

ORDINANCE NO. 455-B

AN ORDINANCE AMENDING ORDINANCE NO. 155 OF THE PORT AND ORDINANCE NO. 323 OF THE PORT, EACH AS PREVIOUSLY AMENDED AND RESTATED FROM TIME TO TIME, AND THE CERTIFICATE OF THE EXECUTIVE DIRECTOR FOR THE SERIES EIGHTEEN BONDS, TO IMPLEMENT CERTAIN PRE-AUTHORIZED AMENDMENTS; AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING.

BE IT ENACTED BY THE PORT OF PORTLAND:

Section 1. Purpose. This Ordinance is enacted to amend Ordinance No. 155, Ordinance No. 323 and the Certificate of the Executive Director (all as defined herein) to implement certain pre-authorized amendments thereto.

Section 2. Authorization of Amendments to Ordinance 155 and Ordinance No. 323 and the Certificate of the Executive Director. Ordinance No. 155 may be amended pursuant to Section 20 thereof, and Ordinance No. 323 may be amended pursuant to Section 12 thereof and pursuant to Section 20 of Ordinance No. 155. Pursuant to the ordinances authorizing the Port's outstanding Portland International Airport Revenue Bonds, Series Nineteen (the "Series Nineteen Bonds"), Series Twenty (the "Series Twenty Bonds") and Series Twenty-One (the "Series Twenty-One Bonds"), the Port may amend Ordinance No. 155 and Ordinance No. 323 without the consent of the Owners of such Subordinate Lien Bonds for the purpose of implementing the amendments listed in Section 4.3 of each such ordinance. Pursuant to Section 5.2 of the ordinance authorizing the Port's outstanding Portland International Airport Revenue Bonds, Series Eighteen (the "Series Eighteen Bonds"), the providers of Credit Facilities or Liquidity Facilities for the Series Eighteen Bonds may be treated as the owners of Series Eighteen Bonds secured by such facilities for purposes of consenting to amendments to Ordinance No. 155 and Ordinance No. 323. U.S. Bank National Association and Wells Fargo Bank, National Association, as the current letter of credit providers for the Series Eighteen Bonds, are authorized pursuant to Section 5.02(B) of the Certificate of the Executive Director (as defined below) to consent to these amendments on behalf of the Owners of such Series Eighteen Bonds.

Pursuant to Section 7.01 of the Certificate of the Executive Director, such Certificate of the Executive Director may be amended in the same manner as amendments are made to Ordinance No. 323.

The Port previously enacted Ordinance No. 449-B on March 12, 2014 for the purposes of amending Ordinance No. 155, Ordinance No. 323 and the Certificate of the Executive Director to combine the SLB Serial Bond Principal Account, the SLB Interest Account and the SLB Term Bond Principal Account into one account within the SLB Fund. The amendments contained in Ordinance 449-B are not yet effective because the requisite consents have not been received. Such amendments are set forth in full in this Ordinance.

Section 3. Definitions. The following capitalized terms used in this Ordinance have the meanings specifically assigned below, unless the context clearly requires otherwise. Capitalized terms not specifically defined below shall have the meanings assigned to such terms in Ordinance No. 323, unless the context clearly requires otherwise.

a. "Authorizing Ordinances" means the ordinances authorizing the Series Nineteen Bonds, the Series Twenty Bonds and the Series Twenty-One Bonds, as each may have been previously amended or supplemented.

b. "Certificate of the Executive Director" means the Certificate of the Executive Director Establishing and Determining Certain Terms of and Other Matters Relating to the Port's Portland International Airport Refunding Revenue Bonds, Series Eighteen.

c. "Ordinance" means this Ordinance, providing the terms under which Ordinance No. 155 and Ordinance No. 323 are amended and the Certificate of Executive Director is amended, together with any ordinances supplemental or amendatory hereto.

d. "Ordinance No. 155" means Ordinance No. 155, enacted November 10, 1971, as amended and restated thereafter and hereafter from time to time.

e. "Ordinance No. 323" or "SLB Ordinance" means Ordinance No. 323, enacted October 9, 1985, as amended and restated thereafter and hereafter from time to time.

f. "Ordinance No. 449-B" means Ordinance No. 449-B, enacted March 12, 2014.

g. "SLB Principal and Interest Account" means the SLB Principal and Interest Account in the SLB Fund created under Section 4 of this Ordinance.

