

EXISTING ISSUE**REOFFERING — BOOK-ENTRY ONLY**

At the original issuance of the Series Eighteen Bonds, Kirkpatrick & Lockhart Preston Gates Ellis LLP, then-current bond counsel to the Port, delivered a bond counsel opinion to the effect that (i) under existing law and assuming compliance with certain covenants of the Port, interest on the Series Eighteen Bonds is excluded from gross income for federal income tax purposes, except for interest on any Series Eighteen Bond for any period during which such Series Eighteen Bond is held by a "substantial user" of the facilities refinanced by the Series Eighteen Bonds, or by a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended; (ii) interest on the Series Eighteen Bonds is an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations; and (iii) interest on the Series Eighteen Bonds is exempt from Oregon personal income tax under existing law. A copy of the opinion of Bond Counsel delivered at original issuance of the Series Eighteen Bonds is attached to this Reoffering Circular as Appendix A. Such opinion spoke only as of the date of initial issuance and delivery of the Series Eighteen Bonds and will not be reissued in connection with this reoffering. In connection with the delivery of the Letters of Credit and the reoffering of the Series Eighteen Bonds, Orrick, Herrington & Sutcliffe LLP, Special Counsel to the Port, will deliver an opinion to the effect that the delivery of the Letters of Credit, by itself, will not adversely affect the exclusion of interest on the Series Eighteen Bonds from gross income for federal income tax purposes. Special Counsel is not delivering any opinion on the current tax status of the Series Eighteen Bonds. See "TAX MATTERS."

\$82,530,000

THE PORT OF PORTLAND, OREGON

Portland International Airport Refunding Revenue Bonds
Series Eighteen (Multimodal Variable Rate)
\$41,265,000 Subseries Eighteen A (CUSIP No. 735240 WB5)¹
\$41,265,000 Subseries Eighteen B (CUSIP No. 735240 WA7)¹

Bonds Dated: June 11, 2008

Due: July 1, 2026

The Port of Portland (the "Port") is reoffering its Portland International Airport Refunding Revenue Bonds, Subseries Eighteen A (the "Subseries Eighteen A Bonds") and Subseries Eighteen B (the "Subseries Eighteen B Bonds," together with the Subseries Eighteen A Bonds, the "Series Eighteen Bonds," and each, a "Subseries"), in connection with the substitution of the Credit Facilities that secured the payment of principal of and interest on the Series Eighteen Bonds and the purchase price of Series Eighteen Bonds that are subject to optional or mandatory purchase and not remarketed, all as described herein.

The Series Eighteen Bonds are being reoffered in denominations of \$100,000 and any integral multiple of \$5,000 in excess thereof within a Subseries. Each Subseries will be in the Weekly Mode unless and until that Subseries is converted by the Port to a different interest rate mode as described herein. Series Eighteen Bonds that are converted to another interest rate mode will be subject to mandatory purchase on such date at a purchase price equal to the principal amount thereof, plus accrued interest. This Reoffering Circular describes the Series Eighteen Bonds only while in the Weekly Mode or the Daily Mode.

Interest on the Series Eighteen Bonds is payable on the first Business Day of each month, calculated on the basis of a 365-day year for the number of days actually elapsed. The interest rate for each Subseries will be determined by the applicable Remarketing Agent each Wednesday and will remain in effect from such Wednesday through the Tuesday of the following week, as more fully described herein. U.S. Bank National Association serves as the trustee, registrar and paying agent for the Series Eighteen Bonds.

The Series Eighteen Bonds are registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which acts as securities depository for the Series Eighteen Bonds. Purchases of beneficial interests in the Series Eighteen Bonds will be made in book-entry only form. Purchasers will not receive certificates representing their interests in the Series Eighteen Bonds, except as described herein. So long as DTC or its nominee is the registered owner of the Series Eighteen Bonds, payments of principal of and interest on the Series Eighteen Bonds will be made directly to DTC or its nominee. Disbursements of such payments to DTC's Direct Participants are the responsibility of DTC, and disbursements of such payments to the Beneficial Owners are the responsibility of the Direct Participants and the Indirect Participants, all as described herein.

Payments of principal of and interest on the Subseries Eighteen A Bonds and Subseries Eighteen B Bonds and the purchase price of Subseries Eighteen A Bonds and Subseries Eighteen B Bonds that are subject to optional or mandatory purchase and not remarketed are payable from draws on two irrevocable direct-pay letters of credit (the "Subseries Eighteen A Letter of Credit" and the "Subseries Eighteen B Letter of Credit," respectively, and together the "Letters of Credit" and each, a "Letter of Credit") issued by Industrial and Commercial Bank of China Limited, New York Branch (the "Bank").

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, NEW YORK BRANCH

If a Letter of Credit is not extended it will terminate on August 30, 2021, subject to prior termination as more fully described herein. Each Subseries is subject to mandatory purchase prior to termination of the applicable Letter of Credit at a purchase price equal to the principal amount thereof, plus accrued interest.

The Series Eighteen Bonds are subject to purchase on any Business Day at the option of their Owners at a price equal to principal amount thereof, plus accrued interest, upon notice given not less than five Business Days prior to the purchase date, as more fully described herein. The Series Eighteen Bonds are subject to optional and mandatory sinking fund redemption, and to mandatory purchase prior to maturity, all as described herein.

The ratings for each Subseries are based solely on the credit of the Bank, and the Port does not expect to have funds available to pay the purchase price of such Subseries that are subject to optional or mandatory purchase and not remarketed. Investors who purchase the Series Eighteen Bonds should assume that the only credit supporting a Subseries is that of the Bank. In making an investment decision regarding a possible purchase of the Series Eighteen Bonds, prospective purchasers of such Subseries should rely only on the credit of the Bank and not on the credit of the Port. See the caption "CERTAIN CONSIDERATIONS RELATING TO VARIABLE RATE DEMAND OBLIGATIONS AND ENFORCEMENT OF LETTERS OF CREDIT – United States Court Judgment May Not be Enforced by Chinese Courts."

The Series Eighteen Bonds shall not, in any manner, or to any extent, be a general obligation of the Port, nor a charge upon any revenues or property of the Port not specifically pledged thereto by the Airport Revenue Bond Ordinances. The Series Eighteen Bonds are not secured by any tax revenues or taxing power of the Port or the State of Oregon or its agencies, instrumentalities or political subdivisions.

This cover contains certain information for quick reference only and is not a complete summary. Investors must read this entire Reoffering Circular to obtain information essential to the making of an informed investment decision.

The Series Eighteen Bonds will be reoffered subject to receipt of the opinion of Orrick, Herrington & Sutcliffe LLP, Portland, Oregon, Special Counsel to the Port, and to certain other conditions. Certain legal matters will be passed upon for the Remarketing Agents by their counsel, Kutak Rock LLP, Denver, Colorado, and for the Bank by its U.S. counsel, Chapman and Cutler LLP, Chicago, Illinois, and by its China counsel, JunHe LLP, Shanghai, China. It is expected that the Series Eighteen Bonds will be available for reoffering on or about August 31, 2016.

J.P. Morgan

(Remarketing Agent for the Subseries Eighteen A Bonds)

August 19, 2016.

Goldman, Sachs & Co.

