

**ORDINANCE NO. 463-CP
OF THE PORT OF PORTLAND**

AN ORDINANCE AUTHORIZING THE ISSUANCE OF COMMERCIAL PAPER NOTES IN AN AGGREGATE AMOUNT NOT TO EXCEED \$300,000,000 OUTSTANDING AT ANY ONE TIME TO PAY, REFINANCE OR REIMBURSE THE PORT FOR THE PAYMENT OF THE COSTS OF CONSTRUCTING, RENOVATING, ACQUIRING, EQUIPPING AND INSTALLING IMPROVEMENTS AT THE PORTLAND INTERNATIONAL AIRPORT AND TO PAY COSTS RELATED THERETO, AND TO PAY COSTS OF ISSUING THE COMMERCIAL PAPER NOTES, INCLUDING TO PAY PRINCIPAL OF AND INTEREST TO ACCRUE ON ALL OR A PORTION OF THE COMMERCIAL PAPER NOTES; DELEGATING TO THE EXECUTIVE DIRECTOR AUTHORIZATION TO ESTABLISH TERMS AND CONDITIONS FOR THE ISSUANCE AND PAYMENT OF SAID COMMERCIAL PAPER NOTES AND TO TAKE OTHER NECESSARY ACTIONS IN CONNECTION THEREWITH; AUTHORIZING AMENDMENTS TO THE PORT'S AIRPORT REVENUE BOND ORDINANCE NO. 155, AS AMENDED, AND AIRPORT REVENUE BOND ORDINANCE NO. 323, AS AMENDED; AUTHORIZING AND PROVIDING FOR RELATED MATTERS AND DOCUMENTS.

WHEREAS, the Board of Commissioners of The Port of Portland (the "Board") has determined and does hereby determine that it will be advantageous to The Port of Portland (the "Port") to authorize the issuance by the Port of its Portland International Airport Third Lien Commercial Paper Notes from time to time (collectively, the "Commercial Paper Notes") to: (i) pay, refinance or reimburse the Port for the payment of costs of constructing, renovating, acquiring, equipping and installing improvements at the Portland International Airport, (ii) pay costs of issuing the Commercial Paper Notes, including payment of principal of and interest to accrue on all or a portion of the Commercial Paper Notes, and (iii) for any other lawful purposes of the Port;

WHEREAS, the Commercial Paper Notes will be issued pursuant to Section 6B of Ordinance No. 323, enacted October 9, 1985, as amended and restated thereafter, including as amended by Ordinance 422-B, enacted November 8, 2006, and as hereafter amended, restated and supplemented ("Ordinance No. 323"), payable from the Third Lien Obligation Fund created by Section 6B of Ordinance No. 323 (the "TLO Fund"), on a parity basis with the Port's other Third Lien Obligations and on a subordinate basis to the Port's currently outstanding Subordinate Lien Bonds (the "SLBs") and Junior Lien Obligations;

WHEREAS, prior to or simultaneous with the initial issuance of the Commercial Paper Notes, the Port is expected to enter into an Issuing and Paying Agent Agreement with U.S. Bank National Association, as the Issuing and Paying Agent (the "Paying Agent"), a Dealer Agreement with Citigroup Global Markets Inc., as commercial paper dealer, a Reimbursement Agreement with Barclays Bank PLC, as letter of credit provider, and any and all other agreements, certificates and documents necessary for the initial issuance of the Commercial Paper Notes (collectively the "Commercial Paper Note Documents"); and

WHEREAS, the Board desires to authorize the Executive Director to enter into additional agreements and take other future actions on behalf of the Port in connection with the ongoing administration of the Commercial Paper Notes.

NOW THEREFORE, BE IT ENACTED BY THE PORT OF PORTLAND:

Section 1. Terms Defined in Ordinance No. 155 and Ordinance No. 323.

