DEFAULT

Section 7.1 Governing Law. This Agreement shall be governed by and construed in accordance with California law.

Section 7.2 Venue for Resolving Disputes. Any arbitration, mediation, litigation or other proceeding arising out of, or associated with, this Agreement shall be conducted only in the County of San Bernardino.

Section 7.3 Interpretation of Agreement. The headings set forth in this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions contained herein.

Section 7.4 Attorneys' Fees. In any action between Buyer and Seller seeking enforcement or interpretation of any provision of this Agreement or in connection with the purchase of the Properties, the prevailing Party in such action shall be awarded its reasonable costs and expenses,

including, but not limited to, reasonable attorneys' fees, disbursements, and court costs, in addition to any damages, injunctive, or other relief awarded, and, without limitation, attorneys' fees, disbursements, and court costs, incurred in any post judgment proceedings to collect or enforce any judgment.

Section 7.5 Default. Time is of the essence in this Agreement, and if either Party defaults on its obligations hereunder, then the other Party ("Non-Defaulting Party") may initiate termination of this Agreement by notice in writing to the Defaulting Party and Escrow Holder. If the Defaulting Party has not fully cured the default within thirty (30) days after receipt of such written notice, the Non-Defaulting Party may instruct Escrow Holder to cancel the Escrow, and the Non-Defaulting Party shall thereupon be released from its obligations under this Agreement. If said Default is not cured within the foregoing 30 day period, it is hereby mutually agreed that Escrow shall be immediately cancelled and the full deposit (less any escrow, title, or other applicable fees) shall be released to Seller and there will be no further liability from the Parties herein.

ARTICLE VIII MISCELLANEOUS PROVISIONS

Section 8.1 Entire Agreement. This Agreement fully and completely expresses the entire agreement between the Parties hereto with respect to the subject matter hereof.

Section 8.2 Waiver. The failure of either Party at any time to require a performance by the other Party of any provision hereof shall not affect in any way the full right to require such performance at any time thereafter. The waiver of any breach of any provision of this Agreement by Buyer or Seller shall not be deemed to be a waiver of any preceding or subsequent breach of the same or any other provision of this Agreement.

Section 8.3 Representation by Independent Counsel. Buyer and Seller agree and acknowledge that they have been represented by independent legal counsel of their own choice throughout all negotiations preceding the execution of this Agreement, and that they have executed this Agreement with the consent of, and upon the advice of, their own legal counsel.

Section 8.4 Not for Benefit of Third Parties. This Agreement and every provision hereof is for the exclusive benefit of the Parties to this Agreement and not for the benefit of any third party.

Section 8.5 Assignment. This Agreement shall be binding upon the Parties hereto and their respective heirs, successors, representatives and assigns.

Section 8.6 Notices. All notices, demands and other communications given or required to be given pursuant to this Agreement shall be in writing, duly addressed as indicated below, and given by personal delivery, registered or certified mail (postage prepaid and return receipt requested), Federal Express or other reliable private express delivery, or by facsimile transmission (with original to follow via first-class U.S. Mail). Such notices, demands or other communications shall be deemed received: (i) immediately upon delivery if personally delivered or sent by facsimile

transmission; or (ii) after three business days if given or sent by any other approved method specified above. Any Party specified below may, for purposes of this Agreement, change its name, address, facsimile number or person to whom attention should be directed by giving notice in the manner specified in this Section. Notices, demands and communications shall be duly addressed as follows:

To Buyer:

Attention: City Manager
City of Redlands
P.O. Box 3005
Redlands, CA 92373
(909) 798-7510

To Seller:

Carl Brandstetter
CB Properties
601 W. Colton Avenue, Suite B
Redlands CA 92374
(909) 640-6404
FAX (909) 335-0370

To Escrow Company:

First American Title Company
323 W. Court Street
San Bernardino, CA 92401-1604

Section 8.7 Severability. If any article, section, subsection, paragraph, sentence, clause or phrase contained in this Agreement shall become illegal, null or void or against public policy, for any reason, or shall be held by a court of competent jurisdiction to be illegal, null or void or against public policy, the remaining articles, sections, subsections, paragraphs, sentences, clauses or phrases contained in this Agreement shall not be affected thereby.

Section 8.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

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IN WITNESS OF THE FOREGOING, the undersigned execute this Agreement on behalf of Buyer and Seller.

NORINE MAE LARSON

DORIS E. MARSHBURN, TRUSTEE

Norine Mae Larson

July __, 2004

June 29, 2004
NORINE M. LARSON, TRUSTEE

Doris E. Marshburn, Trustee

July __, 2004

June 29, 2004

Norine M. Larson Trustee

July 29, 2004

June 29, 2004

CITY OF REDLANDS

Susan Pepler
Mayor, Susan Pepler

Dated: July 6, 2004

ATTEST:

