

FIRST AMENDMENT TO SUBLEASE AGREEMENT

This First Amendment to Sublease Agreement is made and entered into this 4th day of February, 2003 by and between the City of Redlands, a municipal corporation herein called ("City") and Redlands Aviation ("Landlord"), which together is sometimes referred to as the "Parties."

WITNESSETH

WHEREAS, under the terms of the existing Sublease Agreement dated October 3, 2000 by and between the City and Landlord wherein for and in consideration of rent to be paid by City to Landlord pursuant to the Sublease, City agreed 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 described as Exhibit "A"; and

WHEREAS, the City has now installed a security system at the Redlands Municipal Airport and the computer hardware to operate the security system must be stored in a secure place; and

WHEREAS, Landlord has agreed to rent to City a "Storage Room" located in the Lobby of the Premises at the Airport for storing the City's airport security hardware; said Storage Room is 12 feet by 15 feet in dimension containing 180 square feet and is more particularly described as the newly leased "Premises" as amended by the First Amendment Sublease Agreement as attached Exhibit "B"; and

WHEREAS, it is the intention of the Parties to amend the Sublease Agreement to allow for the rental of the Storage Room as additional leased area from Landlord to the City for storage of security equipment;

NOW THEREFORE, in consideration of the mutual promises contained herein, it is hereby agreed by and between the City of Redlands and Redlands Aviation as follows:

1. Section 2 entitled "Rent for the Premises" to the Sublease is hereby amended to read as follows: "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, Sixty-Four Dollars and Eighty Cents (\$64.80) for the Storage Room for a total of Eight Hundred Eighty Dollars and Ninety-Three Cents (\$880.93) which is hereby considered the "Rent". Rent for the Storage Room shall be effective as of January 1, 2003. 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."

2. Section 3. entitled "Use of Premises" to the Sublease is hereby amended to read as follows: "During the term of this Sublease the Premises shall be used as a public airport Lobby and Patio, and airport security equipment Storage Room as identified in the attached Exhibit "B" and for any other related purpose deemed appropriate by City."

3. Section 5 entitled "Operations" is hereby amended to read as follows: "Landlord shall be responsible for providing lock and key service for the Lobby, and opening and closing of the Lobby 365 days of the year, 8:00 a.m. to 5:00 p.m. The City and/or its authorized representatives shall have access rights to the lobby and exclusive right to enter and exit the Storage Room at any time, 365 days of the year as City deems necessary for the proper operation and maintenance of the airport security system."

4. Section 7 entitled "Maintenance" is hereby amended to read as follows: "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 maintain the temperature in the Storage Room at all times at no greater than 75 degrees Fahrenheit and no less than 60 degrees Fahrenheit. Landlord shall also provide light bulbs for the perimeter of the Lobby building and Patio. City shall pay for, and provide electricity and lobby lights for the Lobby, Patio and Storage Room. If City determines that new flooring for the Lobby is required, the cost for the new flooring shall be shared equally by the Parties."

5. Section 8 entitled "Janitorial Services" is hereby amended by adding the following sentence to the end of the paragraph as follows: "Janitorial services are not applicable to the Storage Room."

6. Except as amended herein, all terms and conditions of the Sublease shall remain unchanged and in full force and effect.

Executed on ____ day of February, 2003 at Redlands, California.

CITY OF REDLANDS



Karl N. (Kasey) Haws

ATTEST:



City Clerk

LANDLORD
REDLANDS AVIATION

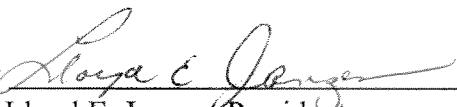
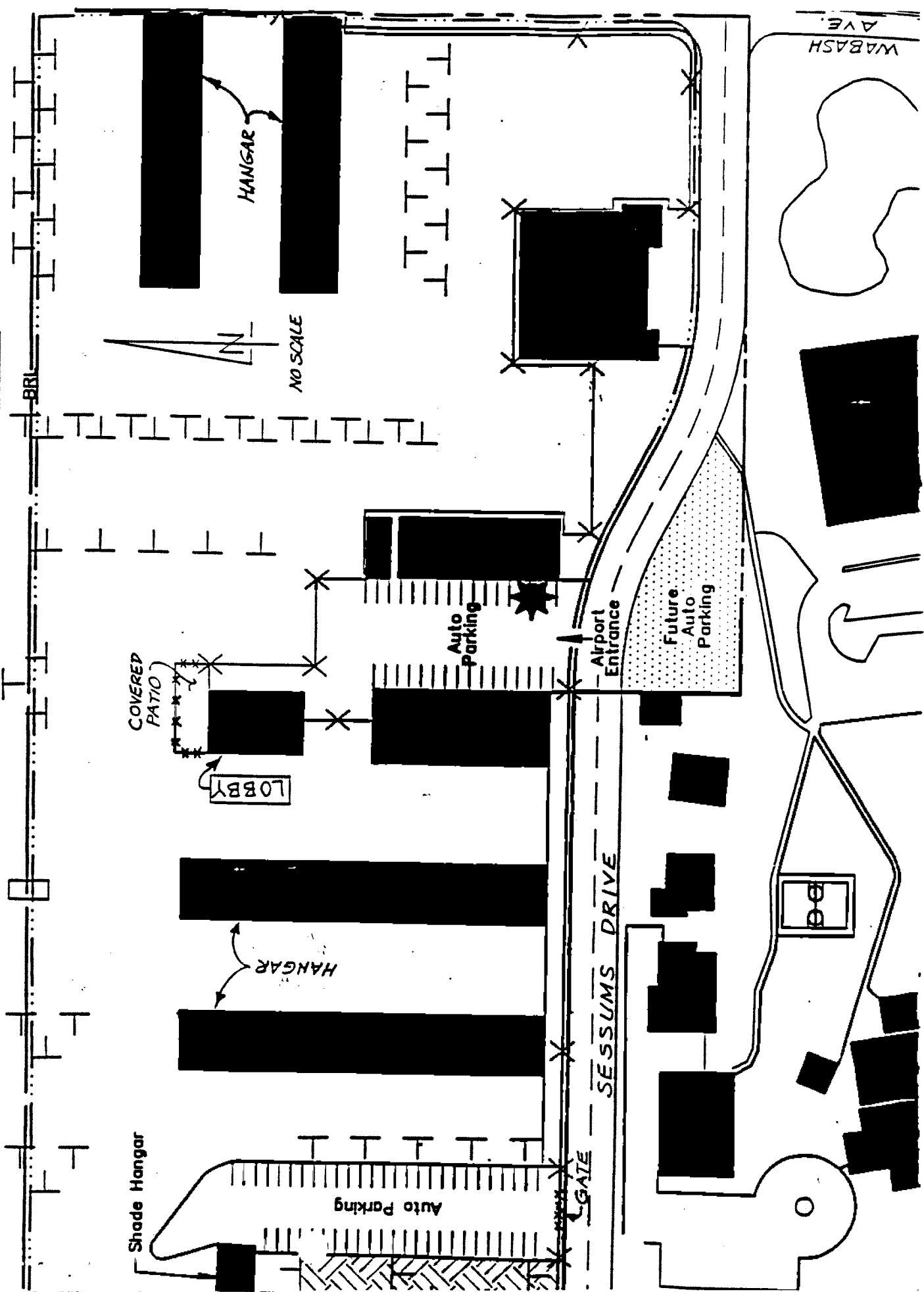
By 
Lloyd E. Janzen, President

