

SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

THIS SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS ("**Amendment**") is made as of this 7th day of July, 2015, by and between CITY OF REDLANDS, a municipal corporation ("**Seller**") and DIVERSIFIED PACIFIC OPPORTUNITY FUND I, LLC, a Delaware limited liability company ("**Buyer**") with regard to the following:

R E C I T A L S

A. Seller and Buyer have previously entered into that certain Purchase and Sale Agreement and Joint Escrow Instructions dated as of January 20, 2015 (the "**Agreement**"), as amended by the First Amendment dated as of May 19, 2015.

B. The parties desire to amend the Agreement to extend the Due Diligence Termination Date, as defined in the Agreement as more particularly set forth herein.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Due Diligence Termination Date. The Due Diligence Termination Date, as defined in Section 4.1.3, is hereby extended to July 22, 2015.

2. Ratification/No Defaults. Buyer hereby rescinds Buyer's Feasibility Notice dated as of June 9, 2015. Accordingly, the Parties hereby ratify the Agreement and acknowledge that the Agreement is in full force and effect. By its execution hereof, each party hereby represents to the other that, as of the date of such execution, the other party is not in default under the terms of the Agreement and that no facts or circumstances exist that, with the giving of notice or passage of time or both, would constitute a default under the terms of the Agreement.

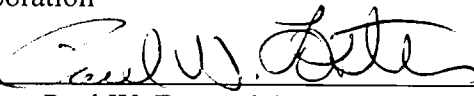
3. Counterparts. This Amendment may be executed in any number of counterparts with the same effect as if all parties hereto have signed the same document, all counterparts shall be construed together and shall constitute one amendment.

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IN WITNESS WHEREOF, the parties have entered into this Amendment as of the date first above written.

SELLER:

CITY OF REDLANDS, a municipal corporation

By: 
Paul W. Foster, Mayor

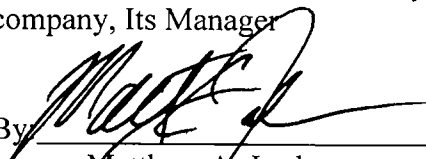
ATTEST:


Sam Irwin, City Clerk

BUYER:

DIVERSIFIED PACIFIC OPPORTUNITY FUND I, LLC, a Delaware limited liability company

By: Diversified Pacific Development Group LLC, a California limited liability company, Its Manager

By: 
Matthew A. Jordan,
Its: Managing Member