Section 4. Condition to Effectiveness of Amendments. The amendments to Ordinance No. 155 and Ordinance No. 323 set forth in Sections 5 through 15 hereof shall not become effective until the Port has received all required consents, including any required consents from the Port's letter of credit providers, interest rate swap providers and surety bond providers.

Section 5. Amendment to Section 2 of Ordinance No. 155. As authorized in Section 4.3(e) of each of the Authorizing Ordinances, Paragraph (w) of Section 2 of Ordinance No. 155 (entitled "Definitions and Computations") is hereby amended and restated as follows (additions shown in bold underline format and deletions shown in ~~strike through~~ format for convenience):

(w) "Revenues" means and includes all income, receipts and moneys derived by the Port from its ownership or operation and management of the Airport or the furnishing and supplying of the services, facilities and commodities thereof, and without limiting the generality of the foregoing, shall include (1) all income, receipts and moneys derived from the rates, rentals, fees and charges fixed, imposed and collected by the Port for the use and services of the Airport, or otherwise derived from or arising through the ownership, operation and

management of the Airport by the Port, or derived from the rental by the Port of all or part of the Airport or from the sale or rental by the Port of any commodities or goods in connection with the Airport; (ii) earnings on and the income from the investment of moneys held under this Ordinance, to the extent such earnings or income are deposited in the Airport Fund or the Bond Fund, but not including any such earnings or income credited to the Airport Construction Fund; and (iii) to the extent provided in Section 28 hereof), income derived by the Port from a Net Rent Lease (defined in Section 28 hereof); provided that (1) the term "Revenues" shall not include (a) moneys received as proceeds from the sale of Bonds or as grants or gifts, the use of which is limited by the grantor or donor to the construction of capital improvements, except to the extent that any such moneys shall be received as payments for the use of the Airport, ~~or (b) passenger facility charges or similar charges that are imposed under authority of federal law and are limited by federal law to expenditure on specific projects or activities and/or on debt service and financing costs related to specific projects or activities~~ or (c) customer facility charges (or any portion thereof) that may be levied by the Port and collected by rental car companies from their customers and (2) in no event shall the term "Revenues" include tax revenues or tax-derived revenues.

Section 6. Amendment to Section 13 of Ordinance No. 155. As authorized in Section 4.3(e) of each of the Authorizing Ordinances, the first paragraph of subsection 2 of Section 13 of Ordinance No. 155 (entitled "The Airport Revenue Fund; Application of Revenues") is hereby amended and restated as follows (additions shown in bold underline format and deletions shown in ~~strike through~~ format for convenience):

2. General. There is hereby created and established a separate special account in the Airport Fund to be known and designated as the "General Account." On the first business day of each month commencing with the month which follows the month in which the first Bonds issued hereunder are delivered and paid for and in each month thereafter, the Port after paying the Costs of Operation and Maintenance required by subparagraph 1 of this section, shall credit the balance of the Revenues then held in the Airport Fund (and not then credited to any account therein) to the General Account. The moneys credited to the General Account may be used and applied by the Port first, to the SLB Fund as provided in Sections 6, 6A, 6B and 7 of Port Ordinance No. 323, as amended, and then, without regard to priority and as determined by and in the discretion of the Port, only to the following: (1) in the event the moneys credited to the Airport Construction Fund are insufficient therefor, to complete payment of the Costs of Construction of properties included or to be included in the Airport; (2) to complete the payment of the costs of major maintenance, repairs, renewals and replacements to the properties constituting the Airport; (3) in the event the proceeds of insurance are insufficient therefor, to pay the costs of reconstruction, replacement or restoration of properties destroyed or damaged; (4) to pay the principal of and interest and premium, if any, on any subordinate or junior lien evidences of indebtedness issued for the Airport as permitted by paragraph L of Section 17 hereof (other than Subordinate Lien Bonds authorized by Port Ordinance No. 323, as amended); (5) (a) to reimburse the Port for advances made,