(Remarketing Agent for the Subseries Eighteen B Bonds)

¹ The CUSIP numbers are included on the cover of the Reoffering Circular for convenience of the holders and potential holders of the Bonds. No assurance can be given that the CUSIP numbers for the Bonds will remain the same after the date of issuance and delivery of the Bonds.

The information in this Reoffering Circular has been obtained from the Port, the Bank and other sources believed to be reliable. The references herein to documents related to the Bonds, including without limitation, the Series Eighteen Bond Certificate, the Letters of Credit and the Reimbursement Agreements, do not purport to be complete or definitive, do not constitute summaries thereof and are qualified in their entirety by reference to the provisions thereof.

No dealer, salesperson, or other person has been authorized to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by the Port or any other person.

The Remarketing Agents have provided the following sentence for inclusion in this Reoffering Circular. The Remarketing Agents have reviewed the information in this Reoffering Circular in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Remarketing Agents do not guarantee the accuracy or completeness of such information.

The information and expressions of opinion in this Reoffering Circular are subject to change without notice and neither the delivery of this Reoffering Circular nor any sale hereunder shall under any circumstances create the implication that there has been no change in the matters referred to in this Reoffering Circular since the date hereof.

This Reoffering Circular is not to be construed as a contract between the Port and the purchasers of the Series Eighteen Bonds. This Reoffering Circular does not constitute an offer to sell securities in any jurisdiction to any person to whom it is unlawful to make such offers. Prospective purchasers of the Series Eighteen Bonds are expected to conduct their own review and analysis before making an investment decision.

The Series Eighteen Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained therein, and have not been registered or qualified under the securities laws of any state. The Series Eighteen Bonds have not been recommended by any federal or state securities commission or regulatory commission. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Reoffering Circular.

Reference to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein have not been incorporated into, and are not part of, this Reoffering Circular and should not be relied upon in deciding whether to invest in the Series Eighteen Bonds.

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REOFFERING CIRCULAR RELATING TO THE
\$82,530,000
THE PORT OF PORTLAND, OREGON
Portland International Airport Refunding Revenue Bonds
Series Eighteen (Multimodal Variable Rate)
\$41,265,000 Subseries Eighteen A (CUSIP No. 735240 WB5)¹
\$41,265,000 Subseries Eighteen B (CUSIP No. 735240 WA7)¹

INTRODUCTORY STATEMENT

This Reoffering Circular, including the cover, inside cover, table of contents and appendices, is being provided by The Port of Portland (the “Port”) to furnish information in connection with the reoffering by the Port of its Portland International Airport Refunding Revenue Bonds, Subseries Eighteen A (the “Subseries Eighteen A Bonds”) and Subseries Eighteen B (the “Subseries Eighteen B Bonds,” together with the Subseries Eighteen A Bonds, the “Series Eighteen Bonds,” and each, a “Subseries”). The Series Eighteen Bonds are being reoffered in connection with the issuance by the Bank (defined below) of the Letters of Credit (defined below) in substitution for the current Credit Facilities that secure the payment of principal of and interest on the Series Eighteen Bonds and the purchase price of Series Eighteen Bonds that are subject to optional or mandatory purchase and not remarketed. The Series Eighteen Bonds were issued on June 11, 2008, in the aggregate principal amount of \$138,890,000 to refund \$134,295,000 aggregate principal amount of the Port’s outstanding Portland International Airport Revenue Bonds, Series Seventeen, to make a deposit to a bond reserve account and to pay costs of issuing the Series Eighteen Bonds.

The Port, a port district of the State of Oregon (the “State”), owns and operates the Portland International Airport (as more fully defined in the Airport Revenue Bond Ordinances, the “Airport”) and two general aviation airports. In addition to its aviation operations, the Port also owns, operates, develops and maintains public maritime terminals, the dredge *Oregon* and other navigation equipment used to maintain the navigation channel on the lower Columbia and Willamette Rivers on behalf of the U.S. Army Corps of Engineers and other ports in the region, business and industrial parks and other properties.

Defined terms used in this Reoffering Circular not otherwise defined shall have the meanings given in Appendix C—“SERIES EIGHTEEN BOND CERTIFICATE.”

THE PORT OF PORTLAND, OREGON

The Port was established by an act of the Oregon Legislative Assembly in 1891 and is located in the northwest region of the State. The Port is charged with operating aviation, maritime, commercial and industrial facilities within Multnomah County (including the City of

¹ The CUSIP numbers are included on the cover of the Reoffering Circular for convenience of the holders and potential holders of the Bonds. No assurance can be given that the CUSIP numbers for the Bonds will remain the same after the date of issuance and delivery of the Bonds.

Portland), Washington County and Clackamas County. Pursuant to this authority, the Port owns and operates three airports: the Airport (PDX), which provides the region's scheduled passenger, cargo and charter air services and is also a general aviation facility; and the Troutdale (TTD) and Hillsboro (HIO) general aviation airports (collectively, the "General Aviation Airports"), which provide facilities for other air services, including recreational and private business uses. In addition to its aviation operations, the Port owns marine terminals, business and industrial parks and other properties. The Port also owns and operates the dredge *Oregon* to help maintain the navigation channel on the lower Columbia and Willamette Rivers. The Port leases portions of its marine and industrial properties, including its principal containerized cargo facility at Terminal 6. The Port's headquarters are located at the Airport, and the Port has representation in Seoul, Korea; Tokyo, Japan; Taipei, Taiwan; and Hong Kong, Shanghai, and Tianjin, China.

The Airport is operated by the Port as an independent enterprise, separate from the General Aviation Airports and from the Port's other enterprises. The portion of the Port's general administrative expense that is attributable to the Airport is charged to the Airport as a Cost of Operation and Maintenance. The Airport Revenue Fund, into which all of the Port's operating revenues from the Airport are deposited, is held by the Port as a separate enterprise fund. Revenues from the Airport are accounted for separately from revenues from the Port's other activities, including the Port's General Aviation Airports, although after all required deposits are made in connection with the SLBs and any Junior Lien Obligations and Third Lien Obligations, remaining Net Revenues may be applied to pay certain costs of the Port's other aviation interests, including costs at the General Aviation Airports. The Port has reserved the right (to the extent permitted by law) to amend the Airport Revenue Bond Ordinances to add to the definition of "Airport" any facilities operated by the Port, whether or not such facilities are related to aviation, and thus to consolidate the revenues and expenses of the Airport with those of the Port's other operations. Federal law prohibits the Port from using aviation-related revenues for non-aviation purposes.

THE SERIES EIGHTEEN BONDS

General

The Series Eighteen Bonds are dated June 11, 2008, and mature on July 1, 2026, subject to optional and mandatory sinking fund redemption as described in "Redemption" under this heading. The Series Eighteen Bonds are subject to optional tender for purchase as described in "Optional Tender for Purchase" under this heading and mandatory purchase as described in "Mandatory Purchase" under this heading.

The Series Eighteen Bonds bear interest in the Weekly Mode unless and until converted to the Commercial Paper Mode, the Daily Mode, the Indexed Mode, the Term Rate Mode or the Fixed Rate Mode, in each case upon the terms and conditions described in "Conversion to Another Mode" under this heading.

The Series Eighteen Bonds are issued initially in Authorized Denominations of \$100,000 and any integral multiple of \$5,000 in excess thereof. Interest on the Series Eighteen Bonds is to be determined as described in "Determination of Interest Rates" under this heading and is payable on the first Business Day of each month, on any Mode Change Date and on the Maturity Date (each, an "Interest Payment Date"). Interest on the Series Eighteen Bonds is to be calculated on the basis of a 365-day year for the actual number of days elapsed.

