

**CITY OF WILSONVILLE
SECOND AMENDMENT TO
GROUND LEASE FOR RAW WATER PIPELINE**

This Second Amendment to Ground Lease (“Second Amendment”) is effective the ____ day of _____ 2023 (“Effective Date”), by and between the **City of Wilsonville**, a duly chartered home rule municipal government of the State of Oregon (“Lessor”), and the **Willamette Water Supply System Commission**, an Oregon intergovernmental entity (“Lessee”), successor in interest to the **City of Hillsboro** (“Hillsboro”), a duly chartered home rule municipal government of the State of Oregon, and the **Tualatin Valley Water District** (“TVWD”), a duly organized water supply district under ORS Chapter 264, upon the terms and conditions set forth below.

RECITALS

WHEREAS, Lessor entered into a Ground Lease for Raw Water Pipeline (“Lease”) with Hillsboro and TVWD on March 21, 2018, relating to the raw water transmission pipeline project (“Project”); and

WHEREAS, pursuant to Section 20.2 of the Lease, TVWD, Hillsboro, and the City of Beaverton formed the Willamette Water Supply System Commission (“WWSS Commission”), an ORS Chapter 190 entity, by agreement effective July 1, 2019, which agreement assigned all of Hillsboro’s and TVWD’s rights under the Lease to the WWSS Commission; and

WHEREAS, Lessor and Lessee entered into a First Amendment to Ground Lease for Raw Water Pipeline on September 2, 2021 to amend Section 7.29 of the Lease and to acknowledge the assignment of the Lease to the WWSS Commission; and

WHEREAS, Lessor and Lessee continue to work together to achieve a successful Project; and

WHEREAS, to that end, Lessor and Lessee have agreed that certain changes to Section 5.5.3 of the Lease should be made;

NOW, THEREFORE, in consideration of these mutual promises and the terms and conditions set forth herein, the parties agree as follows:

AGREEMENT

The Lease is amended as follows:

Section 1. Changes to Security Deposit

Subsection 5.5.3 of the Lease shall be modified as identified in the *italics* below:

“5.5.3. Form of Security Deposit. The Security Deposit must be *either (a) in the form of a continuously maintained irrevocable standby letter of credit (the “Letter of Credit”), drawn on a bank reasonably acceptable to Lessor, in a form reasonably acceptable to Lessor, and with drawing instructions reasonably acceptable to Lessor; or (b) in the form of a deposit held jointly in state investment pool (LGIP) with power of attorney held by Lessor for the sequestered deposit.*”

Section 2. All Other Terms

All of the other terms and conditions of the Lease and the First Amendment shall remain in full force and effect, as therein written. Unless otherwise defined herein, the defined terms of the Lease shall apply to this Second Amendment.

The Lessor and Lessee hereby agree to all provisions of this Second Amendment.

CITY OF WILSONVILLE, by and through
its elected officials

APPROVED AS TO LEGAL FORM:

By: _____
Bryan Cosgrove, City Manager

By: _____
Amanda R. Guile-Hinman, City Attorney

STATE OF OREGON)
) ss.
County of Clackamas)

This instrument was acknowledged before me on _____, 2023, by
Bryan Cosgrove, as City Manager of the City of Wilsonville.

Notary Public – State of Oregon

[signatures continued on following page]

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION,

by and through its elected officials

APPROVED AS TO LEGAL FORM:

By: _____
David Kraska, General Manager

By: _____
Clark Balfour, Commission Attorney

STATE OF OREGON)
) ss.
County of Washington)

This instrument was acknowledged before me on _____, 2023, by David Kraska, as General Manager of the Willamette Water Supply System Commission.

Notary Public – State of Oregon