

FIRST AMENDMENT TO INSTALLMENT SALE AGREEMENT
(SECURITY AGREEMENT) RELATING TO RECREATIONAL
FACILITIES ("SECOND INSTALLMENT SALE AGREEMENT")

THIS FIRST AMENDMENT TO INSTALLMENT SALE AGREEMENT (SECURITY AGREEMENT) RELATING TO RECREATIONAL FACILITIES ("SECOND INSTALLMENT SALE AGREEMENT"), hereafter referred to as "this Amendment", is made and entered into effective as of September 30, 1988, by and between the City of Redlands (herein called the "Seller"), a general law city and public body, corporate and politic, organized and existing under the laws of the State of California, and the Young Men's Christian Association of Redlands, a California Non-Profit Corporation (herein called the "Purchaser") with reference to the following facts:

A. Seller and Purchaser are parties to a certain Installment Sale Agreement (Security Agreement) Relating to Recreational Facilities, entered into as of September 30, 1983 (the "Original Agreement"), which is incorporated by this reference. Except as otherwise noted, all initially capitalized terms used in this Amendment shall have the same meanings as given in the Original Agreement.

B. Pursuant to the Original Agreement, the Purchaser acquired the Facilities Site, and constructed the Facilities. As the result of unforeseen, but reasonable, events, the cost of construction of the Facilities exceeded the original estimate of the Purchaser. In addition, Purchaser has made additional capital improvements to the Facility. The foregoing have resulted in a

need to increase the Purchase Price.

C. As a part of the Original Agreement, there is set forth an Exhibit "B", setting forth the Principal Property Price, in the amount of \$750,000 (the "Original Purchase Price"). The Original Purchase Price was based upon the best estimate of Purchaser of the cost acquisition and construction of the facilities and capital improvements. If the Purchaser had known of the need to expend the additional amounts which have been incurred, the Original Purchase Price would have been the sum of \$800,000.00.

D. Purchaser desires to amend the Original Agreement to revise Exhibit "B" thereto to amend the Original Price, thereby increasing the Principal Property Price to the sum of \$800,000.00. Further, Purchaser has requested that Seller agree to an extension of time for payment of the unpaid principal balance of the purchase payments, through amendment of Exhibit "B" to provide for a new due date of October 30, 2002, and that Seller also agree to an adjustment in the interest rate.

E. Seller has determined that good cause exists for the amendment of the Original Agreement as requested by Purchaser, and is therefore willing to enter into this Amendment.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Incorporation of Recitals. The above recitals of fact are incorporated by this reference and made a part of this Amendment.

2. Amendment of Original Agreement. The Original

Agreement is hereby amended in the following respects only:

(a) Exhibit "B" is amended to reflect that the Principal Property Price is \$800,000.00;

(b) Exhibit "B" is further amended to provide under the provision for "Purchase Payments", and in particular under Paragraph (B) thereof, that the unpaid principal balance, plus any accrued interest, shall be due "October 30, 2002", and the phrase "October 30, 1988" is hereby deleted.

(c) Exhibit "B" is further amended to insert the following"

The interest rate on this obligation shall be, from the effective date of this Amendment, eight and one-half percent (8 1/2%) per annum, and shall continue at that rate until October 30, 1993. Forty-five (45) days before October 30, 1993, the interest rate shall be adjusted (effective as of October 31, 1993) to a rate equal to the interest rate charged to member institutions by the Eleventh District Federal Home Loan Bank, plus one percent (1%) ("the Adjusted Rate"). The Adjusted Rate shall continue until October 30, 1998. Forty-five (45) days before that date, the Adjusted Rate shall be readjusted to the interest rate then charged to member institutions by the Eleventh District of the Federal Home Loan Bank, plus one percent (1%) (the ("Readjusted Rate"). The Readjusted Rate shall become effective as of October 31, 1998, and shall thereafter remain the interest rate on the obligation until it is fully repaid. Commencing with the next payment due after the effective date of this Amendment, and until the effective date of the Adjusted Rate, the monthly payment of the Purchaser shall be the sum of \$7,999.27 (the "Minimum Payment"). For the remaining term of this obligation, the monthly payment to be made by the Purchaser shall be the greater of the Minimum Payment or such amount as must be paid on a monthly basis to fully repay the Purchase Price by October 30, 2002, taking into account the change, if any, in the

interest rate based upon the Adjusted Rate or the Readjusted Rate, as those interest rates become effective. It is the intention of the parties that such sufficient sum be paid by the Purchaser as to fully amortize and retire this obligation by October 30, 2002. These changes in the interest rate and payment terms supersede all other prior agreements between the parties regarding those provisions.

3. Original Agreement Otherwise Effective. Except as expressly amended hereby, the Original Agreement shall be, and is, in full force and effect.

"SELLER"

CITY OF REDLANDS, CALIFORNIA

Dated: June 19, 1989

By: Carole Beswick
CAROLE BESWICK, Mayor

(City Seal)

ATTEST:

Janice Payson
CITY CLERK

"PURCHASER"

YOUNG MEN'S CHRISTIAN
ASSOCIATION OF REDLANDS,
A California Non-Profit
Corporation

Dated: June 23, 1989

By: Henry Van Horn
President
By: Alvin H. Simpson
Secretary



Redlands Federal Savings

AND LOAN ASSOCIATION

ADMINISTRATIVE OFFICES

300 E. STATE STREET P.O. BOX 3260
REDLANDS, CALIFORNIA 92373
TELEPHONE (714) 793-2391

June 28, 1989

Mr. John Holmes
City Manager
City of Redlands
30 Cajon Street
Redlands, CA 92373

Re: YMCA Loan No. 140-02004-2

Dear John:

I am pleased to advise you that the documentation for the above transaction has finally been completed, and I enclose for your records a fully executed counterpart of the First Amendment to Installment Sale Agreement. This should just be placed with the City's records concerning this transaction.

Please call if you have any questions.

Very truly yours,

D. BRIAN REIDER
Senior Vice President and
General Counsel