1.1 As used in this Ordinance No. 463-CP (the "Ordinance"), the following terms shall have the meanings defined for such terms in Ordinance No. 155, enacted November 10, 1971, as amended and restated thereafter and hereafter amended, restated and supplemented ("Ordinance No. 155") and in Ordinance No. 323, as follows:

Term:	Defined in Ordinance No.
Airport Fund	155
Airport	155
General Account	155
Investment Securities	155
Junior Lien Obligations	323
Net Revenues	155
Port	155
Rebate Account	323
SLB Fund	323
SLB Reserve Fund Requirement	323
TLO Fund	323

1.2 In addition to the terms defined as provided in Section 1.1 of this Ordinance, the following terms shall have the following meanings:

"AMT" means, when used in connection with the Commercial Paper Notes, that interest on such Commercial Paper Notes is a specific preference item for purposes of the federal alternative minimum taxes imposed on individuals and corporations.

"Code" means the United States Internal Revenue Code of 1986, as amended from time to time, and the applicable rulings and regulations of the United States Treasury Department.

"Commercial Paper Credit Facility" means one or more credit facilities, including without limitation, one or more irrevocable direct-pay letters of credit, to secure all or a portion of the Commercial Paper Notes.

"Commercial Paper Notes" means promissory notes evidencing an obligation of the Port and designated as the Port's Portland International Airport Third Lien Commercial Paper Notes of each series authorized by Section 2.1 of this Ordinance.

"Commercial Paper Note Documents" shall have the meaning given that term in the recitals herein.

"Commercial Paper Notes Projects" means the construction, renovation, acquisition, equipment and installation of Port improvements at the Portland International Airport.

“DTC” means The Depository Trust Company, New York, New York or any successor serving as securities depository under this Ordinance.

“Executive Director” means the Executive Director or the Chief Financial Officer of the Port and any designee of either as provided in Section 3.

“Owner” means a registered owner of a Commercial Paper Notes, as shown on the registration books maintained by the Paying Agent.

“Non-AMT” means, when used in connection with the Commercial Paper Notes, that interest on such Commercial Paper Notes is not a specific preference item for purposes of the federal alternative minimum taxes imposed on individuals and corporations, although such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income.

“SLBs” means bonds and other obligations that qualify as “Subordinate Lien Bonds” as that term is defined in Ordinance No. 323.

“Third Lien Obligation” or “TLO” means bonds or other obligations that have a lien on the Net Revenues that is subordinate to the lien of the SLBs and the Junior Lien Obligations and are payable from amounts deposited in the TLO Fund.

“Trustee” means the “Subordinate Lien Bond Trustee” as defined in Ordinance No. 323.

1.3 Capitalized terms that are used but not otherwise defined in this Ordinance shall have the meanings defined for such terms in Ordinance No. 155 or Ordinance No. 323.

Section 2. Authorization and Security for Notes.

2.1 Pursuant to the provisions of Ordinance No. 155 and Ordinance No. 323, the Board hereby authorizes the Port to sell and issue from time to time, in one or more series and, as desirable, subseries, Portland International Airport Third Lien Commercial Paper Notes in an aggregate principal amount not to exceed \$300,000,000 outstanding at any one time to: (i) pay, refinance or reimburse the Port for the payment of costs of the Commercial Paper Notes Projects, (ii) pay costs of issuing the Commercial Paper Notes, including payment of principal of and interest to accrue on all or a portion of the Commercial Paper Notes, and (iii) for any other lawful purposes of the Port. The series and subseries of Commercial Paper Notes authorized by this Section 2.1 are hereby continued, ratified and confirmed as they may be issued from time to time; provided that no series or subseries of Commercial Paper Notes will be issued or remain outstanding beyond November 8, 2047, unless the authorization provided for herein has been re-approved by the Board. Without limiting the generality of the foregoing, the issuance from time to time of Series A (Non-AMT), Series B (AMT) and Series C (Taxable) is hereby approved, ratified and confirmed.