after the delivery of and payment for the first Bonds issued hereunder, by the Port for the principal of and interest and premium, if any, on general obligation bonds of the Port issued, after the delivery of and payment for the first Bonds issued hereunder, for the Airport; or (b) to reimburse any fund of the Port not held hereunder for advances made by the Port, after the delivery of and payment for the first Bonds issued hereunder, from such fund to any fund held hereunder; or (c) to reimburse the Port for moneys expended, after the delivery of and payment for the first Bonds issued hereunder, by it for the Airport from sources other than the Airport or the Revenues derived therefrom, and other than the proceeds of general obligation bonds or moneys advanced from any fund not held hereunder for which reimbursement may be made pursuant to clauses (a) and (b) of this item (5), provided that any amounts paid to the Port pursuant to this item (5) may be applied by the Port to any lawful purposes of the Port; (6) to pay the Costs of Construction of additions, expansions, improvements and betterments to the Airport, including the acquisition of land in anticipation of additions, expansions, improvements and betterments pursuant to the Airport Capital Improvement Program, as amended from time to time; (7) to any other lawful use or purpose pertaining to the Airport or the aviation or air transport interests of the Port, including without limitation General Aviation Airports and to pay or secure the payment of Special Obligation Bonds; and (8) to any other lawful use or purpose necessary to carry out this Ordinance, including the making of required payments or credits for the Costs of Operation and Maintenance of the Airport and to any fund or account held hereunder.

Section 7. Amendment to Section 28 of Ordinance No. 155. As authorized in Section 4.3(e) of each of the Authorizing Ordinances, the third paragraph of subsection 4 of Section 28 of Ordinance No. 155 (entitled “Special Obligation Bonds and Net Rent Leases”) is hereby amended and restated as follows (additions shown in bold underline format and deletions shown in ~~strike through~~ format for convenience):

Anything in this Ordinance to the contrary notwithstanding, the Port may issue Special Obligation Bonds for the purpose of constructing a Special Facility on ground then constituting part of the Airport or on ground not then constituting part of the Airport (which ground may then be owned by the Port or acquired for that purpose), or to acquire and renovate and rehabilitate a Special Facility (including the acquisition of necessary land), for lease pursuant to the provisions of this section. Such Special Obligation Bonds (i) shall be payable solely from the rentals payable pursuant to subparagraph 2 above of this section by the lessee under the Net Rent Lease entered into with respect to the Special Facility to be financed from such Special Obligation Bonds; (ii) shall not be a charge or claim against or payable from the Revenues or any other moneys held hereunder, provided, however, that, to the extent any Net Revenues remain after making all deposits and transfers required under Section 13.2 of Ordinance No. 155 and Sections 6, 6A and 6B or Ordinance 323, the Port may apply such remaining Net Revenues towards the payment of such Special Obligation Bonds; (iii) shall mature within the term of the Net Rent Lease entered into with

respect to such Special Facility; and (iv) shall not be issued unless and until the following conditions have been met:

(A) A certificate of the Airport Consultant has been filed with the Port and the Trustee certifying (i) that the construction or acquisition and leasing for use or occupation of such Special Facility would not result in a reduction of Revenues below the minimum amount of Revenues covenanted to be produced and maintained in accordance with Section 16 hereof, (ii) that the Net Rent Lease referred to in subparagraphs 2, 3 and 4 above of this section has been entered into; (iii) that the payments to be made by the lessee pursuant to the provisions of subparagraph 2 above of this section will be sufficient to pay the principal of and interest and premium (if any) on the Special Obligation Bonds as the same mature and to pay all trustee's fiscal agents' and paying agents' fees and expenses in connection therewith; and

(B) There shall have been filed with the Port and the Trustee an opinion of Counsel to the Port, that the Net Rent Lease entered into pursuant to this section for the Special Facility to be financed from such Special Obligation Bonds is valid and binding according to its terms and complies with the provisions of subparagraphs 2, 3 and 4 above of this section.

