

SUBLEASE AGREEMENT

This Sublease agreement ("Sublease") is made and entered into this 3rd day of October, 2000, (the "Effective Date") by and between the City of Redlands, a municipal corporation ("City"), and Redlands Aviation ("Landlord"), which together are sometimes referred to as the "Parties."

Landlord, for and in consideration of the rent to be paid by City under this Sublease, hereby Subleases to City, and City agrees to Sublease from Landlord, the building comprising the "Lobby" and its adjoining outdoor patio located at the Redlands Municipal Airport, Redlands, California ("the Premises") which are more particularly shown on Exhibit "A" which is attached hereto and made as part of this Sublease.

Section 1. Term. This Sublease shall be on a month to month basis, commencing on October 4, 2000 ("Commencement Date") and continuing until terminated by Landlord or City by providing written notice of such termination to the other ninety (90) days prior to the date of termination.

Section 2. Rent for the Premises. City shall pay to Landlord each month during the term of this Sublease rent in the amount of Seven Hundred Forty Dollars and fifty-nine cents (\$740.59) for the Lobby and Seventy-Five Dollars (\$75.00) for the Patio, for a total of Eight Hundred Fifteen Dollars and fifty-nine cents (\$815.59)(together, the "Rent"). The Rent shall be payable on the Effective Date of this Sublease, and thereafter on the fourth day of each and every month at the office of Landlord at 1795 Sessums Drive, Redlands, California, or at any other place as Landlord from time to time designates by written notice delivered to City. Rent for any partial calendar month occurring at termination of this Sublease shall be prorated accordingly. The Rent shall be adjusted every five years according to the Southern California CPI Index.

Section 3. Use of Premises. During the term of this Sublease the Premises shall be used as a public airport lobby and patio and any other related purposes deemed appropriate by City.

Section 4. Taxes and Utilities. Landlord shall pay all taxes and assessments levied on the Premises, and all charges for the furnishing of water, sewer and solid waste disposal to the Premises during the term of this Sublease.

Section 5. Operations. Landlord shall be responsible for providing lock and key service for the Lobby, and opening and closing of the Lobby all 365 days of the year, 8:00a.m. to 5:00 p.m.

Section 6. Furnishings. City shall furnish tables and chairs for the Lobby.

Section 7. Maintenance. The Parties agree to share equally all expenses for the maintenance of the air conditioning and heat pump, hot water heater, water cooler and plumbing of the Lobby. Landlord shall also provide light bulbs for the perimeter of the Lobby building and Patio. City shall pay for, and provide, electricity and light bulbs for the Lobby and Patio area. If City determines that new flooring for the Lobby is required, the cost for the new flooring shall be shared equally by the Parties.

Section 8. Janitorial Services. Landlord shall provide, janitorial services at the rate of \$225.00 per month for Public Lobby and patio cleaning - adjusted by Southern California CPI Index. Landlord shall provide cleaning equipment, cleaning supplies, garbage receptacles and bags. Cleaning includes carpet, windows, chairs, washrooms, spiders, patio, entrances, and trash removal. City shall provide toilet paper and paper towels for the Lobby.

Section 9. Alterations and Liens. City shall not make or permit any other person to make any alterations to the Premises or to any improvements on the Premises without the prior written consent of Landlord. Landlord shall not unreasonably withhold its consent. City shall keep the Premises free and clear from any and all liens, claims and demands for work performed, materials furnished, or operations conducted on the Premises at the instance or request of City. Furthermore, any and all alterations, additions, improvements and fixtures, except furniture and trade fixtures, made or placed in or on the Premises by City or any other person shall on expiration or earlier termination of this Sublease, become the property of Landlord and remain on the Premises. Landlord shall have the option, however, on expiration or termination of this Sublease, of requiring City, at City's sole cost and expense, to remove any or all such alterations, additions, improvements or fixtures from the Premises.

Section 10. Cumulative Remedies. The remedies granted to either Party in this section shall not be exclusive but shall be cumulative and in addition to all remedies now or hereafter allowed by law or provided in this Sublease.

Section 11. Waiver of Breach. The waiver of either Party of any breach by the other of any of the provisions of this Sublease shall not constitute a continuing waiver or a waiver of any

subsequent breach by the other of the same or another provision of this Sublease.

Section 12. Force Majeure - Unavoidable Delays. If the performance of any act required by this Sublease to be performed by either Landlord or City is prevented or delayed by reason of an act of God, strike, lockout, labor troubles, inability to secure materials, restrictive governmental laws or regulations, or any other cause except financial inability that is not the fault of the party required to perform the act, the time for performance of the act will be extended for a period equivalent to the period of delay, and performance of the act during the period of delay will be excused. However, nothing contained in this section shall excuse the prompt performance of any act rendered difficult solely because of the financial condition of the party required to perform the act.

Section 13. Attorneys' Fees. If any legal action is commenced between the parties to this Sublease concerning the Premises, this Sublease, or the rights and duties of either in relation to the Premises or to this Sublease, the party prevailing in that action shall be entitled to, in addition to any other relief that may be granted in the action, a reasonable sum as and for its attorneys' fees in that action that are determined by the court.

Section 14. Notices. Unless otherwise provided herein, any notice, tender, or delivery to be given hereunder by either party to the other may be effected by personal delivery in writing or by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed communicated upon delivery or as of mailing. Mailed notices shall be addressed as set forth below, but each party may change its address by written notice in accordance with this Section.

City of Redlands
35 Cajon St., Suite 222
P.O. Box 3005
Redlands, California, 92373

Redlands Aviation
PO Box 9641
Redlands, California 92373.

Section 15. Entire Agreement. This instrument constitutes the entire agreement between Landlord and City respecting the subject matter hereof, and correctly sets forth the obligations of Landlord and City to each other as of its date. Any agreements or representations respecting the Premises or their subleasing by Landlord to City not expressly set forth in this instrument are null and void.

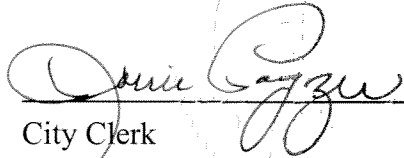
Executed on October 3, 2000 at Redlands, California.

CITY OF REDLANDS

ATTEST:

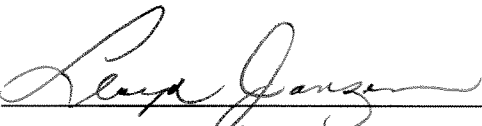


Pat Gilbreath, Mayor


City Clerk

LANDLORD

REDLANDS AVIATION

By 

Lloyd Janzen, President

EXHIBIT "A"

