

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 04-161

Authorizing a Second Amendment to Lease Agreement with the Children's Land Trust, formerly known as Regional Children's Campus, Inc.

The Multnomah County Board of Commissioners Finds:

- a. Multnomah County Revenue Bonds Series 1998 (Regional Children's Campus, Inc.) (Bonds) were issued pursuant to a Trust Indenture (the "Trust Indenture"), dated as of October 1, 1998, between the County, as issuer, and U.S. Bank National Association (formerly known as U.S. Bank Trust National Association), as trustee.
- b. The County and Children's Land Trust (CLT), formerly known as Regional Children's Campus, Inc., an Oregon not for profit corporation, as Lessee, entered into a Lease Agreement (Lease Agreement) relating to the Bonds on October 1, 1998 regarding certain real property and improvements located in Multnomah County, Oregon, (Property) as described more fully in the Lease Agreement.
- c. The Lease amounts (as defined in the Trust Indenture) made by CLT to the County are being used to repay the Bonds.
- d. On May 21, 2001, County and CLT amended the Lease Agreement (First Amendment to Lease Agreement) to include payments due from CLT to the County for infrastructure improvements paid for by the County.
- e. In January 2003 CLT requested that the County agree to restructure the payments due under the Lease Agreement.
- f. The County is willing to restructure the payment terms of the Lease Agreement as provided in the Second Amendment to Lease Agreement.
- g. In consideration of the County agreeing to restructure the payment terms, CLT is willing to assign all rights it may have in Reserve Fund to the County and to allow the County to retain savings that will accrue if the County decides to refinance the Bonds.

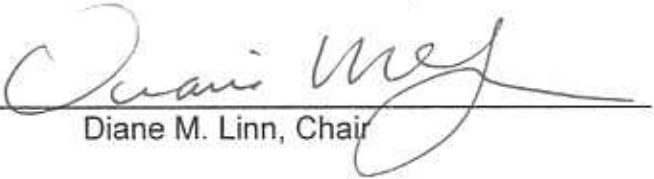
The Multnomah County Board of Commissioners Resolves:

1. The Chief Financial Officer, or designee, is authorized to sign the Second Amendment to Lease Agreement substantially in the form attached to this Resolution.

ADOPTED this 4th day of November, 2004.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
John Thomas, Assistant County Attorney

SECOND AMENDMENT TO LEASE AGREEMENT

by and between

Multnomah County, Oregon

as Lessor

and

Regional Children's Campus, Inc.

as Lessee

Relating To The Issuance Of

\$3,155,000

**Multnomah County, Oregon
Revenue Bonds
Series 1998
(Regional Children's Campus, Inc.)**

Dated as of November 4, 2004

PRESTON GATES & ELLIS LLP

SECOND AMENDMENT TO LEASE AGREEMENT

This Second Amendment to Lease Agreement (the "Second Amendment"), dated as of November 4, 2004 by and between Multnomah County, Oregon (the "Lessor"), a municipal corporation organized and existing under the laws of the State of Oregon, and Regional Children's Campus, Inc. (the "Lessee"), a nonprofit corporation organized under the laws of the State of Oregon.

WITNESSETH:

WHEREAS, on October 29, 1998, the Lessor issued its \$3,155,000 Revenue Bonds, Series 1998 (Regional Children's Campus, Inc.) (the "Bonds") pursuant to a Trust Indenture (the "Trust Indenture"), dated as of October 1, 1998, between the Lessor and U.S. Bank National Association (formerly known as U.S. Bank Trust National Association), as trustee (the "Trustee"); and

WHEREAS, on October 1, 1998, the Lessor and the Lessee entered into a Lease Agreement relating to the Bonds (the "Lease Agreement"); and

WHEREAS, on May 1, 2001, the Lessor and the Lessee entered into a First Amendment to the Lease Agreement relating to the Bonds; and

WHEREAS, the Lessor and the Lessee desire to amend and supplement the Lease Agreement by the execution and delivery of this Second Amendment; and

WHEREAS, Section 11.5 of the Lease Agreement allows the Lease Agreement to be amended and supplemented without the prior written consent of the Trustee if such amendment does not materially affect the rights of the Bondholders and provided any other relevant provisions in the Lease Agreement and the Trust Indenture have been complied with; and

WHEREAS, Section 7.1(e) of the Trust Indenture allows the Lease Agreement to be amended and supplemented without the consent of or notice to any of the Owners of the Bonds to make any change which, in the judgment of the Trustee, acting in reliance upon an opinion of Counsel, does not have a material adverse affect on the rights of or security granted to the Owners of the Bonds affected thereby;

NOW, THEREFORE, THIS SECOND AMENDMENT WITNESSETH, for in consideration of the premises and the mutual covenants and agreements set forth herein, the Lessor and the Lessee hereby agree as follows:

ARTICLE 1.
DEFINITIONS AND FINDINGS

Section 1.1. Terms Defined in the Trust Indenture or Lease Agreement. Except as modified herein, or unless the context shall clearly indicate some other meaning, all words and terms used in this Second Amendment that are defined in the Trust Indenture or Lease Agreement shall, for all purposes of this Second Amendment, have the respective meanings given to them in the Trust Indenture or Lease Agreement.