Section 8. Amendments to Section 2 of Ordinance No. 323. The definition "SLB Interest Account" is hereby deleted from Section 2 of Ordinance No. 323.

Section 9. Reserved.

Section 10. Amendment to Section 5 of Ordinance No. 323. As authorized in Section 4.3(d) of each of the Authorizing Ordinances, clause f. and clause g. of Section 5 of Ordinance No. 323 (entitled "Covenants") are hereby amended and restated as follows (additions shown in bold underline format and deletions shown in ~~strike through~~ format for convenience):

a. Clause f. of Section 5 is hereby amended and restated in its entirety to read as follows:

f. The Port shall impose and prescribe such schedule of rates, rentals, fees, and other charges for the use and services of the facilities and commodities furnished by the Airport, shall revise the same from time to time, whenever necessary, and shall collect the income, receipts, and other moneys derived therefrom, so that the Net Revenues in each Fiscal Year shall be at least equal to the sum of: (1) 130% of the Debt Service Requirement for such Fiscal Year for the Prior Lien Bonds as required by Section 16 of Ordinance No. 155; plus, (2) 130% of the SLB Debt Service Requirement for such Fiscal Year on all Subordinate Lien Bonds then Outstanding. For purposes of the rate covenant set forth in the immediately preceding sentence, the term "SLB Debt Service Requirement" shall not include any Excess Principal (as hereinafter defined)

coming due in any particular Fiscal Year. The Port hereby covenants and agrees that it shall impose and prescribe such schedule of rates, rentals, fees, and other charges for the use and services of the facilities and commodities furnished by the Airport, shall revise the same from time to time, whenever necessary, and shall collect the income, receipts and other moneys derived therefrom, so that the Net Revenues in each Fiscal Year shall be at least equal to the sum of: (i) the amounts described in the first sentence of this Section 5.f; plus (ii) 100% of the Excess Principal coming due in such Fiscal Year. As used herein, the term "Excess Principal" means the principal amount of any Outstanding Subordinate Lien Bonds which, in accordance with any reimbursement agreement, or other agreement pursuant to which any Credit Facility (as defined in Section 9 hereof) is given in connection with such Subordinate Lien Bonds, is due and payable by the Port in a particular Fiscal Year (whether by virtue of scheduled maturity, mandatory redemption or any similar method), but only to the extent the principal amount of such Subordinate Lien Bonds, which is so due and payable in such Fiscal Year, exceeds the principal amount which in the absence of the provisions of such reimbursement agreement, or other agreement referred to above, would otherwise be due and payable in such Fiscal Year (whether by scheduled maturity or mandatory redemption). For purposes of determining the Port's compliance with the rate covenants set forth in this Section 5.f., non-cash, unrealized gains, losses, expenses and/or revenues, including the fair value of Qualified Swaps, Qualified TLO Swaps, other swap agreements or other derivative products, shall be disregarded. The Port shall enact such ordinances and prescribe and enforce such rules and regulations, or impose such contractual obligations, for the payment of said rates, rentals, fees, and charges, including, without limitation, the imposition of penalties for defaults, to the end that the provisions of this paragraph shall be complied with. In addition, the Port covenants that it shall impose and prescribe such schedule of rates, rentals, fees, and other charges for the use and services of the facilities and commodities furnished by the Airport, shall revise the same from time to time, whenever necessary, and shall collect the income, receipts, and other moneys derived therefrom, so that the Net Revenues, together with other amounts that are available to pay Other Swap Obligations, are sufficient to pay all Other Swap Obligations and any Junior Lien Obligations when due.