This Reoffering Memorandum describes the Series Eighteen Bonds only while in the Weekly Mode or the Daily Mode.

The full Series Eighteen Bond Certificate is attached as Exhibit C to this Reoffering Circular.

Payment of Series Eighteen Bonds

While the Series Eighteen Bonds are in book-entry form, payment of Series Eighteen Bond principal and interest will be made by wire transfer to DTC or its nominee on the payment date. If the Series Eighteen Bonds cease to be in book-entry form, the principal or redemption price of the Series Eighteen Bonds will be payable by check at the designated corporate trust office of the Trustee, and interest on the Series Eighteen Bonds will be paid to the person whose name appears on the bond registration books of the Trustee as the Owner thereof as of the close of business on the day (whether or not a Business Day) immediately preceding the applicable Interest Payment Date (the "Record Date"). Payment of the interest on the Series Eighteen Bonds will be made by wire transfer in immediately available funds to an account within the United States of America designated by such Owner, and, if the Series Eighteen Bonds are not in book-entry form, will be made by check mailed by first class mail to such Owner at its address as it appears on such registration books, or, upon the written request of any Owner of at least \$1,000,000 in aggregate principal amount of Series Eighteen Bonds, submitted to the Trustee at least one Business Day prior to the Record Date, by wire transfer in immediately available funds to an account within the United States of America designated by such Owner.

Any such interest not so punctually paid or duly provided for will cease to be payable to the Bondowner on such Record Date and will be paid to the person in whose name the Series Eighteen Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof being given to DTC or its nominee as registered Owner not less than 10 days prior to such Special Record Date.

Determination of Interest Rates

The interest on each Subseries will accrue at the rate of interest per annum determined by the applicable Remarketing Agent on and as of (i) for Series Eighteen Bonds in the Weekly Mode, each Wednesday or, if Wednesday is not a Business Day, the next Business Day succeeding such Wednesday, and (ii) for Series Eighteen Bonds in the Daily Mode, each Business Day (each, a "Rate Determination Date"), in each case as the minimum rate of interest which, in the judgment of that Remarketing Agent under then-existing market conditions, would result in the sale of such Subseries on that Rate Determination Date at a price equal to the principal amount of such Subseries plus accrued interest, if any (for Series Eighteen Bonds in the

Weekly Mode, the "Weekly Rate," and for Series Eighteen Bonds in the Daily Mode, the "Daily Rate"). Such determination shall be conclusive and binding upon the Owners.

Each Remarketing Agent is required to establish the Weekly Rate for the applicable Subseries in the Weekly Mode by 10:00 a.m. New York City time on each Rate Determination Date. The Weekly Rate will be in effect from and including each Wednesday to and including the following Tuesday. Each Remarketing Agent is required make the Weekly Rate available after 10:00 a.m. New York City time on the Rate Determination Date by telephone to any Owner.

Each Remarketing Agent is required to establish the Daily Rate for the applicable Subseries in the Daily Mode by 10:00 a.m. New York City time on each Business Day. The Daily Rate for any day during the Daily Mode which is not a Business Day shall be the Daily Rate established on the immediately preceding Business Day.

If (i) the applicable Remarketing Agent fails or is unable to determine the interest rates with respect to any Subseries, or (ii) the method of determining the interest rate with respect to any Subseries is held to be unenforceable by a court of law of competent jurisdiction, then in each such case such Subseries will thereupon, until such time as the Remarketing Agent again makes such determination or until there is delivered an opinion of counsel to the effect that the method of determining such rate is enforceable, bear interest from the last date on which such rate was determined in the case of clause (i) and from the date on which interest was legally paid in the case of clause (ii), at an annual rate equal to the SIFMA Municipal Swap Index prior to the date such rate is determined.

Optional Tender for Purchase

The Owners of Series Eighteen Bonds may elect to have their Series Eighteen Bonds (or portions of those Series Eighteen Bonds in any amount equal to an Authorized Denomination) purchased on any Business Day at a price equal to the principal amount thereof, plus accrued interest, upon delivery of an irrevocable written notice of tender by telecopy, telegraph, telex, facsimile transmission, email transmission or other similar electronic means of communication and an irrevocable telephonic notice to the applicable Remarketing Agent and the Trustee (i) for Series Eighteen Bonds in the Weekly Mode, not later than 4:00 p.m. New York City time, on the Business Day five Business Days prior to the applicable purchase date, and (ii) for Series Eighteen Bonds in the Daily Mode, not later than 10:30 a.m. New York City time, on the Business Day that is the applicable purchase date.

Such notice of tender must state the CUSIP number, Subseries designation, bond number (if the Series Eighteen Bonds are not registered in the name of DTC or its nominee) and the principal amount of such Series Eighteen Bond and that such Series Eighteen Bond shall be purchased on the purchase date specified in such notice.

Payment of the purchase price will be made only if the Series Eighteen Bond so delivered to the Trustee conforms in all respects to the description thereof in such notice. An Owner who gives the notice of tender as set forth above may repurchase the Series Eighteen Bonds so tendered on such purchase date if the applicable Remarketing Agent agrees to sell the

Series Eighteen Bonds so tendered to such Owner. Such notices of tender may state that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Series Eighteen Bonds.

Mandatory Purchase

Conversion to a Mode Other than the Fixed Rate Mode. Series Eighteen Bonds to be changed from one Mode to another Mode (other than the Fixed Rate Mode) at the election of the Port are subject to mandatory purchase on the Mode Change Date. The Trustee is required to give notice of such mandatory purchase to DTC or its nominee as registered Owner of the Series Eighteen Bonds subject to mandatory purchase no less than five Business Days for Series Eighteen Bonds which are to be changed to a Mode of 360 days or less and no less than 15 days for Series Eighteen Bonds which are to be changed to a Mode of more than 360 days or an Indexed Mode, each prior to the Mandatory Purchase Date.

Conversion to the Fixed Rate Mode. Series Eighteen Bonds to be changed to the Fixed Rate Mode are subject to mandatory purchase on the Mode Change Date at a purchase price equal to the principal amount of such Subseries, plus accrued interest. The Trustee is required to give notice of such mandatory purchase as part of the notice of change of Mode to be sent to the Owners described in "Conversion to Another Mode" under this heading.

Substitution or Expiration of Letter of Credit. On each Substitute Liquidity Facility Date and Substitute Credit Facility Date, and on the second Business Day preceding each Expiration Date, the applicable Subseries is subject to mandatory purchase at a purchase price equal to the principal amount of such Subseries, plus accrued interest. However, such Subseries will not be subject to mandatory purchase on the Substitute Liquidity Facility Date or Substitute Credit Facility Date or the second Business Day preceding each Expiration Date if on or prior to the 15th day prior to such Substitute Liquidity Facility Date, Substitute Credit Facility Date or Expiration Date, the Port has furnished to the Trustee an agreement to extend the applicable Letter of Credit. The Trustee is required to give notice of such mandatory purchase to DTC or its nominee as registered Owner of the Series Eighteen Bonds no less than 10 days prior to such Mandatory Purchase Date. The failure to give such notice with respect to any Series Eighteen Bond shall not affect the validity of the mandatory purchase of any other Series Eighteen Bond with respect to which notice was so given.

