

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 and described on Exhibit "A" which is 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, but for no other purpose.

D. The City desires to obtain a gift of the Land from Grantor and to use the Land to expand the Park.

E. The City has informed Grantor that it may be necessary to use certain portions of the Land in conjunction with the City's water drainage system, which use may, at all times or from time-to-time, interfere with use of all or a portion of the Land as a public park.

F. City and Grantor now desire to provide for a gift of the Land to the City for use to expand the Park, 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, 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, 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 no other purpose. Therefore, the City further specifically agrees that if the Land, or any portion thereof, shall ever cease to be used as a City Park, or parking related thereto, which is open to the public, or shall ever be used, whether at all times or from time-to-time, as part of or in conjunction with the City's water drainage system or the Zanja Creek drainage, or if any portion of such water drainage system or the Zanja Creek is placed or routed upon any portion of the Land, or if water is ever spread on any portion of the Land in conjunction with the City's water drainage system (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 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 occurrence of the Reversion Contingency 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, 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.

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.

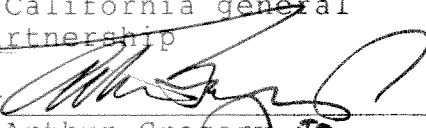
4.5 This Agreement shall be binding on the parties hereto and their respective heirs, successors, and assigns, and any reference to the City or Grantor herein shall be deemed to include their heirs, successors and assigns.

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 16 day of December, 1986.

"Grantor"

REDLANDS SECURITY COMPANY,
a California general
partnership

By: 

Arthur Gregory, Jr.
General Partner

"City"

THE CITY OF REDLANDS, a
California municipal
corporation

By: John E. Holmes

Its: City Manager

And: Jennie Pyper

Its: City Clerk

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 0° 43' 15" West along the centerline of said New York Street, 320.00 feet to the TRUE POINT OF BEGINNING; thence North 89° 54' 32" East parallel with the aforesaid South line of the North 1/2 of Block 29, 616.00 feet; thence North 0° 43' 15" West parallel with the centerline of said New York Street, 80.00 feet to a point on the North line of the South 400 feet of said North 1/2 of Block 29 of the BARTON RANCH; thence South 89° 54' 32" West along the North line of the South 400 feet of said North 1/2 of Block 29, 616.00 feet to a point on the centerline of said New York Street; thence South 0° 43' 15" East along the centerline of New York Street, 80.00 feet to the point of beginning.

EXCEPTING therefrom the Westerly 40 feet lying within New York Street. SUBJECT to a 15 foot wide drainage easement, the centerline of said 15 foot wide drainage easement being 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 0° 43' 15" West along the centerline of said New York Street, 320.00 feet; thence North 89° 54' 32" East along a line parallel with the aforesaid South line of the North 1/2 of Block 29, a distance of 530.00 feet to the TRUE POINT OF BEGINNING of said easement; thence at right angles North 0° 05' 28" West 80.00 feet to the Northerly terminus of said easement.

EXCEPTING therefrom that portion conveyed to the City of Redlands by deed recorded December 23, 1935 in Book 1108, Page 367, Official Records of said County, described as follows:

BEGINNING at a point on the East line of New York Street, said point being the Northwest corner of the South 400 feet of the West 853.30 feet of the North 1/2 of said Block 29; thence along the North line of the aforesaid South 400 feet, East 50 feet; thence Southwesterly 54.60 feet to a point on the East line of New York Street; thence along the East line of New York Street North 22 feet to the point of beginning.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

REID & HELLYER (JKM)
A Professional Corporation
599 N. Arrowhead Avenue
San Bernardino, CA 92412

Assessor's Parcel No:
171-021-02

GRANT DEED WITH POWER OF TERMINATION

This indenture is made this 11th day of December, 1986, between Redlands Security Company, a general partnership ("RSC"), and the City of Redlands, a California municipal corporation (the "City").

WHEREAS, RSC is seized in fee simple of that parcel of real property which is described on Exhibit "A" attached hereto and incorporated herein by reference (the "Land");

WHEREAS, the Land is immediately adjacent to the Jennie Davis Park (the "Park") which is owned, maintained and operated for the public benefit by the City and which is now located upon land previously donated to the City by Arthur Gregory, Sr.;

WHEREAS, RSC now wishes to honor Arthur Gregory, Sr. by a gift of the Land from RSC to the City for expansion of the Park, but for no other purposes;

WHEREAS, RSC and the City have entered into a "Parkland Use Agreement" (the "Agreement"), of even date herewith, concerning RSC's gift of the Land and the City's use thereof.