2.2 The Commercial Paper Notes shall be issued pursuant to Section 6B of Ordinance No. 323 and shall be payable solely from the Net Revenues of the Airport that are available in the TLO Fund. The Port hereby agrees to deposit Net Revenues in the TLO Fund for the benefit of

the Commercial Paper Notes and providers of Commercial Paper Credit Facilities as provided in Section 6B of Ordinance No. 323 and in the documents authorized by Section 3 of this Ordinance.

2.3 In connection with the initial issuance of the Commercial Paper Notes, and in connection with the ongoing administration of the Commercial Paper Notes, the Board authorizes the Port to engage one or more commercial paper dealers to, among other tasks, sell the Commercial Paper Notes, to enter into one or more dealer agreements with a dealer or dealers, and to enter into the agreements and other documents referred to in Section 3. The initial dealer is expected to be Citigroup Global Markets, Inc.

2.4 In connection with the initial issuance of the Commercial Paper Notes, and in connection with the ongoing administration of the Commercial Paper Notes, the Board authorizes the Port to engage a paying agent to act as issuing and paying agent with respect to the Commercial Paper Notes, to enter into one or more issuing and paying agent agreements or similar agreements with paying agents, and to enter into the agreements and other documents referred to in Section 3. The initial issuing and paying agent with respect to the Commercial Paper Notes is expected to be U.S. Bank National Association.

2.5 In connection with the initial issuance of the Commercial Paper Notes, and in connection with the ongoing administration of the Commercial Paper Notes, the Board authorizes the Port to obtain one or more Commercial Paper Credit Facilities, to enter into one or more reimbursement agreements or similar agreements with the provider or providers of such Commercial Paper Credit Facilities, and to enter into the agreements and other documents referred to in Section 3. The initial Commercial Paper Credit Facility is expected to be an irrevocable direct-pay letter of credit provided by Barclays Bank PLC.

Section 3. Delegation.

The Executive Director is hereby authorized, on behalf of the Port and without further action by the Board, and the Board hereby ratifies actions heretofore taken by the Executive Director in connection with the Commercial Paper Notes, to take the following actions with respect to the initial issuance of the Commercial Paper Notes and from time to time in connection with the ongoing administration of the Commercial Paper Notes:

3.1 Sell and provide for the issuance of the Commercial Paper Notes in one or more series and, if desirable, subseries, in an aggregate principal amount not to exceed \$300,000,000 outstanding at any one time.

3.2 Establish the terms and conditions of any issue of Commercial Paper Notes, subject to the terms of the documents executed in connection therewith, including the establishment or retirement from time to time of series and subseries of Commercial Paper Notes, and to request the issuing and paying agent for the Commercial Paper Notes to issue, and the dealer or dealers for the Commercial Paper Notes to offer and deliver, Commercial Paper Notes from time to time as the Executive Director shall determine is necessary or desirable to meet the capital financing, working capital and other needs of the Port; provided that the aggregate principal amount of the Commercial Paper Notes shall not exceed the amount authorized herein, and the maximum interest rate on the Commercial Paper Notes and the maximum true interest cost to the Port of the Commercial Paper Notes shall not exceed the maximum permitted by law in each case.

3.3 Participate in the preparation of, approve, authorize the distribution of, and deem final, and execute and deliver the disclosure documents for the Commercial Paper Notes.

3.4 Establish the series designations and aggregate principal amounts of Commercial Paper Notes; provide for the Commercial Paper Notes to be held by or through the facilities of DTC; select one or more dealers who will facilitate sale from time to time of the Commercial Paper Notes and enter into one or more dealer agreements with those dealers.

3.5 Establish the terms of and obtain one or more Commercial Paper Credit Facilities for the Commercial Paper Notes and enter into agreements with providers of those Commercial Paper Credit Facilities to repay any amounts paid under the Commercial Paper Credit Facilities (plus fees and other costs of such providers) from the Net Revenues of the Airport that are available in the TLO Fund.