Termination of Letter of Credit. On each Termination Date, the applicable Subseries is subject to mandatory purchase at a price equal to the principal amount thereof, plus accrued interest, if any, with respect thereto to the Termination Date. The Trustee is required to give notice of such mandatory purchase to DTC or its nominee as registered Owner of the Series Eighteen Bonds as soon as practicable, but no later than two Business Days after receipt of notice of termination from the Bank.

Tender Provisions

Tender. All Series Eighteen Bonds to be purchased on any date must be delivered to the principal corporate office of the Trustee at or before 11:00 a.m. New York City time on such date.

Undelivered Bonds. If the Owner of a Series Eighteen Bond (or portion thereof) that is subject to purchase fails to deliver such Series Eighteen Bond to the Trustee for purchase on the purchase date, and if the Trustee is in receipt of the purchase price therefor, such Series Eighteen Bond (or portion thereof) shall nevertheless be deemed purchased on the day fixed for purchase thereof and ownership of such Series Eighteen Bond (or portion thereof) shall be transferred to the purchaser thereof. Any Owner who fails to deliver such Series Eighteen Bond for purchase shall have no further rights thereunder except the right to receive the purchase price thereof upon presentation and surrender of said Series Eighteen Bond to the Trustee.

Draws on the Letters of Credit. On each date on which Series Eighteen Bonds of a Subseries are required to be purchased, the Trustee shall give notice to the Bank in accordance with the terms of the applicable Letter of Credit on or prior to 12:00 noon, New York City time of the amount equal to the purchase price of all Series Eighteen Bonds of such Subseries tendered or deemed tendered less the aggregate amount of remarketing proceeds paid to the Trustee, so that the Trustee receives from the Bank by 2:00 p.m. New York City time on such date an amount, in immediately available funds, sufficient, together with the proceeds of the remarketing of Series Eighteen Bonds of such Subseries on such date, to enable the Trustee to pay the purchase price in connection therewith. If the Bank has not paid the full amount required at the times required, the Port is required to transfer Net Revenues to the Trustee by 2:00 p.m. New York City time on such date, in immediately available funds, in an amount sufficient, together with the proceeds of the remarketing of the applicable Subseries on such date, to enable the Trustee to pay the purchase price in connection therewith.

In connection with the mandatory tender that will result from the substitution of the letters of credit for the Series Eighteen Bonds described in this Reoffering Circular, the Port expects to amend the Series Eighteen Bond Certificate so that the time referenced in the immediately preceding sentence is changed from 2:00 p.m. New York City time to 2:30 p.m. New York City time.

Purchase. At or before close of business New York City time on each date on which Series Eighteen Bonds are required to be purchased and upon receipt by the Trustee of the aggregate purchase price of the tendered Series Eighteen Bonds, the Trustee is required to pay the purchase price of such Series Eighteen Bonds to the Owners by bank wire transfer in immediately available funds. The Trustee is required to pay such purchase price from the following sources and in the following order of priority: (1) remarketing proceeds, (2) proceeds from a draw on the applicable Letter of Credit and (3) Net Revenues transferred to the Trustee by the Port for such purpose.

Inadequate Funds for Tenders. If the funds available are inadequate for the purchase of all Series Eighteen Bonds of a Subseries tendered on any date on which Series Eighteen Bonds are required to be purchased, no purchase of the Series Eighteen Bonds of such Subseries shall be consummated and the Trustee, after any applicable grace period, is required to return all tendered Series Eighteen Bonds of such Subseries to the Owners thereof and return all remarketing proceeds to the applicable Remarketing Agent for return to the persons providing such money.

Conversion to Another Mode

Each Subseries may be changed to the Commercial Paper Mode, the Daily Mode, the Indexed Mode, the Term Rate Mode or the Fixed Rate Mode and back to the Weekly Mode. All Series Eighteen Bonds of a Subseries must be in the same Mode. Series Eighteen Bonds to be changed from one Mode to another Mode are subject to mandatory purchase on the Mode Change Date. See “Mandatory Purchase” under this heading.

Conversion to a Mode Other than the Fixed Rate Mode

- (1) **Notice.** The Port is required to give written notice to the Owners of the applicable Subseries of its intention to effect a change in the Mode from the Mode then prevailing to another Mode specified in such written notice no later than the fifth Business Day preceding the proposed Mode Change Date.
- (2) **Conditions Precedent.** The Mode Change Date must be a Business Day. The Trustee and the Remarketing Agent must have received on the Mode Change Date an opinion of Bond Counsel, dated the Mode Change Date, to the effect that the conversion is permitted under the Series Eighteen Bond Documents and will not, in and of itself, result in the inclusion of interest on the Series Eighteen Bonds in gross income for federal income tax purposes. If there is no Liquidity Facility in effect to provide funds for the purchase of the applicable Subseries on the Mode Change Date, the remarketing proceeds available on the Mode Change Date must be not less than the amount required to purchase all of the Series Eighteen Bonds of such Subseries at a price equal to the principal amount of such Subseries, plus accrued interest, if any (unless the Port, in its sole discretion, elects to transfer to the Trustee the amount of such deficiency on or before the Mode Change Date).
- (3) **Failure to Satisfy Conditions Precedent.** If the foregoing conditions have not been satisfied by the Mode Change Date, the new Mode shall not take effect, and all Series Eighteen Bonds of such Subseries shall be changed to a Daily Mode.
- (4) **Revocation of Election.** The Port may revoke its election to effect a conversion of the interest rate on the Series Eighteen Bonds to another Mode by giving written notice of such revocation to the Trustee at any time prior to 10:00 a.m. New York City time on the Business Day immediately preceding the Rate Determination Date for the proposed Mode Change Date.

Conversion to the Fixed Rate Mode

- (1) **Notice.** The Trustee is required to give a notice of the proposed conversion to DTC or its nominee as registered Owner not less than 15 days prior to the proposed Mode Change Date.
- (2) **Conditions Precedent.** The Mode Change Date must be a regularly scheduled Interest Payment Date. Not less than seven Business Days prior to the date on which the Trustee is required to notify the registered Owners of the conversion,

the Port is required to file with the Trustee an opinion of Bond Counsel to the effect that such conversion will not adversely affect the validity of the Series Eighteen Bonds or any exclusion from gross income for federal income tax purposes to which interest on the Series Eighteen Bonds would otherwise be entitled. The Port must also file with the Trustee an opinion of Bond Counsel to the same effect dated the Mode Change Date. Not later than 12:00 noon, New York City time, on the Business Day prior to the Mode Change Date, the applicable Remarketing Agent is required to determine the Fixed Rate and prior to the conversion, to determine a serial bond maturity schedule or combination of serial maturities and term bonds.

- (3) **Failure to Satisfy Conditions Precedent.** If the foregoing conditions have not been satisfied by the Mode Change Date, the new Mode will not take effect, and all Series Eighteen Bonds of such Subseries shall be changed to a Daily Mode.
- (4) **Revocation of Election.** The Port may revoke its election to effect a conversion of the interest rate on the Series Eighteen Bonds to the Fixed Rate Mode by giving written notice of such revocation to the Trustee at any time prior to 10:00 a.m. New York City time on the Business Day immediately preceding the Rate Determination Date for the proposed Mode Change Date.