NOW, this indenture witnesses as follows:

1. Grant of Real Property.

RSC does hereby grant the Land to the City and its successors and assigns on the condition subsequent that the Land shall be used by the City only in expanding the Park, and for no other purpose, as provided in the Agreement which is incorporated herein by reference.

2. Power of Termination.

RSC expressly reserves for itself and its successors and assigns a Power of Termination so that if the City, or its successors and assigns, shall ever cease to use the Land for Public Park purposes as provided in the Agreement, or be in material breach of any provision of the Agreement, then, RSC, or its successors and assigns, may re-enter the Land.

3. Exceptions to the Grant.

In addition to the Power of Termination created herein, this Grant shall be subject to:

EXEMPT FROM STATE AND LOCAL REAL
PROPERTY/SUPPLEMENTAL TAXES

- a. General and special taxes which are a lien, if any;
- b. Bonds and assessments of record, if any;
- c. Covenants, conditions, restrictions, reservations, rights-of-way and easements of record, if any;
- d. The effect of the Agreement.

4. Obsolescence of Power of Termination.

By acceptance of this conveyance, the City covenants and agrees that, because this conveyance is made in honor of Arthur Gregory, Sr., the Power of Termination created herein shall be of actual and substantial benefit to the holder of such Power and such Power shall not become obsolete, as defined in California Civil Code §885.040, during the life of any of the natural partners of RSC or so long as such Power is held by the kin, by blood or by marriage, of any of such natural partners.

5. Exercise of Power of Termination.

Exercise of the Power of Termination created herein, or avoidance thereof, shall be governed by the Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands on the date and year first above written.

REDLANDS SECURITY COMPANY,
a California general partnership

By _____

THE CITY OF REDLANDS, a California
municipal corporation

By: _____

Its: _____

And: _____

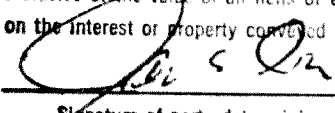
Its: _____

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City Clerk
City of Redlands
Post Office Box 280
Redlands, Calif. 92373

Assessor's Parcel No:
171-021-02

Property situate in San Bernardino County
Amount of Documentary Transfer Tax Due \$ None*. The
consideration or value on which the tax due was computed was
exclusive of the value of all liens or encumbrances remaining
on the interest or property conveyed at the time of sale.


Signature of party determining the tax or his agent

*Consideration less than \$100

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between Redlands Security Company, a general partnership
("RSC"), and the City of Redlands, a California municipal
corporation (the "City").

WHEREAS, RSC is seized in fee simple of that parcel of real
property which is described on Exhibit "A" attached hereto
and incorporated herein by reference (the "Land");

WHEREAS, the Land is immediately adjacent to the Jennie
Davis Park (the "Park") which is owned, maintained and
operated for the public benefit by the City and which is
now located upon land previously donated to the City by
Arthur Gregory, Sr.;

WHEREAS, RSC now wishes to honor Arthur Gregory, Sr. by a
gift of the Land from RSC to the City for expansion of the
Park, but for no other purposes;

WHEREAS, RSC and the City have entered into a "Parkland Use
Agreement" (the "Agreement"), of even date herewith,
concerning RSC's gift of the Land and the City's use
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In addition to the Power of Termination created

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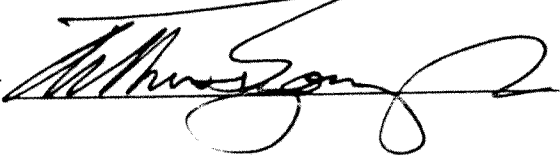
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REDLANDS SECURITY COMPANY,
a California general partnership

By



THE CITY OF REDLANDS, a California
municipal corporation

By:

John E. Holmes

Its:

City Manager

And:

James Poyger

Its:

City Clerk



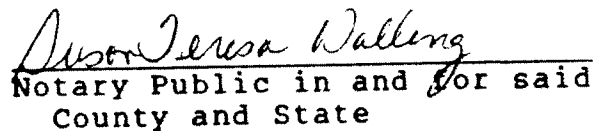
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WITNESS my hand and official seal.



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: 88.
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WITNESS my hand and official seal.



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EXHIBIT A

RS