3.6 Prepare, execute and deliver the Commercial Paper Note Documents specifying the terms under which the Commercial Paper Notes will be issued, the form of the Commercial Paper Notes and the administrative provisions that apply to the Commercial Paper Notes. These documents may contain additional covenants for the benefit of the Owners and providers of Commercial Paper Credit Facilities for the Commercial Paper Notes.

3.7 Substitute providers of any Commercial Paper Credit Facility related to the Commercial Paper Notes and any dealer or dealers of Commercial Paper Notes, and enter into any related agreements and prepare, execute and deliver any documents necessary to effect any substitution.

3.8 Substitute the issuing and paying agent for the Commercial Paper Notes and enter into one or more replacement issuing and paying agent agreements and prepare, execute and deliver any documents necessary to effect any substitution.

3.9 Except in the case of any Commercial Paper Notes, the interest on which the Port intends to be includable in gross income for federal income tax purposes, enter into covenants by the Port to maintain the excludability of interest on applicable Commercial Paper Notes from gross income under the Code.

3.10 Determine whether to provide, and provide that a portion of the Commercial Paper Notes bear interest that is includable in gross income for federal income tax purposes.

3.11 Obtain any necessary consents from the providers of the Port's existing interest rate swaps, surety bond reserve policies and/or credit facilities.

3.12 Create special accounts and subaccounts within the TLO Fund that is held under Ordinance No. 323, as amended, for the Commercial Paper Notes and the obligations of the Port payable to the provider or providers of Commercial Paper Credit Facilities, and provide for deposits and withdrawals of amounts in those accounts and subaccounts.

3.13 Provide for the application and investment of proceeds of the Commercial Paper Notes.

3.14 Execute and deliver any other documents and take any other action in connection with the Commercial Paper Notes which the Executive Director finds will be advantageous to the Port.

Section 4. Amendments to Ordinance No. 323 and to Ordinance 155.

4.1 The Port may amend and restate Ordinance No. 323 and Ordinance No. 155 to delete the final paragraph of Section 9 of Ordinance No. 323 and to remove all other references in those ordinances to "Excess Principal."

4.2 As the Port has done in the ordinances authorizing all currently outstanding series of SLBs, the Port hereby provides and clarifies that the Port may amend Ordinance No. 155 and Ordinance No. 323 without the consent of the Owners for any of the purposes listed in this Section 4.2.

(a) To amend the definition of "Airport" to add any facilities operated by the Port whether or not such facilities are related to aviation.

(b) To provide that the Airport Fund (other than the SLB Fund) may be invested in any securities that are legal investments for the Port under the laws of the State of Oregon.

(c) To provide that the SLB Fund may be invested only in Investment Securities, and to define Investment Securities to include those securities that are then typically permitted for the investment of debt service and the reserve funds of revenue bonds that have credit ratings similar to the credit ratings then in effect for the SLBs.

(d) To permit the Port's obligations under derivative products (including interest rate swaps, collars, hedges, caps and similar transactions) to be treated as SLBs and to make other changes which are desirable in order to permit use of derivative products in connection with SLBs.

(e) To permit obligations that are subordinate to the SLBs to be issued for any lawful Port purpose.

(f) To provide that balloon obligations will be treated as if they were refinanced with long-term obligations for purposes of calculating the SLB Debt Service Requirement and making certain deposits to the SLB Fund.

(g) To provide that any "put" or other right of owners of SLBs to require the purchase of SLBs shall not be treated as a maturity or mandatory redemption and may be ignored when calculating the SLB Debt Service Requirement and the amounts to be deposited to the SLB Fund, but only if bond insurance, a line or letter of credit, a standby bond purchase agreement or other liquidity or credit enhancement is in effect which is expected to pay for the purchase of the SLBs when the owners of SLBs exercise that right, if the SLBs are not remarketed or refunded.

(h) To provide that certain amounts in the SLB Serial Principal Account and the SLB Term Bond Principal Account may be used for redemption or purchase for cancellation of SLBs.

(i) To reduce the SLB Reserve Fund Requirement to an amount equal to the maximum amount of proceeds of tax-exempt bonds which the Code permits to be deposited in a reserve account without yield restriction, and to specify either that separate reserve accounts will be held for each series of SLBs, or that a single reserve account will secure all series of SLBs.

