

LICENSE AGREEMENT
FOR
TEMPORARY INSTALLATION OF GENERATOR AT SMILEY PARK

This License is made and entered into this 21st day of May, 2002, by and between Verizon, (hereinafter called "Licensee"), and the City of Redlands, a municipal corporation (hereinafter called "Licensor").

In consideration of the mutual promises contained herein, and for such other good and valuable consideration, the receipt of which is hereby acknowledged, the City of Redlands and Verizon agree as follows:

1. Grant of License. Subject to the terms and conditions hereinafter set forth, Licensor hereby grants Licensee a non-exclusive License to temporarily place a 44' x 9' enclosed trailer-mounted 1000 K.W. generator ("Generator") on the south side of the Verizon facility. The trailer containing the Generator shall be placed 18' from the front of Licensee's building and a minimum of 4' from Smiley Park sidewalks, away from foot traffic. The precise location of the Generator is more particularly described in the attached Exhibit "A" which is made a part hereof. The design and appearance of the trailer shall be as shown in the photograph attached hereto as Exhibit "B," without the Verizon logo.

2. Generator Installation Program. Licensee shall use the Generator as a back up power source to keep its telephone switch equipment functioning for the benefit of the citizens of Redlands, including the 911 emergency system. Licensee's emergency Generator installation program shall consist of the following three phases:

1. First Phase: Installation of a temporary 1000 k.w. generator to feed the entire Redlands Central Office. removal of existing 500 k.w. generator.

2. Second Phase: Structural reinforcement of the floor, above the garage area, and beneath

the new D.C. Power Plant area. Installation of a new Verizon D.C. Power Plant.

3. Third Phase: Upgrading the 480 volt A.C. Service, installation of new 1500 k.w. generator, and installation of new 12,000 gallon underground fuel tank.

3. Generator Operation and Maintenance. Licensee shall, at its sole cost and subject to the supervision and control of Licensor's City Engineer, maintain the Generator in such a manner that it will not, at any time, be a source of danger to, or interfere with, the present or future users of the property of Licensor. Prior to installation of the Generator, Licensee, at its sole cost, shall "cap" Licensor's existing irrigation system located east of the trailer location and place protective material over the grass area. The trailer undersides shall be skirted for safety, and cables shall be run at a 10' level on Licensee's existing building over to the existing Edison service. If at any time Licensee shall, in the sole judgment of Licensor, fail to satisfy its obligations under this License, Licensor may, at its option, take the necessary steps to ensure the safe operation of the Generator, and in such event Licensee shall pay, within fifteen (15) days after receipt of an invoice, any costs incurred by Licensor to ensure such safe operation. Notwithstanding the foregoing, failure on the part of Licensor to perform the obligations of Licensee shall not release Licensee from any liability hereunder for loss or damage occasioned by Licensee's Generator.

4. Costs of Installation and Restoration of Property. Upon completion of Licensee's Generator installation project, Licensee, at its sole cost, shall restore Licensee's property to its condition prior to the time of installation. Upon the written demand of Licensor, Licensee shall reimburse Licensor for any reasonable expenses incurred by Licensor as a result of Licensor's failure to restore the property in connection with the Generator being located on Licensor's property under the terms of this License.

5. Defense and Indemnity. Licensee shall defend, indemnify and hold harmless Licensor and its elected officials, employees and agents from and against any and all claims, loss, damages, causes of action or expense that Licensor may sustain, incur or become liable for, resulting in any

manner from the presence of the Generator, on Licensor's property including any loss, damage or expense arising out of (a) loss of, or damage to, property, and (b) injury to, or death of, persons, or any such other loss or damage.

6. Licensee's Compliance. If at any time Licensee shall fail or refuse to comply with, or carry out, any of the terms or conditions of this License, Licensor may, in its sole discretion, immediately revoke this License, in addition to pursuing any other legal or equitable remedies Licensor may possess.

7. Revocation/Termination. This License is granted by Licensor and accepted by Licensee upon the express condition that this License may be terminated without cause at any time by either party upon ten (10) days' prior written notice served upon the other party, stating the date that such termination shall take place, and that upon the termination of this License Licensee, upon demand of Licensor, shall abandon use of the Generator and remove the same and restore Licensor's property. In the event Licensee fails to restore Licensor's property within ten (10) days after the effective date of termination, Licensor may proceed with such work at the expense of Licensee. No termination of this License shall release Licensee from any liability or obligation hereunder, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date the Generator is removed and the property of Licensor restored as herein provided.