b. Clause g. of Section 5 is hereby amended and restated in its entirety to read as follows:

g. Within one hundred twenty (120) days after the close of each Fiscal Year (the first such certificate to be filed with respect to the Fiscal Year in which the first Subordinate Lien Bonds are issued hereunder), the Port shall file with the SLB Trustee and the Airport Consultant, a signed copy of the annual report of the Accountant for the preceding Fiscal Year showing, among other things, for such year (1) Revenues and Net Revenues; (2) the Debt Service Requirement of the Prior Lien Bonds and the SLB Debt Service Requirement; and, (3) the aggregate amount of money which was deposited in the General Account and available for the payments into the SLB Fund due hereunder, and the

ration of such amount to the SLB Debt Service Requirement. In the event that any such report so filed shows that the Revenues and Net Revenues for said preceding Fiscal Year did not equal at least the amounts covenanted to be produced by, and required for the purposes specified in the preceding paragraph of this section for said Fiscal Year, or that the Revenues were not sufficient to restore any deficiency in the amounts then required by paragraph f of Section 6 hereof to be credited to the SLB Reserve Account, and to pay or discharge all other claims, charges and liens whatsoever against the Revenues when due and payable, then the Port shall promptly thereafter cause the Airport Consultant to file with the Port and the SLB Trustee, a certificate stating, if deemed necessary by the Trustee, specific changes in operating procedures which may be made, or suggested revisions in the schedule of rates, rentals, fees, and charges, and recommendations respecting any increases thereto, any other changes, or any combination of the foregoing, which will, in the aggregate, in the Trustee's opinion, result in Revenues and Net Revenues estimated as sufficient to make up any existing deficiency and to produce the amounts covenanted to be produced by the preceding paragraphs of this section. For purposes of determining the Port's compliance with the rate covenants set forth in this Section 5.g., non-cash, unrealized gains, losses, expenses and/or revenues, including the fair value of Qualified Swaps, Qualified TLO Swaps, other swap agreements or other derivative products, shall be disregarded. The Port shall send a copy of each such certificate to the SLB Trustee, each Qualified Swap Provider, and to any owner of Subordinate Lien Bonds filing with the Port a request for the same. Thereafter, if the Port, in its sole discretion, deems any changes in its operating fees and charges, any other changes, or any combination of the foregoing, are necessary to produce the Revenues and Net Revenues required to make up any deficiency and produce the amounts covenanted to be produced by the preceding paragraphs of this Section, it shall, as soon as possible, effect such changes in its operating procedures, or such revisions in such schedule of rates, rentals, fees, and charges, or effect such other charges, or take any combination of the foregoing actions, which, in its opinion and sole discretion, are necessary for such purposes.

Section 11. Amendments to Section 6 of Ordinance No. 323. Section 6 of Ordinance No. 323 (entitled "Bond Fund") is hereby amended and restated as follows (additions shown in bold underline format and deletions shown in ~~striketrough~~ format for convenience):

a. Clause c. of Section 6 is hereby amended and restated in its entirety as follows:

c. The SLB Trustee shall maintain a separate account in the SLB Fund to be known as the "SLB Principal and Interest Account." So long as the Port remains obligated to make payments on Subordinate Lien Bonds or Qualified Swaps:

(1) In the case of Subordinate Lien Bonds and any Qualified Swap for which interest or Scheduled Swap Obligations are due semi-annually, or less frequently, on the first business day of each month, commencing with the month which follows the month in which the first series of Subordinate Lien Bonds are issued under this SLB

Ordinance, the Port shall pay to the SLB Trustee from moneys in the General Account for deposit in the SLB Principal and Interest Account: (i) an amount such that, if the same amount were so credited to this account in each succeeding month thereafter, prior to the next date upon which an installment of interest falls due on the Subordinate Lien Bonds, the aggregate of such amounts, plus other moneys previously deposited and available in the SLB Principal and Interest Account to pay interest on Subordinate Lien Bonds, or scheduled to be deposited therein pursuant to a Capitalized Interest Certificate, will equal the installment of interest falling due on the Subordinate Lien Bonds on such interest payment date; plus (ii) an amount such that, if the same amount were so credited to this account in each succeeding month thereafter, prior to the next date upon which a Scheduled Swap Obligation is due, the aggregate of such amounts, plus other moneys previously deposited and available in the SLB Principal and Interest Account and available to pay Scheduled Swap Obligations, will equal those Scheduled Swap Obligations on that payment date.

