

SECOND SUPPLEMENTAL OPERATING AGREEMENT

between

CITY OF NORTH ROYALTON, OHIO

and

YMCA OF GREATER CLEVELAND

Dated

as of

September __, 2019

THIS SECOND SUPPLEMENTAL OPERATING AGREEMENT, made as of the ____ day of September, 2019 between the City of North Royalton, Ohio, hereinafter referred to as the “City”, a municipal corporation and political subdivision organized under the laws of the State of Ohio, and the YMCA of Greater Cleveland hereinafter referred to as the “YMCA”, an Ohio not-for-profit corporation. The City and YMCA are herein collectively referred to as the “Parties”. Capitalized terms used herein and not otherwise defined shall have the same meanings as set forth in the Operating Agreement which this document supplements and is defined below ;

WHEREAS, the Parties have heretofore entered into an Operating Agreement dated as of June 3, 2010, as amended by the First Amendment to Operating Agreement dated April 8, 2011, and as further amended by the Supplemental Operating Agreement dated as of November 3, 2013, and as further amended by the Third Amendment to Operating Agreement dated as of March 31, 2014 (collectively, the “Operating Agreement”) to provide for the construction, operation, management and financing of the Center;

WHEREAS, the City has determined to refinance the YMCA Bonds in order to afford beneficial adjustments to the payments required to be paid by the YMCA to the City under the Operating Agreement with respect to debt service due in connection with financing of the Center and will issue one or more series of notes (the “YMCA Refunding Notes”) in anticipation of issuing further bonds (the “YMCA Refunding Bonds” and, collectively with the YMCA Refunding Notes, referred to herein as the “YMCA Refunding Obligations”) in the future at such time as market conditions and related factors permit the issuance of such bonds under favorable terms.

WHEREAS, the City has determined to acquire an additional parcel of property to be incorporated in the land description upon which the Center is built, thus requiring an amendment to Exhibit A of the Operating Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto covenant, agree and bind themselves as follows:

I. AMENDMENT OF PARAGRAPH 4.B.4 (a) AND (b) OF THE OPERATING AGREEMENT

The City and YMCA agree that the provisions of Paragraph 4.B.4 (a) and (b). of the Operating Agreement shall be amended in their entirety as follows:

“(4) YMCA shall pay principal of, and interest on the YMCA Refunding Obligations as follows:

(a) On or before the first business day of each month, commencing October 1, 2019 through the date of issuance of the YMCA Refunding Bonds, the YMCA shall pay to the City the sum of \$36,805.58 as invoiced by the City. The City agrees to invoice such amount on a monthly basis each year the YMCA Refunding Notes are outstanding until such time it has accumulated enough funds each year to pay (i) the interest due on the YMCA Refunding Notes for that year, (ii) a principal amount of the YMCA Notes each year amounting to not less than \$150,000 in each of the years 2019, 2020 and 2021, and (iii) in the event YMCA Refunding Notes remain outstanding after 2021, a principal amount not less than the principal sums in each

year as set forth in Schedule I attached hereto and incorporated herein. The monthly payments set forth herein shall be applied by the City, first to the interest due at maturity on the YMCA Refunding Notes and then to the outstanding principal amount of the outstanding YMCA Refunding Notes.

(b) On or before the first business day of the month following the date of issuance of the YMCA Refunding Bonds, the YMCA shall pay to the City (i) an amount equal to 1/6 of the total amount of interest due on the YMCA Refunding Bonds on each semiannual interest payment date for the YMCA Refunding Bonds, and (ii) an amount equal to 1/12 of the total amount of principal due (whether at maturity or pursuant to mandatory sinking fund redemption) on the YMCA Refunding Bonds on each principal payment date. Such sums shall be determined upon pricing and issuance of the YMCA Refunding Bonds and shall be set forth in a certificate of the Director of Finance of the City which shall be attached hereto and incorporated by reference herein, and such sums shall then be invoiced by the City to the YMCA on a monthly basis in accordance with the practice heretofore utilized under this Operating Agreement.

The City and the YMCA further agree that the final maturity date of the YMCA Refunding Bonds shall not exceed December 31, 2039;”

The provisions of Paragraph 4.B.4 (a) and (b) of the Operating Agreement in effect as of the date of this Second Supplemental Operating Agreement shall be of no further force or effect.

II. AMENDMENT TO PROPERTY DESCRIPTION

Exhibit A to the Operating Agreement is hereby amended and supplemented by adding the real property described in Exhibit A-1 attached hereto and incorporated by reference herein.

III. FULL FORCE AND EFFECT

The remaining provisions of the Operating Agreement, to the extent not supplemented or amended hereby, shall remain in force and effect as set forth in the Operating Agreement.

IN WITNESS WHEREOF, the City and the YMCA have caused this Second Supplemental Operating Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

CITY OF NORTH ROYALTON, OHIO

By: _____
Robert Stefanik, Mayor

YMCA OF GREATER CLEVELAND

By: _____
_____, President

Approved as to Form

By: _____
Thomas A. Kelly, Director of Law
City of North Royalton, Ohio

City of North Royalton				
Projected Principal Repayment Schedule				
YMCA Refunding Structure- Notes and Bonds				
Schedule I				
Maturity Date				Principal
<i>December</i>	<i>1st</i>	<i>2019*</i>		\$ 150,000.00
<i>December</i>	<i>1st</i>	<i>2020*</i>		\$ 150,000.00
<i>December</i>	<i>1st</i>	<i>2021*</i>		\$ 150,000.00
December	1st	2022		\$ 165,000.00
December	1st	2023		\$ 185,000.00
December	1st	2024		\$ 190,000.00
December	1st	2025		\$ 195,000.00
December	1st	2026		\$ 220,000.00
December	1st	2027		\$ 225,000.00
December	1st	2028		\$ 230,000.00
December	1st	2029		\$ 240,000.00
December	1st	2030		\$ 245,000.00
December	1st	2031		\$ 255,000.00
December	1st	2032		\$ 260,000.00
December	1st	2033		\$ 270,000.00
December	1st	2034		\$ 285,000.00
December	1st	2035		\$ 295,000.00
December	1st	2036		\$ 305,000.00
December	1st	2037		\$ 320,000.00
December	1st	2038		\$ 330,000.00
December	1st	2039		\$ 345,000.00
* - Bond Anticipation Note				