Section 1.2. Findings. The amendments and supplements to the Lease Agreement made by Sections 2.1 and 2.2 of this Second Amendment are authorized by Section 11.5 of the Lease Agreement and Section 7.1 (e) of the Trust Indenture as described in the fifth and sixth "Whereas" paragraphs above.

ARTICLE 2.
AMENDMENT AND RESTATEMENT OF LEASE AGREEMENT

Section 2.1. Amendment and Restatement of Lease Term and Possession. Section 4.2 of the Lease Agreement is hereby amended to read as follows:

(a) The Lease Term commences on October 1, 1998 and, subject to earlier termination as provided herein, shall end on the earlier of the (i) the day following the day on which all Bonds are no longer Outstanding pursuant to an optional redemption from Seasoned Funds of the Lessee or pursuant to extraordinary redemption or (ii) the day following the final maturity date of the Bonds. In both cases the termination of this Lease Agreement and the conveyance under Section 10.2 hereof shall occur only if all , Rental Amounts, Land Rentals and Infrastructure Rental Amounts, in Exhibit B-4 have been paid and all expenses of the Trustee and the Lessor to have been paid and discharged under the provisions of the Indenture and this Lease Agreement.

(b) With the execution of this Second Lease Amendment, Lessor acknowledges that all prior lease payments are considered to be current.

Section 2.2. Addition of Exhibit B-4. The schedule of payments for Lessee's obligations to Lessor under a promissory note are incorporated in Exhibit B-4 attached hereto. Such Exhibit B-4 hereby becomes a part of the Lease Agreement and replaces Exhibits B-1, B-2 and B-3.

Section 2.3. Additional Rents. Section 4.1 of the Lease Agreement is hereby amended to add the following: Lessee agrees that if at any time Lessee receives Additional Rent from any sub-leases, that exceeds \$24,115 per month, the Lessee shall pay the Additional Rents as follows:

(a) The first \$6,100 per month will be paid to the Lessor.

(b) Any Additional Rents that exceed \$6,100 per month will be divided equally between Lessee and Lessor.

- (c) If the sum of the Additional Rents received by Lessor in Section 2.3 (b) equals \$157,000, any Additional Rents over \$157,000 shall be retained by Lessee.

Section 2.3. Addition of Definitions. Section 1.2 of the Lease Agreement is hereby amended to add the following definitions:

- (a) "Infrastructure Rental Amounts" means amounts payable by Lessee on behalf of The Children's Land Trust as infrastructure rental payments pursuant to the terms of a promissory note dated May 24th, 2001 as it may be amended.
- (b) "Additional Rents" means any sub-lease rental amounts received by Lessee from a Sub-Lessee, that exceeds \$24,115 per month.

ARTICLE 3. MISCELLANEOUS

Section 3.1. Effect of Lease Agreement. Except as expressly amended herein, the Lease Agreement shall remain in full force and effect.

Section 3.2. Execution in Counterparts. This Second Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 3.3. Captions. The captions or headings in this Second Amendment are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Second Amendment.

Section 3.4. Reserve Fund. Lessee affirms it has no rights to the Reserve Fund established under Section 4.6 of the Trust Indenture dated as of October 1, 1998, to which the Lessor is a party.

Section 3.5. Refinancing of the Revenue Bonds. Lessee affirms it has no rights to any savings realized if Lessor refinances the Revenue Bonds. Lessor shall pay for all costs of such refinancing.

IN WITNESS WHEREOF, the parties have executed this Second Amendment as of this day of November, 4 2004.

LESSOR:

LESSEE:

MULTNOMAH COUNTY, OREGON

REGIONAL CHILDREN'S CAMPUS,
INC.

By: _____

By: _____

**EXHIBIT B-4
CHILDREN'S LAND TRUST
LEASE SCHEDULE
AMMENDED November 2004**

Beginning Payment Date	Ending Payment Date	Number of Months	Monthly Payments	Period Total
November 1, 2004	June 30 , 2005	8	\$17,815.00	\$ 142,520.00
July 1, 2005 (1)	September 1, 2014	111	24,115.00	3,403,260.00
TOTAL				\$3,545,780.00

- (1) Monthly lease payment is subject to increase based on Second Amendment to Lease Agreement Article 2, Section 2.3.