(2) In the case of all Subordinate Lien Bonds and any Qualified Swap for which interest or Scheduled Swap Obligations are due more frequently than semi-annually; on the business day immediately preceding each interest payment date for such Subordinate Lien Bonds and each payment date for that Scheduled Swap Obligation, commencing with the month which follows the month in which the first series of Subordinate Lien Bonds are issued under this SLB Ordinance, the Port shall pay to the SLB Trustee from moneys in the General Account for deposit in the SLB Principal and Interest Account: (i) an amount that, together with any other moneys previously deposited and available in the SLB Principal and Interest Account to pay interest on Subordinate Lien Bonds, will equal the installment of interest falling due on the next succeeding interest payment date for those Subordinate Lien Bonds; plus (ii) an amount that, together with moneys previously deposited and available in the SLB Principal and Interest Account to pay Scheduled Swap Obligations, will equal the Scheduled Swap Obligations due on the next succeeding payment date for such Scheduled Swap Obligations.

(3) Accrued interest received on the sale of Subordinate Lien Bonds, payments received by the Port under an agreement to enter into a Qualified Swap, as described in clause (4) of the definition of "SLB Debt Service Requirement," and any regularly scheduled payment that is received by the Port (or the SLB Trustee on behalf of the Port) from a Qualified Swap Provider under a Qualified Swap that exceeds the amount paid by the Port, shall promptly be deposited in the SLB Principal and Interest Account.

(4) If, at any time, the amounts in the SLB Principal and Interest Account are not sufficient to pay all interest payments on Subordinate Lien Bonds and Scheduled Swap Obligations that are then due, the SLB Trustee shall apply amounts in the SLB Principal and Interest Account to pay, on a pro rata basis, interest on Subordinate Lien Bonds and any amounts due in respect of Scheduled Swap Obligations.

b. Clause d. of Section 6 is hereby amended and restated in its entirety as follows:

d. ~~The SLB Trustee shall maintain a separate account in the SLB Fund, to be known as the "SLB Serial Bond Principal Account."~~ On the first business day of each month, so long as any Subordinate Lien Bonds are Outstanding, commencing with the month which is twelve (12) months prior to the first principal payment of any Subordinate Bond maturing serially or the date on which Subordinate Lien Bonds are subject to scheduled mandatory redemption, the Port shall pay to the SLB Trustee, from moneys in the General Account for deposit in the SLB ~~Serial Bond Principal~~ and Interest Account, an amount such that, if the same amount were so credited to this account in each succeeding month thereafter, prior to the next date upon which principal, if any, on the Subordinate Lien Bonds maturing serially becomes due and payable or the next date upon which Subordinate Lien Term Bonds are subject to scheduled mandatory redemption (excluding any principal due as Excess Principal), the aggregate of the amounts on deposit in this account will equal the amount of serially maturing principal on such Subordinate Lien Bonds on such principal payment date.

c. Clause e. of Section 6 is hereby amended and restated in its entirety as follows:

e. ~~[Reserved] The SLB Trustee shall maintain a separate account in the SLB Fund, to be known as the "SLB Term Bond Principal Account." On the first business day of each month, so long as any Subordinate Lien Bonds are Outstanding, commencing with the month which is twelve (12) months prior to the date on which Subordinate Lien Bonds are subject to mandatory redemption, the Port shall pay to the SLB Trustee, from moneys in the General Account for deposit in the SLB Term Bond Principal Account, an amount such that, if the same amount were so credited to this account in each succeeding month thereafter, prior to the next date upon which Subordinate Lien Term Bonds are subject to mandatory redemption (excluding any principal due as Excess Principal), the aggregate of such amounts will equal the amount of Term Bond principal due by mandatory redemption.~~