Redemption

Optional Redemption. The Series Eighteen Bonds are subject to redemption prior to their stated Maturity Date, at the option of the Port, in whole on any date or in part on any Business Day at a redemption price equal to the principal amount of Series Eighteen Bonds called for redemption, without premium. Optional redemption of Series Eighteen Bonds requires the prior written consent of the Bank.

Mandatory Sinking Fund Redemption. The Series Eighteen Bonds of each Subseries are to be redeemed at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest to the redemption date, on July 1st in the years and the principal amounts (after credit as provided below) as follows:

Year	Subseries	
	Eighteen A Bonds	Eighteen B Bonds
2017	4,435,000	4,430,000
2018	4,510,000	4,515,000
2019	4,705,000	4,705,000
2020	4,935,000	4,930,000
2021	5,155,000	5,155,000
2022	3,295,000	3,295,000
2023	3,450,000	3,450,000
2024	3,605,000	3,610,000
2025	3,785,000	3,780,000
2026	3,390,000	3,395,000

If requested to do so by the Port not less than 60 days in advance of a mandatory sinking fund redemption date, the Trustee is required to reduce the amount of Series Eighteen Bonds of any Subseries to be redeemed on any such redemption date by the amount of Series Eighteen Bonds of such Subseries previously redeemed as described above under "Optional Redemption" or delivered to the Trustee for cancellation, and which have not previously formed the basis for such a reduction.

Selection of Series Eighteen Bonds for Redemption. Whenever provision is made for the redemption of less than all of the Series Eighteen Bonds of a Subseries or any given portion thereof, the Trustee is required to select the Series Eighteen Bonds of such Subseries to be redeemed, in Authorized Denominations, by lot, in any manner.

Notice of Redemption. While the Series Eighteen Bonds are in book-entry form the Trustee is required to give DTC or its nominee notice of redemption not less than 15 days prior to the date fixed for redemption. While the Series Eighteen Bonds are in book-entry form the Trustee is required to give notice of redemption in accordance with the rules of DTC. If the Series Eighteen Bonds cease to be in book-entry form notice of redemption will be mailed by first-class mail by the Trustee, not less than 30 nor more than 60 days prior to the date fixed for redemption, to the Owners of the Series Eighteen Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee. Failure by the Trustee to give such notice of redemption to any one or more of the Owners of the Series Eighteen Bonds designated for redemption will not affect the sufficiency of the proceedings for redemption with respect to the Owner or Owners to whom such notice was mailed. Any such notice may be conditional and may be rescinded by the Port no later than five Business Days prior to the date specified for redemption. The Trustee is required to give notice of such rescission, as soon thereafter as practicable, in the same manner as notice of such redemption was given.

Effect of Notice of Redemption. Notice of redemption having been duly given and not having been rescinded, the Series Eighteen Bonds (or portions thereof) so called for redemption shall become due and payable on the date fixed for redemption designated in such notice at the redemption price specified in such notice plus interest accrued thereon to the date fixed for redemption, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, the Series Eighteen Bonds (or portions thereof) so called for redemption being held by the Trustee, interest on the Series Eighteen Bonds so called for redemption shall cease to accrue, and the Owners of those Series Eighteen Bonds (or portions thereof) shall have no rights in respect thereof except to receive payment of such redemption price and accrued interest.

SECURITY AND SOURCES OF PAYMENT

Payments of principal of and interest on the Subseries Eighteen A Bonds and Subseries Eighteen B Bonds and the purchase price of Subseries Eighteen A Bonds and the Subseries Eighteen B Bonds that are subject to optional or mandatory purchase and not remarketed are payable from draws on two irrevocable direct-pay letters of credit (the "Subseries Eighteen A Letter of Credit" and the "Subseries Eighteen B Letter of Credit," respectively, and together the "Letters of Credit" and each, a "Letter of Credit") issued by Industrial and Commercial Bank of China Limited, New York Branch (the "Bank") pursuant to two separate Reimbursement

Agreements dated August 1, 2016 (the “Subseries Eighteen A Reimbursement Agreement” and the “Subseries Eighteen B Reimbursement Agreement,” respectively, and together the “Reimbursement Agreements” and each, a “Reimbursement Agreement”) each between the Port and the Bank. The ratings for each Subseries are based solely on the credit of the Bank, and the Port does not expect to have funds available to pay the purchase price of such Subseries that are subject to optional or mandatory purchase and not remarketed. Investors who purchase the Series Eighteen Bonds should assume that the only credit supporting a Subseries is that of the Bank. See below under the caption “THE LETTERS OF CREDIT AND REIMBURSEMENT AGREEMENT.”

A summary description of the security for Series Eighteen Bonds is set forth under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SLBs” in the Reoffering Memorandum for the Series Eighteen Bonds dated June 27, 2011.

In making an investment decision regarding a possible purchase of the Series Eighteen Bonds, prospective purchasers of such subseries should rely only on the credit of the Bank and not on the credit of the Port.

THE LETTERS OF CREDIT AND REIMBURSEMENT AGREEMENTS

The following is a summary of certain of the provisions of the Letters of Credit and the Reimbursement Agreements. This summary does not purport to be definitive or comprehensive. Reference is made to the actual documents for the full terms thereof.

The Bank will issue each Letter of Credit pursuant to the applicable Reimbursement Agreement. Each Letter of Credit will support the payment of the principal of and interest on the applicable Subseries of Series Eighteen Bonds only and the purchase price of such Subseries of Series Eighteen Bonds tendered for purchase and not remarketed only, and not the other Subseries of Series Eighteen Bonds. The following summarizes certain provisions of each Letter of Credit and each Reimbursement Agreement, to which documents reference is made for the complete provisions thereof. The Letters of Credit are substantially similar and the Reimbursement Agreements are substantially similar. Accordingly, the majority of the discussion below is general and applies equally to each Letter of Credit and each Reimbursement Agreement. Investors should obtain and review a copy of each applicable Reimbursement Agreement and each applicable Letter of Credit in order to understand all of the terms of those documents. The provisions of any substitute letter of credit and related reimbursement agreement may be different from those summarized below.

Any reference herein to the Series Eighteen Bonds, to any Letter of Credit or to any Reimbursement Agreement shall be deemed to mean the Series Eighteen Bonds of a certain Subseries or the Letter of Credit supporting a certain Subseries of Series Eighteen Bonds or the particular Reimbursement Agreement, unless context or use clearly indicate otherwise.

Letters of Credit

Each Letter of Credit is an irrevocable transferable obligation of the Bank. Each Letter of Credit will be issued in an amount equal to the aggregate outstanding principal amount of the

applicable Subseries of Series Eighteen Bonds, plus 53 days' interest thereon at the rate of 12% per annum (the "Cap Interest Rate"). The Trustee, upon compliance with the terms of such Letter of Credit, is authorized to draw up to (a) an amount sufficient (i) to pay principal of the applicable Subseries of Series Eighteen Bonds when due, whether at maturity or upon redemption or acceleration, and (ii) to pay the portion of the purchase price of such Subseries of Series Eighteen Bonds delivered for purchase pursuant to a demand for purchase by the Owner thereof or a mandatory tender for purchase and not remarketed (a "Liquidity Drawing") equal to the principal amount of such Subseries of Series Eighteen Bonds, plus (b) an amount not to exceed 53 days' of accrued interest on such Subseries of Series Eighteen Bonds at the Cap Interest Rate (i) to pay interest on such Subseries of Series Eighteen Bonds when due and (ii) to pay the portion of the purchase price of such Subseries of Series Eighteen Bonds delivered for purchase pursuant to a demand for purchase by the Owner thereof or a mandatory tender for purchase and not remarketed, equal to the interest accrued, if any, on such Subseries of Series Eighteen Bonds. No drawing shall be made for Bank Bonds (as defined in such Reimbursement Agreement) or for Series Eighteen Bonds bearing interest at a rate other than the Weekly Rate or the Daily Rate or for Series Eighteen Bonds owned by or on behalf of, or for the benefit or account of, the Port.