8. Notice. Any notice, request, instructions or revocation of this License shall be given by Licensee to Licensor by personal delivery to Licensor, or by deposit in the U.S. Mail, postage prepaid, and addressed to Licensor at City of Redlands, Public Works Department, 35 Cajon Street, Suite 200, Redlands, California.

9. Successors and Assigns. All covenants and provisions of this License shall be binding upon and inure to the benefit of the successors, and assigns of the parties to the same extent and effect as the same are binding upon and inure to the benefit of the parties hereto. No assignment

hereof by Licensee, its successors, or assigns, shall be binding upon Licensor without the prior written consent of Licensor.

10. Attorneys' Fees. In the event any legal action is commenced to enforce or interpret the terms or conditions of this License, the prevailing party in such action shall be entitled to recover in addition to its costs and other relief, its reasonable attorneys' fees.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

12. Entire Agreement. This License embodies the entire understanding of the parties hereto as to the matters contained herein, and there are no further agreements or understandings, written or oral, in effect between the Parties relating to the grant of this License.

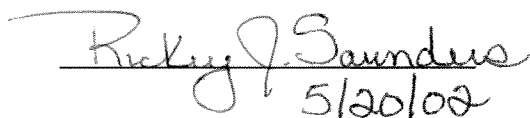
IN WITNESS WHEREOF, the parties have executed this License on the dates indicated below.