d. Clause f. of Section 6 is hereby amended and restated in its entirety as follows:

f. The SLB Trustee shall maintain a separate account in the SLB Fund, to be known as the "SLB Reserve Account." The Port shall pay to the SLB Trustee, from Revenues in the General Account or from Subordinate Lien Bond proceeds, for deposit in the SLB Reserve Account, moneys sufficient to fund the SLB Reserve Fund Requirement, in accordance with the schedule provided in each ordinance authorizing issuance of a series of Subordinate Lien Bonds. Except as provided below in this paragraph, moneys in the SLB Reserve Account shall be used only to pay principal of, interest, and any premium on, Subordinate Lien Bonds and Scheduled Swap Obligations, and only when moneys in the SLB Principal and Interest Account, ~~SLB Serial Bond Principal Account, and SLB Term Bond Principal Account~~ are insufficient for such purposes. In the event that the balance in the SLB Reserve Account is reduced below the SLB Reserve Requirement, then on the first business day of each month, the Port shall pay to the SLB Trustee from Revenues in the General Account for deposit in the SLB Reserve Account, an amount equal to twenty percent (20%) of the amounts

required to be paid to the SLB Trustee on that day, pursuant to the preceding three paragraphs of this Section, until there is on deposit in the SLB Reserve Account an amount equal to the SLB Reserve Fund Requirement. If the amounts on deposit in the SLB Reserve Account exceed the SLB Reserve Fund Requirement, and there is no deficiency in any other account in the SLB Fund, the SLB Trustee shall, upon written request of the Port, disburse the excess to the Port for deposit in the General Account.

e. Clause g. of Section 6 is hereby amended and restated in its entirety as follows:

g. Moneys in the SLB Fund shall be invested and reinvested, to the extent reasonable and practicable by the SLB Trustee, and at the direction of the Port, in Investment Securities which are legal investments for the Port under the laws of the State of Oregon. Such investments shall mature on, or prior to, the date on which moneys are required to be disbursed from the SLB Fund. All earnings on the SLB Fund which are subject to rebate to the federal government shall be accounted for separately, in accordance with instructions to the Trustee by the Port and shall be transferred at convenient intervals to the Port for deposit in the Rebate Account. All earnings on the SLB Fund not credited to the Rebate Account shall be credited to the SLB Reserve Account, unless and until there is on credit to said account, an amount equal to the SLB Reserve Requirement on all Subordinate Lien Bonds then Outstanding, in which event such earnings shall be credited to the SLB Principal and Interest Account, ~~the SLB Serial Bond Principal Account, the SLB Term Bond Principal Account, or any combination thereof as the Port may determine.~~ The SLB Trustee shall notify the Port of the availability of earnings for credit to such accounts, so that the Port, when making the payments to the SLB Trustee required by this Section, may adjust its payments for the earnings credited to such accounts.

Section 12. Amendments to Section 7 of Ordinance No. 323. Section 7 of Ordinance No. 323 (entitled "Order of Payment; Priority of Claim") is hereby amended and restated as follows (additions shown in bold underline format and deletions shown in ~~strikethrough~~ format for convenience):

Section 7. Order of Payment; Priority of Claim. All moneys to be paid to the SLB Trustee by the Port from the General Account in any month, under the provisions of this SLB Ordinance, shall be paid before any other amounts are paid in that month for any other purpose. In the event amounts in the General Account are insufficient to pay the amounts due under the SLB Ordinance on the date that such amounts are to be paid, all moneys then existing in the General Account, and all moneys subsequently available for deposit in the General Account, shall be immediately transferred to the SLB Trustee for deposit to the deficient accounts in the SLB Fund and no moneys from the General Account shall be disbursed for any other purpose until all payments then due hereunder have been made. If such an insufficiency occurs, the SLB Trustee shall deposit the moneys it receives to the following accounts, in the following order of priority:

FIRST: to the SLB Principal and Interest Account, until all required deposits to that account have been made;

~~SECOND: to the SLB Serial Bond Principal Account, until all required deposits to that account have been made;~~

~~THIRD: to the SLB Term Bond Principal Account, until all required deposits to that account have been made;~~

~~SECOND~~ FOURTH: to the SLB Reserve Account, until all required deposits to that account have been made;

~~THIRD~~ FIFTH: to the Port for deposit in the JLO Fund, until all required deposits to that fund have been made; and

~~FOURTH~~ SIXTH: to the Port for deposit to the TLO Fund until all required deposits to that fund have been made.

Section 13. Amendment to Section 8 of Ordinance No. 323. Section 8 of Ordinance No. 323 (entitled "SLB Construction Account") is hereby amended and restated as follows (additions shown in bold underline format and deletions shown in ~~strike through~~ format for convenience):

(a) There is hereby created a separate account in the Construction Fund which shall be designated as the "Subordinate Lien Revenue Bond Construction Account," which is referred to herein as the "SLB Construction Account." Moneys credited to the SLB Construction Account shall be accounted for separately from other moneys of the Port, and shall be applied solely for the purposes listed in Section 3 hereof, or the payment of Subordinate Lien Bonds and Scheduled Swap Obligations.

The Port shall transfer moneys in the SLB Construction Account to the SLB Trustee for deposit in the SLB Principal and Interest Account in accordance with the schedule contained in the Capitalized Interest Certificate. Other withdrawals of money on credit to the SLB Construction Account shall be made only in accordance with the applicable law and upon a written requisition for such payment signed by an officer or employee of the Port, in the same manner as provided for withdrawals of money from the Airport Construction Fund under Section 12 of Ordinance No. 155.

Section 14. Amendment to Section 10 of Ordinance No. 323. As authorized in Section 4.3(d) of each of the Authorizing Ordinances, clause a. of Section 10 of Ordinance No. 323 (entitled "Additional Bonds") is hereby amended to add at the end of such clause a. the following paragraph:

"For purposes of determining the Port's compliance with Section 10.a. of the SLB Ordinance, non-cash, unrealized gains, losses, expenses and/or revenues, including the fair value of Qualified Swaps, Qualified TLO Swaps, other swap agreements or other derivative products, shall be disregarded."

Section 15. Deletion of Section 17.C. of Ordinance No. 155. As authorized in Section 4.3(c) of each of the Authorizing Ordinances, Section 17.C. of Ordinance No. 155 (entitled "Filing and Recording of Ordinances; Instruments of Further Assurance") is hereby deleted in its entirety, subsections D. through J are accordingly redesignated as subsections C. through I. and any cross references to such subsections are hereby updated accordingly.

Section 16. Amendments to Certificate of the Executive Director. References to the SLB Interest Account contained in the Certificate of the Executive Director shall be deemed references to the SLB Principal and Interest Account and references to the SLB Term Bond Principal Account contained in the Certificate of the Executive Director shall be deemed references to the SLB Principal and Interest Account.

Section 17. Section Headings; Table of Contents. The headings or titles of the several sections hereof, and any table of contents appended hereto or copies hereof, shall be solely for the convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Ordinance.

Section 18. Publication and Effectiveness of This Ordinance. A concise summary of this Ordinance, including the location within the Port where a complete copy of this Ordinance may be obtained without charge, shall be published within five days after passage once in a newspaper of general circulation within the Port; and this Ordinance shall become effective thirty (30) days after enacted.

[Remainder of page intentionally blank]

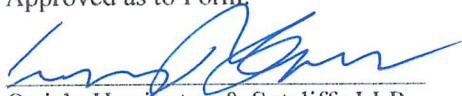
PASSED AND ENACTED by the Board of Commissioners of The Port of Portland at a meeting held on September 10, 2014 and signed by its President on the same date.

THE PORT OF PORTLAND



President

Approved as to Form:



Orrick, Herrington & Sutcliffe LLP
Bond Counsel