EXHIBIT "A"



Redlands Municipal Airport Lobby

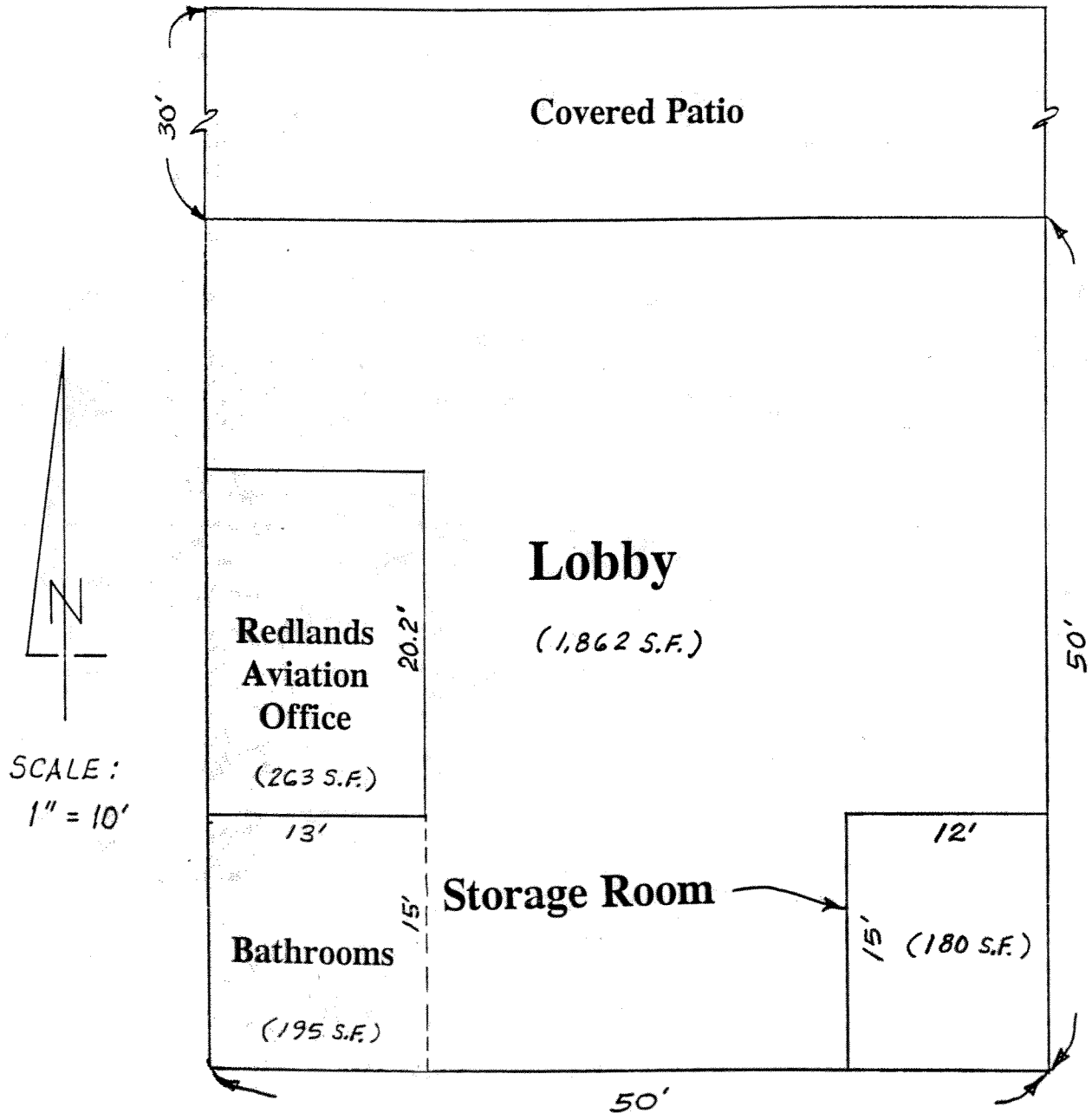


EXHIBIT "B"