

PERMIT AGREEMENT

This Permit Agreement ("Agreement") is made by and between the City of Redlands ("City") and Redlands Security Company, a California general partnership ("RSC"), with reference to the following:

WHEREAS, RSC is the owner of that certain property commonly known as 515 Orange Street, Redlands, California ("Property") and the building (the "Building") located thereon.

WHEREAS, RSC has applied to the City for permits to undertake certain improvements to the Building, including, without limitation, the placement of an access door on the south side of the Building (the "Access Door").

WHEREAS, the City's building and safety code prohibits the location of a door in an exterior wall of a building less than five (5) feet from the property line.

WHEREAS, the Access Door will be located within 5 feet of the property line.

WHEREAS, pursuant to the terms of that certain First Amended and Restated Lease Agreement dated November 15, 1993 (the "Lease") made by and between RSC and The Alice Thomerson Kubera Trust, RSC is leasing the property immediately adjacent to the south side of the Building in which the Access Door will be located ("Adjacent Property").

WHEREAS, the Lease also provides RSC with a right of first refusal to acquire the Adjacent Property.

NOW THEREFORE, the City and RSC agree as follows:

1. Provided all other applicable conditions are met, the City hereby agrees to issue RSC a permit (the "Permit") to construct the Access Door subject to the terms and conditions of this Agreement.

2. Upon the expiration or termination of the Lease (unless RSC shall acquire fee title to the Adjacent Property), RSC shall either:

(i) Remove the Access Door and seal the opening in the south side of the Building; or

(ii) Obtain an easement over the Adjacent Property benefiting the Property which provides a minimum of five (5) feet

of access to the Access Door. Such easement to be in a form reasonably acceptable to the City.

3. In the event RSC shall acquire fee title to the Adjacent Property, RSC shall be entitled to maintain the Access Door in the Building so long as both the Adjacent Property and the Property are held by RSC or under other common ownership. In the event such common ownership shall cease to exist, RSC shall either:

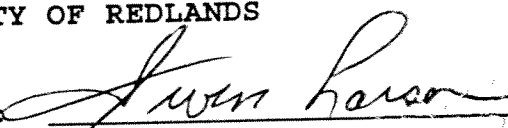
(i) Remove the Access Door and seal the opening in the south side of the Building; or

(ii) Obtain or reserve an easement over the Adjacent Property benefiting the Property which provides a minimum of five (5) feet of access to the Access Door. Such easement to be in a form reasonably acceptable to the City.

4. This Agreement shall inure to the benefit of and be binding upon any owner of the Property.

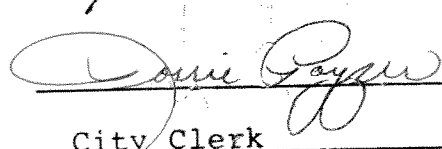
IN WITNESS WHEREOF, this Agreement is executed by the parties to be effective on and as of May 23, 1994.

CITY OF REDLANDS

By: 

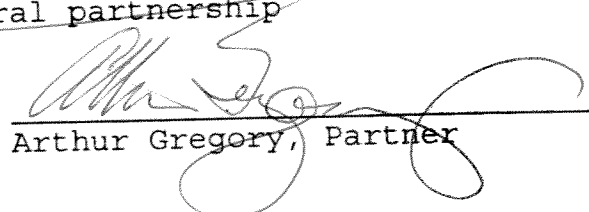
Its: Mayor

ATTEST:

~~Approved~~ By: 

City Clerk

REDLANDS SECURITY COMPANY, a California
general partnership

By: 

Arthur Gregory, Partner