The amount available under each Letter of Credit will be automatically reduced to the extent of any drawing thereunder, subject to reinstatement as described below. With respect to a drawing to pay interest on the applicable Subseries of Series Eighteen Bonds (an "Interest Drawing"), the amount available under the applicable Letter of Credit will be automatically reinstated effective on the Bank's open of business on the fifth (5th) calendar day from the date of such Interest Drawing unless the Trustee shall have received notice from the Bank prior to the close of business on the fourth (4th) calendar day from the date of such Interest Drawing that any Event of Default under the applicable Reimbursement Agreement shall have occurred and as a consequence thereof, such Letter of Credit will not be reinstated and the Bank shall direct the Trustee to cause a mandatory tender of the applicable Subseries of Series Eighteen Bonds, thereby causing the applicable Letter of Credit to expire ten (10) days following the Trustee's receipt of such notice. With respect to a Liquidity Drawing, the applicable Letter of Credit will automatically be reduced by an amount equal to the amount of such Liquidity Drawing. Prior to the Mode Change Date (defined below), upon a remarketing of the applicable Subseries of Series Eighteen Bonds (or portions thereof) previously purchased with the proceeds of such Liquidity Drawing, the obligation of the Bank to honor drawings under such Letter of Credit will be automatically reinstated in an amount set forth in a reinstatement certificate concurrently upon receipt by the Bank of such reinstatement certificate and the amount set forth therein.

Each Letter of Credit will terminate on the earliest of the close of business of the Bank on (a) the stated expiration date (August 30, 2021), unless renewed or extended; (b) the earlier of (i) the date which is one (1) Business Day following the date on which all of the Series Eighteen Bonds of the applicable Subseries have been converted to bear interest at a rate other than the Weekly Rate or the Daily Rate (the "Mode Change Date") and (ii) the date on which the Bank honors a drawing under such Letter of Credit on or after the Mode Change Date; (c) the date of receipt by the Bank of a certificate from the Trustee specifying that no Series Eighteen Bonds of such Subseries remain outstanding, within the meaning of the Series Eighteen Bond Documents, all drawings required to be made under the Series Eighteen Bond Documents and available under

such Letter of Credit have been made and honored, or that a substitute credit facility has been issued in substitution for such Letter of Credit pursuant to the Series Eighteen Bond Documents; (d) the date on which an Acceleration Drawing or a Stated Maturity Drawing (each as defined in such Letter of Credit) is honored by the Bank; or (e) the date which is ten (10) days following the date the Trustee receives a written notice from the Bank specifying the occurrence of an “Event of Default” under such Reimbursement Agreement and directing the Trustee to cause a mandatory tender of such Subseries of Series Eighteen Bonds.

Events of Default Under the Reimbursement Agreements

Pursuant to each Reimbursement Agreement, the occurrence of any of the following events, among others, shall constitute an Event of Default thereunder. Reference is made to each Reimbursement Agreement for a complete listing of all Events of Default thereunder.

(a) The Port shall (i) fail to pay any principal of or interest on any Drawing (as defined in such Reimbursement Agreement), Liquidity Advance (as defined in such Reimbursement Agreement) or Bank Bond when the same shall become due and payable or (ii) fail to pay any other amount payable to the Bank under such Reimbursement Agreement, the respective Fee Agreement (as defined in such Reimbursement Agreement) or any of the other Basic Documents (as defined in such Reimbursement Agreement) to which the Port is a party within three (3) Business Days after the same shall have become due and payable; or

(b) any representation, warranty, certification or statement made by the Port in such Reimbursement Agreement or in any other Basic Document, or in any amendment thereto, or in any certificate, financial statement or other document delivered pursuant to such Reimbursement Agreement or any other Basic Document shall (in any such case) have been incorrect or untrue in any material respect when made or deemed to have been made; or

(c) the Port shall default in the due observance or performance of certain covenants set forth in such Reimbursement Agreement; or

(d) the Port shall default in the due performance or observance of any term, covenant or agreement contained in such Reimbursement Agreement (other than those covered by paragraph (a) or (c) of this subheading “Events of Default Under the Reimbursement Agreements”) and such default, if capable of being remedied, shall remain unremedied for 30 days after the occurrence thereof; *provided*, that if such default is of such a nature that it can be corrected but not within such 30-day cure period, then that default shall not constitute an Event of Default so long as the Port institutes corrective action within such 30-day cure period and diligently pursues that action to completion, but in no event shall such cure period be extended beyond 60 days after the occurrence of such default; or

(e) any material provision of such Reimbursement Agreement or any of the Basic Documents shall cease to be valid and binding, or the Port shall contest any such provision, or the Port or any agent or trustee on its behalf shall deny that it has any or further liability under such Reimbursement Agreement or any of the Basic Documents to which it is a party; or

(f) (i) the Port shall (A) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (B) not pay, or admit in writing its inability to pay, its debts generally as they become due, (C) make an assignment for the benefit of creditors, (D) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (E) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, marshalling of assets, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (F) take any corporate action in furtherance of any matter described in parts (i)(A) through (i)(E) above, or (G) fail to contest in good faith any appointment or proceeding described in clause (f)(ii) hereof; or (ii) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for the Port or any substantial part of any of its property, or a proceeding described in clause (f)(i)(E) hereof shall be instituted against the Port and such appointment continues undischarged or any such proceeding continues undismissed or unstayed for a period of 30 or more days; or

(g) any pledge or security interest created by the Series Eighteen Bond Documents or such Reimbursement Agreement to secure any amount due under such Reimbursement Agreement or under the respective Fee Agreement or under any other Basic Document to which the Port is a party shall fail to be fully enforceable with the priority required under such Reimbursement Agreement or the Series Eighteen Bond Documents, or the Ordinances or the Executive Director Certificate, as the case may be, by reason of a final, non-appealable judgment of a court of competent jurisdiction; or

(h) the Port shall default in the due performance or observance of any material term, covenant or agreement contained in any Basic Document or an “event of default” shall occur and be continuing under any Basic Document and the same shall not have been cured within any applicable cure period; or

(i) (i) a default shall occur under any evidence of Debt (as defined in such Reimbursement Agreement) secured by or payable from the Revenues (as defined in such Reimbursement Agreement) on a basis that is senior to or on parity with the applicable Subseries of Series Eighteen Bonds issued, assumed, or guaranteed by the Port under any indenture, agreement or other instrument under which the same may be issued and such default shall continue for a period of time sufficient to permit the acceleration of the maturity of any such Debt (whether or not such maturity is in fact accelerated) or (ii) any principal of or interest on such Debt secured by or payable from the Revenues on a basis that is senior to or on parity with the Series Eighteen Bonds shall not be paid when and as due (whether by lapse of time, acceleration or otherwise) and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, agreement or other instrument under which such debt was issued; or