Lorrie Poyzer
Lorrie Poyzer, City Clerk

Dated July 6, 2004

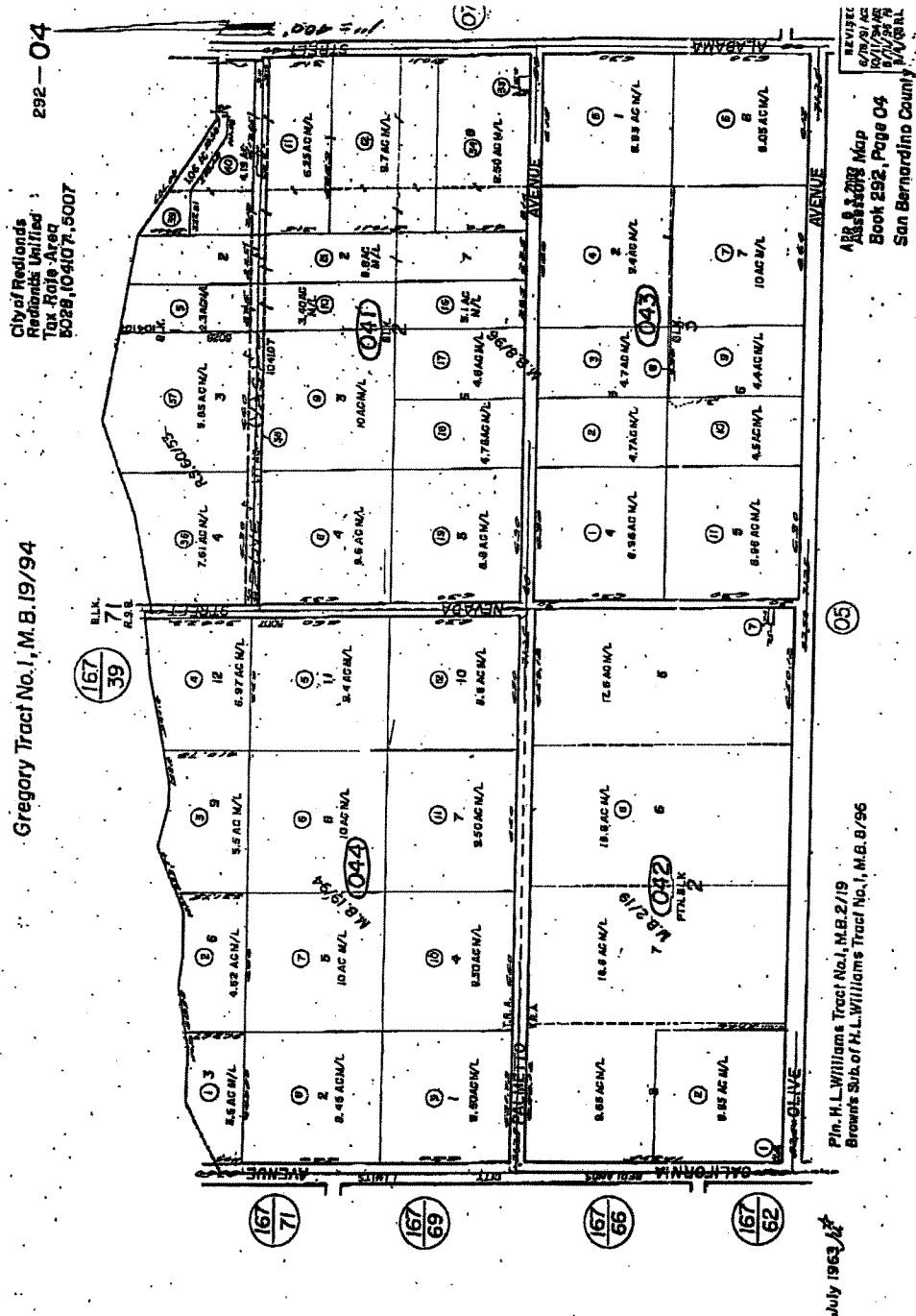
EXHIBIT A-1
LEGAL DESCRIPTION

Real property in the unincorporated area of the County of San Bernardino, State of California described as follows:

LOT(S) 3 AND 4, BLOCK 2 AND THE EAST HALF OF LOT 6, BLOCK 2, BROWN'S SUBDIVISION, AS SHOWN BY MAP RECORDED IN BOOK 8 PAGE 96, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, TOGETHER WITH THE SOUTH HALF OF PINE AVENUE (VACATED), WHICH WOULD PASS BY OPERATION OF LAW.

APN: 0292-041-08, 0292-041-09, 0292-041-17 and 0292-041-38

EXHIBIT A-2 [Map of the Properties]



Description: San Bernardino, CA Assessor Map 292.4 Page: 1 of 1
Order: 06-29-2004 07-50-27 AM Comment: AMF

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Handwritten notes: "n.f." and "am."

Recording Requested By
and When Recorded Mail to:
City Clerk
City of Redlands
P.O. Box 3005
Redlands CA 92373

EXHIBIT "B"
GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, [name] ("Grantors"), hereby grant to the City of Redlands ("Grantee"), a municipal corporation organized and existing pursuant to California law, that certain real property located in the County of San Bernardino, State of California, and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, this instrument is executed as of this ____ day of _____, 2004 by:

[PLEASE NOTARIZE SIGNATURES]

GRANTOR:

[NAME]

By: _____

GRANTEE:

CITY OF REDLANDS

Mayor, Susan Peppler

ATTEST

Lorrie Poyzer, City Clerk

STATE OF CALIFORNIA)

ss.

COUNTY OF SAN BERNARDINO)

On _____, before me, _____

personally appeared, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature (Seal)

n.k.
Dm.

LEGAL DESCRIPTION

Real property in the unincorporated area of the County of San Bernardino, State of California described as follows:

LOT(S) 3 AND 4, BLOCK 2 AND THE EAST HALF OF LOT 6, BLOCK 2, BROWN'S SUBDIVISION, AS SHOWN BY MAP RECORDED IN BOOK 8 PAGE 96, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, TOGETHER WITH THE SOUTH HALF OF PINE AVENUE (VACATED), WHICH WOULD PASS BY OPERATION OF LAW.

APN: 0292-041-08, 0292-041-09, 0292-041-17 and 0292-041-38

EXHIBIT A TO EXHIBIT B