

FIRST AMENDMENT TO SPONSORED RESEARCH AGREEMENT BETWEEN THE
PENNSYLVANIA STATE UNIVERSITY AND CITY OF REDLANDS

This First Amendment to this Sponsored Research Agreement is entered into this 21st day of December, 2004 and is made by and between the City of Redlands, a municipal corporation whose address is 35 Cajon Street, Redlands, California 92373 (hereinafter "City"), and The Pennsylvania State University whose address is 212 Sackett, University Park, PA 16802 (hereinafter "University").

RECITALS

WHEREAS, under the terms of the existing Sponsored Research Agreement dated October 7, 2003, University is providing research for the Municipal Utilities Department of the City; and

WHEREAS, City and University agree that they want to extend the termination date of this Agreement from December 31, 2004 to June 30, 2005; and

WHEREAS, amendments to the Agreement can be made by written instrument signed by both parties pursuant to Article 16.3 of the Agreement;

NOW THEREFORE, in consideration of the mutual promises contained herein, it is agreed by and between the City of Redlands and The Pennsylvania State University to amend this Sponsored Research Agreement as follows:

1. Article 2 "Period of Performance" is hereby amended to read as follows:

"Period of performance shall be from August 15, 2003 to June 30, 2005 (hereinafter referred to as "Period of Performance")."

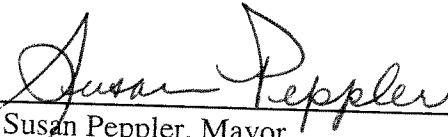
2. Except as amended herein, all terms and conditions of the original Sponsored Research Agreement dated October 7, 2003 shall remain unchanged and in full force and effect.

In witness whereof, this amendment has been executed by the above parties hereto as of the date set forth above.

THE PENNSYLVANIA STATE UNIVERSITY CITY OF REDLANDS

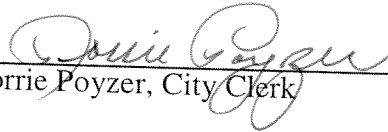


R. Killoren
Associate Vice President
for Research



Susan Peppler, Mayor

ATTEST



Lorrie Poyzer, City Clerk