CITY OF REDLANDS, Licensor

VERIZON, Licensee



Mayor



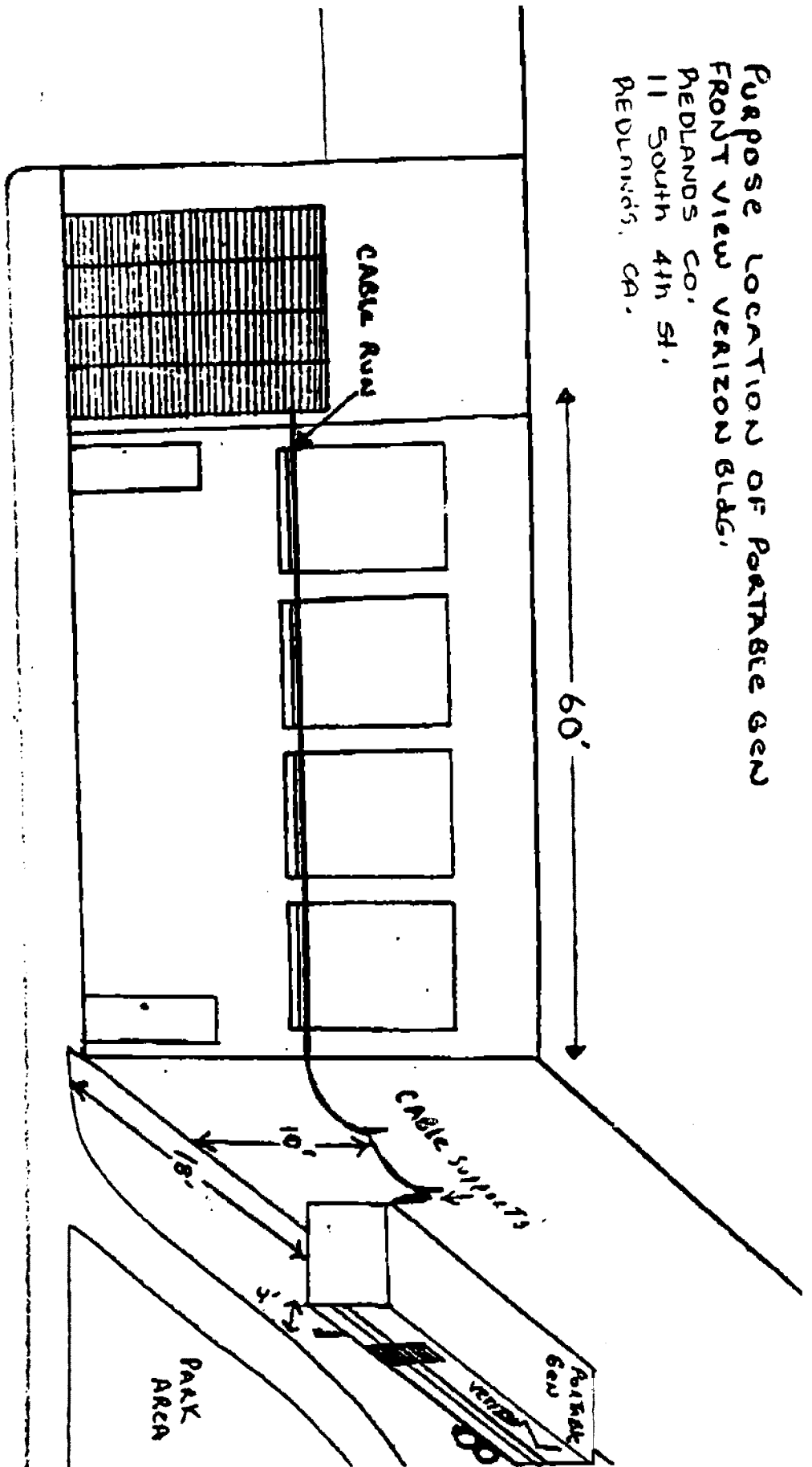
DATE: MAY 30, 2002

ATTEST


City Clerk

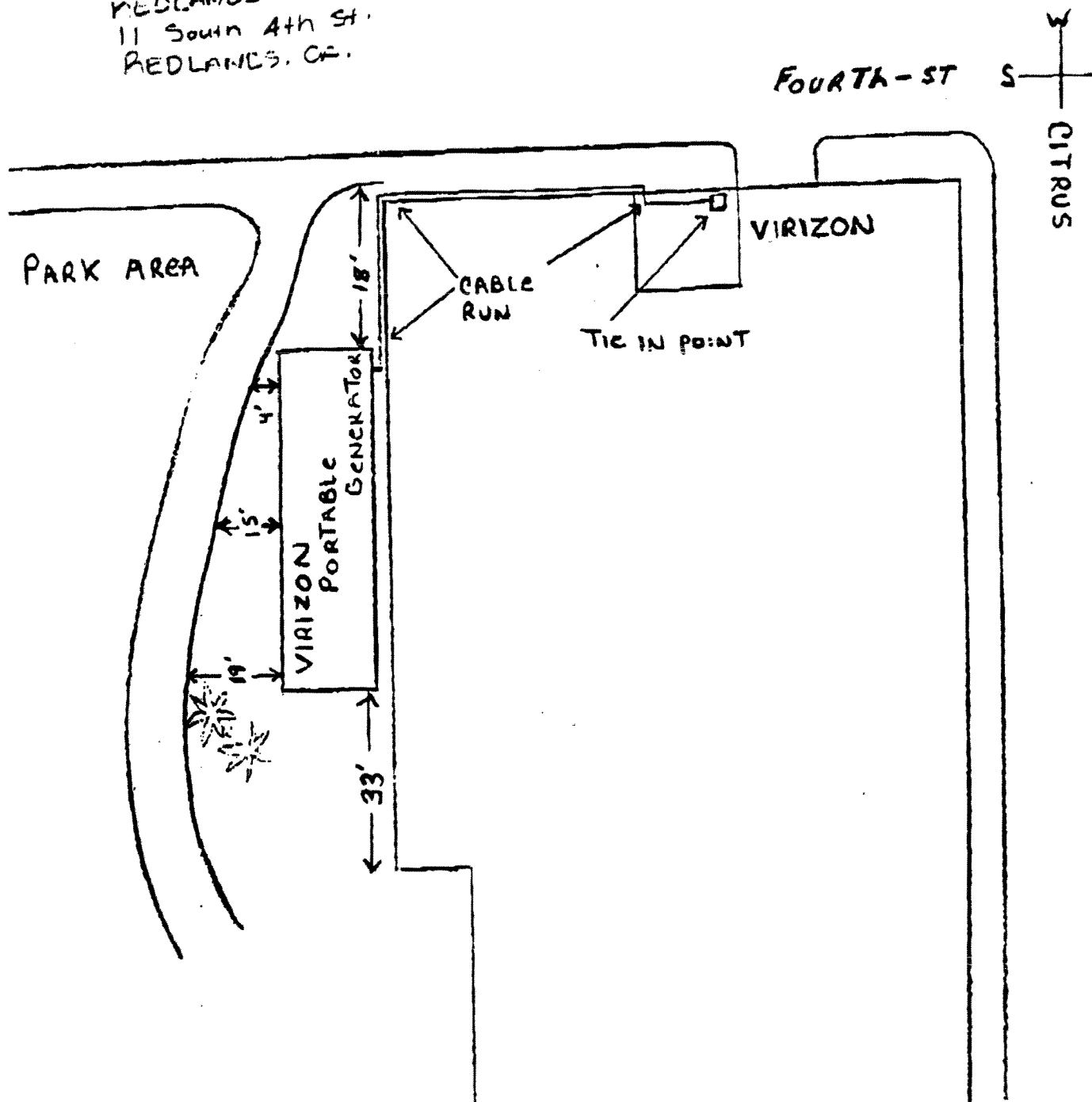
Purpose Location of Portable Gen
Front View Verizon Bldg.
Redlands Co.
11 South 4th St.
Redlands, CA.