(j) To modify the requirements for funding the Rebate Account or to eliminate the Rebate Account.

(k) To combine Ordinance No. 155 and Ordinance No. 323, to delete outdated provisions, to delete provisions that interfere with the business operations of the Port but that do not provide substantial security for owners of SLBs, to clarify and simplify the remaining provisions, to substitute modern, more flexible provisions, and to restate those amended ordinances as a single ordinance.

4.3 As the Port has done previously in the ordinances authorizing the Port's Airport Revenue Bonds, Series Nineteen, Series Twenty, Series Twenty-One, Series Twenty-Two, Series Twenty-Three and Series Twenty-Four, in addition to the amendments provided in Sections 4.1 and 4.2, the Port may amend Ordinance No. 155 and Ordinance No. 323 without the consent of the Owners for any of the purposes listed in this Section 4.3.

(a) To amend the definition of "SLB Debt Service Requirement" so that for purposes of calculating compliance with the Port's rate covenants, the amount of principal of and/or interest on SLBs and/or the amount of Scheduled Swap Obligations paid or to be paid from moneys not then included in the definition of "Revenues" or "Net Revenues" shall be disregarded and not included in any calculation of "SLB Debt Service Requirement."

(b) To amend Ordinance No. 323 to provide that for purposes of determining compliance with Section 10 of Ordinance No. 323, the amount of passenger facility charges, customer facility charges, state and federal grants or other payments and/or other moneys that are not then included in the definition of "Revenues" or "Net Revenues" but that are committed irrevocably to the payment of debt service on SLBs and to the payment of Scheduled Swap Obligations or that are held by the Trustee for the sole purpose of paying debt service on SLBs and paying Scheduled Swap Obligations may be disregarded and not included in the calculation of SLB Debt Service Requirement for the period in which such amounts are irrevocably committed or are held by the Trustee.

(c) To permit all or a portion of the Remaining Balance, as hereinafter defined, to be taken into account as "Revenues" when determining compliance by the Port with its rate covenants. For this purpose, "Remaining Balance" means for any fiscal year the amount of unencumbered funds on deposit or anticipated to be on deposit on the first day of such fiscal year in the General Account (after all deposits and payments required to be made by Section 7 of Ordinance 323 have been made) as of the last day of the immediately preceding fiscal year.

(d) To permit the application of proceeds received from the sale of SLBs or of Junior Lien Obligations to make termination payments incurred in connection with terminating swap agreements or other derivative products.

Section 5. Formal Matters.

5.1 The power granted in Section 4 to amend Ordinance No. 155 and Ordinance No. 323 supplements and clarifies, and does not limit, the power of the Port to amend Ordinance No. 155 under its Section 20 and Ordinance No. 323 under its Section 12.

5.2 The Executive Director may determine that the providers of Commercial Paper Credit Facilities for the Commercial Paper Notes, if any, shall be treated as Owners secured by those Commercial Paper Credit Facilities for purposes of consenting to amendments to Ordinance No. 155, Ordinance No. 323 and the documents relating to the Commercial Paper Notes.


5.3 Provisions of the documents that are executed pursuant to Section 3 shall have the same effect as if those provisions were included in this Ordinance.

5.4 The Port may restate Ordinance No. 323 and Ordinance No. 155 to include the amendments contained in this Ordinance and may combine Ordinance No. 155 and Ordinance No. 323 without the consent of any Owner or beneficial owner, Commercial Paper Credit Facility provider or swap provider.

5.5 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 (5) days after passage in a newspaper of general circulation within the boundaries of the Port.


PASSED AND ENACTED by the Board of Commissioners of The Port of Portland at a meeting held on November 8, 2017, and signed by its President.

THE PORT OF PORTLAND



Commission President

Approved as to Form:



Orrick, Herrington & Sutcliffe LLP
Bond Counsel