(j) any final and non-appealable judgment or court order for the payment of money in excess of \$10,000,000 and payable from Revenues shall be rendered against the Port,

and such judgment or court order shall continue unsatisfied and in effect for a period of 60 consecutive days without being vacated, discharged or satisfied; or

(k) (i) Moody's (if Moody's assigns a Rating (as defined in such Reimbursement Agreement)) shall lower its Rating below "A" (or its equivalent) or S&P or Fitch (if Fitch assigns a Rating) shall lower its respective Rating below "A-" (or its equivalent), (ii) any Rating Agency shall withdraw its Rating, other than as a result of debt maturity, redemption, defeasance or nonapplication or (iii) any Rating Agency shall suspend its Rating, other than as a result of debt maturity, redemption or defeasance; or

(l) debt moratorium, debt restructuring, debt adjustment or comparable restrictions shall be imposed on any Debt of the Port secured by Revenues shall have been declared by the Port or any Governmental Authority (as defined in such Reimbursement Agreement) with appropriate jurisdiction.

Remedies Under the Reimbursement Agreements

Upon the occurrence and during the continuance of any Event of Default, the Bank, at its option, may exercise any one or more of the following rights and remedies in addition to any other remedies. Reference is made to the applicable Reimbursement Agreement for a complete listing of all consequences of Events of Default thereunder.

(a) declare the Obligations (as defined in such Reimbursement Agreement) of the Port under such Reimbursement Agreement to be immediately due and payable, and the same shall thereupon become immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are thereby expressly waived by the Port; provided that, if an Event of Default described in paragraph (f) under the subheading "Events of Default Under the Reimbursement Agreements" has occurred, all obligations of the Port under such Reimbursement Agreement will be automatically accelerated on the date of the occurrence of such Event of Default without presentment, demand, protest or notice of any kind, all of which are thereby expressly waived by the Port;

(b) deliver a Default Notice (as defined in such Reimbursement Agreement) to the Trustee, directing the Trustee to cause a mandatory tender of all of Series Eighteen Bonds of the applicable Subseries, and stating that the applicable Letter of Credit will terminate on the tenth (10th) day following the date of receipt by the Trustee of such Default Notice;

(c) pursue any rights and remedies available to it under such Reimbursement Agreement or under the other Basic Documents; and

(d) pursue any other action available at law or in equity, including, without limitation, specific performance.

Arbitration

The Letters of Credit provide that any dispute, controversy, or claim, of any and every kind or type, whether based on contract, tort, statute, regulation, or otherwise, in any way arising

out of or relating the Letters of Credit or the relationship between the Bank and the Trustee concerning the subject matter of the Letters of Credit and the operations/activities carried out under the Letters of Credit, including any dispute as to the existence, construction, validity, interpretation, enforceability, breach, or termination of the Letters of Credit (“Dispute”) not amicably resolved by the parties to the Dispute, shall be exclusively and finally resolved by binding arbitration, it being the intention of the Bank and the Trustee that this is a broad form arbitration agreement designed to encompass all possible Disputes, including Disputes about the arbitrability of a Dispute. Any Dispute shall be referred to, administered and finally resolved by the International Centre for Dispute Resolution (“ICDR”) in accordance with its International Arbitration Rules (the “Rules”) by three arbitrators. In any such arbitration, the Bank and the Trustee shall each select one arbitrator in accordance with the Rules and the two arbitrators so named shall nominate the third arbitrator in accordance with the Rules. If any such arbitrator has not been named within the time limits specified in the Rules, such appointment shall be made by the American Arbitration Association upon the written request of any party to the Dispute and judgment thereon may be entered in any court of competent jurisdiction. An arbitral award rendered pursuant to the Rules shall be final and binding upon the parties to the Dispute. The place of the arbitration shall be the City and County of New York, State of New York. The language of the arbitration shall be English. The arbitrators shall determine who is the prevailing party and shall award the costs of the arbitration, including attorneys’ fees and expenses, to the prevailing party. The arbitration agreement set forth in the Letters of Credit shall be binding upon the parties to the Dispute, their successors and permitted assignees, and the rights and obligations of the parties to the Dispute shall remain in full force and effect pending the enforcement of any award in any arbitration proceeding under the Letters of Credit, notwithstanding termination, for any reason, of the Letters of Credit.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

Industrial and Commercial Bank of China Limited (“ICBC”) is a joint stock limited company incorporated in the People’s Republic of China (“PRC”). Industrial and Commercial Bank of China was established on January 1, 1984 and was wholly restructured to a joint-stock limited company on October 28, 2005. On October 27, 2006, ICBC successfully listed on both the Shanghai Stock Exchange and Hong Kong Stock Exchange.

ICBC is headquartered in Beijing and currently maintains operations in 42 countries and regions as of December 31, 2015. With total assets of RMB 22,209,780 million (approximately USD 3.42 trillion) as of December 31, 2015, ICBC has developed into the largest listed bank in the world by assets. ICBC possesses what it believes is an excellent customer base, a diversified business structure, strong innovation capabilities and market competitiveness, and provides comprehensive financial products and services to 5,320 thousand corporate customers and 496 million personal customers. ICBC primarily operates in the PRC and provides an extensive range of commercial banking, investment banking, cash management, settlement and related products and services. Over the course of the last several years, ICBC has consistently been recognized as one of the strongest service brands in the PRC. ICBC is subject to regulation and supervision in the PRC, with the China Banking Regulatory Commission (the “CBRC”) and the People’s Bank of China (“PBOC”) acting as its principal regulatory authorities.

ICBC's New York Branch (the "New York Branch") began operations in February 2009 and is licensed by the New York State Department of Financial Services. The New York Branch is subject to the supervision, examination, and regulation by the New York State Banking Department and by the Federal Reserve Board. The New York Branch engages in wholesale deposit-taking, lending and other banking services primarily for business clients and also serves as the U.S. dollar clearing center for ICBC and its subsidiary institutions outside the United States.

Additional information, including audited financial statements and the related notes and other financial information, is available at www.icbc-ltd.com.

The information relating to this section is furnished solely to provide limited introductory information regarding ICBC in connection with the delivery of this Reoffering Circular. The delivery hereof shall not create any implication that the information contained is complete or that there has been no change in the state of affairs at or condition of ICBC since the date hereof, or that the information contained or referenced herein is correct as of any time subsequent to its date. Any conversions of RMB amounts into USD amounts are approximate and not necessarily reflective of any official exchange range, and were included solely for the convenience of readers outside of the PRC and were made at the rate of 1 Chinese Yuan Renminbi (CNY) to USD .15404, the approximate rate of exchange at December 31, 2015. Such conversions should not be construed as representations that the RMB amounts could be converted into U.S. dollars at that or any other rate. Except for the contents of this section, ICBC assumes no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Reoffering Circular.

REMARKETING AGENTS

The Port has appointed J.P. Morgan Securities LLC as Remarketing Agent for the Subseries Eighteen A Bonds and, effective as of August 31, 2016, Goldman Sachs & Co. as Remarketing Agent for the Subseries Eighteen B Bonds. Each Remarketing Agent is required to use its best efforts to offer for sale all Series Eighteen Bonds of the applicable Subseries, or any portions thereof, as to which notice of optional tender has been given or that are subject to mandatory purchase. Each Remarketing Agent may resign or suspend its duties immediately, in certain circumstances, as set forth in the applicable Remarketing Agreement. Each Remarketing Agent may be removed as set forth in the applicable Remarketing Agreement.