FOURTH ST



PURPOSE LOCATION OF PORTABLE GEN TOP VIEW

REDLANDS CO.
11 South 4th St.
REDLANDS, CA.



PREPARED BY AG ENGR 909-944-8504 AL GUTIERREZ

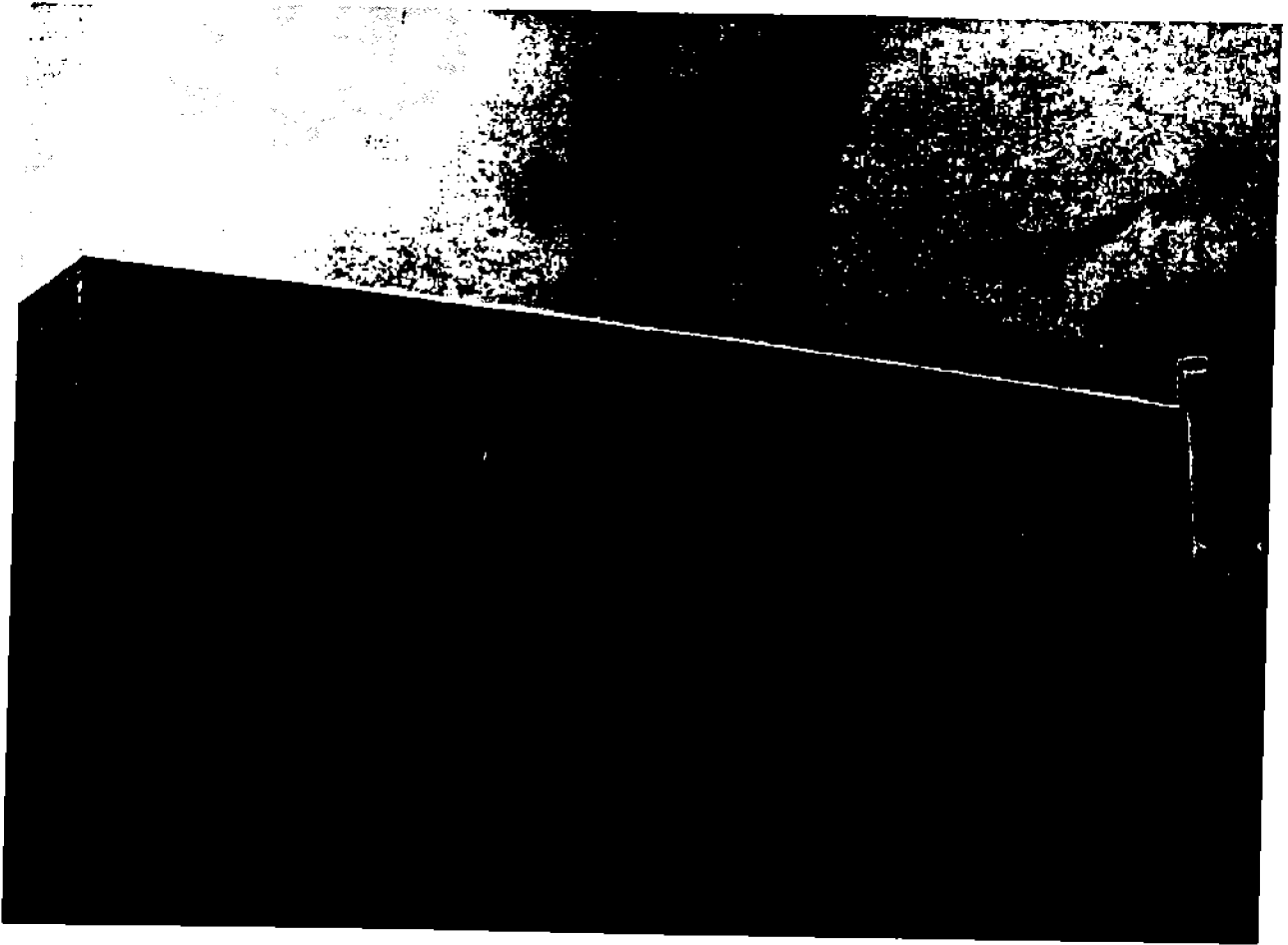


Exhibit "B"