CERTAIN CONSIDERATIONS RELATING TO VARIABLE RATE DEMAND OBLIGATIONS

Each Remarketing Agent Is Paid by the Port. Each Remarketing Agent's responsibilities include determining the interest rate from time to time and remarketing the applicable Subseries of Series Eighteen Bonds that are tendered for purchase pursuant to optional tender or mandatory purchase (subject, in each case, to the terms of the applicable Remarketing Agreement), all as further described in this Reoffering Circular. See "THE SERIES EIGHTEEN BONDS." Each Remarketing Agent is appointed by the Port and is paid by the Port for its services. As a result, the interests of each Remarketing Agent may differ from those of existing owners and potential purchasers of the applicable Subseries of Series Eighteen Bonds.

Each Remarketing Agent May Routinely Purchase Series Eighteen Bonds for its Own Account. Each Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, routinely purchases such obligations for its own account. Each Remarketing Agent is permitted, but not obligated, to purchase tendered Series Eighteen Bonds of the applicable Subseries for its own account and, in its sole discretion, may acquire tendered Series Eighteen Bonds of that Subseries in order to achieve a successful remarketing of that Subseries (because there otherwise would not be enough buyers to purchase the Series Eighteen Bonds of that Subseries) or for other reasons. However, the Remarketing Agents are not obligated to purchase Series Eighteen Bonds, and may cease doing so at any time without notice. Each Remarketing Agent may also make a market in the applicable Subseries of Series Eighteen Bonds by routinely purchasing and selling Series Eighteen Bonds of that Subseries other than in connection with an optional tender or mandatory purchase and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agents are not required to make a market in the Series Eighteen Bonds. Each Remarketing Agent may also sell any Series Eighteen Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Series Eighteen Bonds. The purchase of Series Eighteen Bonds of a Subseries by a Remarketing Agent may cause the interest rate on that Subseries to be lower than it would be if the Remarketing Agent did not purchase the Series Eighteen Bonds of that Subseries and may create the appearance that there is greater third-party demand for that Subseries in the market than is actually the case. The practices described above also may result in fewer Series Eighteen Bonds of a Subseries being tendered in a remarketing.

Series Eighteen Bonds May Be Offered at Different Prices on any Date, Including a Rate Determination Date. Pursuant to each Remarketing Agreement, the applicable Remarketing Agent is required to determine the minimum rate of interest that, in the opinion of that Remarketing Agent under then-existing market conditions, would result in the sale of that Subseries at a price equal to 100% of the principal amount thereof, plus interest, if any, accrued through the Rate Determination Date during the then current Interest Period. See “THE SERIES EIGHTEEN BONDS—Determination of Interest Rates.” That interest rate will reflect, among other factors, the level of market demand for the applicable Subseries of Series Eighteen Bonds (including whether the Remarketing Agent is willing to purchase Series Eighteen Bonds of that Subseries for its own account). The purchase of Series Eighteen Bonds of a Subseries by a Remarketing Agent may cause the interest rate to be lower than it would be if that Remarketing Agent did not purchase Series Eighteen Bonds of that Subseries. There may or may not be Series Eighteen Bonds of a Subseries tendered and remarketed on a Rate Determination Date. As an owner of Series Eighteen Bonds of a Subseries, each Remarketing Agent may sell Series Eighteen Bonds of that Subseries at varying prices to different investors on that date or any other date. Each Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third-party buyers for all of the Series Eighteen Bonds of the applicable Subseries at the remarketing price. Each Remarketing Agent, in its sole discretion, may offer Series Eighteen Bonds of the applicable Subseries on any date, including the Rate Determination Date, at a discount to par to some investors.

The Ability to Sell the Series Eighteen Bonds Other than Through the Tender Process May Be Limited. Each Remarketing Agent may buy and sell Series Eighteen Bonds of the applicable Subseries other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require owners that wish to tender their Series Eighteen Bonds of that Subseries to do so through the Trustee with appropriate notice. Thus, investors who purchase the Series Eighteen Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Series Eighteen Bonds other than by tendering those Series Eighteen Bonds in accordance with the tender process. Each Letter of Credit is available to purchase only Series Eighteen Bonds of the applicable Subseries that are tendered in accordance with the tender process. See “THE SERIES EIGHTEEN BONDS—Optional Tender for Purchase.”

Under Certain Circumstances, each Remarketing Agent May Be Removed Resign or Cease Remarketing the Series Eighteen Bonds of the Applicable Subseries, Without a Successor Being Named Under certain circumstances, each Remarketing Agent may be removed or have the ability to resign or cease its remarketing efforts, without a successor having been named, subject to the terms of the applicable Remarketing Agreement. See “REMARKETING AGENTS” and “THE SERIES EIGHTEEN BONDS—Determination of Interest Rates.”

LEGAL PROCEEDINGS AND RELATED MATTERS

There is no controversy or litigation of any nature now pending or, to the knowledge of its officers, threatened against the Port restraining or enjoining the reoffering of the Series Eighteen Bonds or in any way contesting or affecting the validity of the Series Eighteen Bonds, any proceedings of the Port taken concerning reoffering thereof, the pledge or application of any moneys or security provided for the payment of the Series Eighteen Bonds, or existence or powers of the Port relating to the reoffering of the Series Eighteen Bonds.

TAX MATTERS

At the original issuance of the Series Eighteen Bonds, Kirkpatrick & Lockhart Preston Gates Ellis LLP, Bond Counsel to the Port, delivered an opinion to the effect that (i) under existing law and assuming compliance with certain covenants of the Port, interest on the Series Eighteen Bonds is excluded from gross income for federal income tax purposes except for interest on any Series Eighteen Bond for any period during which such Series Eighteen Bond is held by a “substantial user” of the facilities refinanced by the Series Eighteen Bonds, or by a “related person” within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended; (ii) interest on the Series Eighteen Bonds is an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations; and (iii) interest on the Series Eighteen Bonds is exempt from Oregon personal income tax under existing law. A complete copy of the opinion of Bond Counsel delivered at the original issuance of the Series Eighteen Bonds is attached to this Reoffering Memorandum as Appendix E. Such opinion spoke only as of the date of initial issuance and delivery of the Series Eighteen Bonds and will not be reissued in connection with this reoffering.

In connection with the delivery of the Letters of Credit and the reoffering of the Series Eighteen Bonds, Orrick, Herrington & Sutcliffe LLP, Special Counsel to the Port, will

deliver an opinion to the effect that the delivery of the Letters of Credit, by itself, will not adversely affect the exclusion of interest on Series Eighteen Bonds from gross income for federal income tax purposes. Special Counsel is not rendering any opinion on the current tax status of the Series Eighteen Bonds.

As described in the Official Statement relating to the original issuance of the Series Eighteen Bonds dated June 5, 2008 (the “Official Statement”), federal income tax law contains a number of requirements that apply to the Series Eighteen Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the use of proceeds of the bonds and the facilities refinanced with proceeds of the Series Eighteen Bonds and certain other matters. The Port has covenanted to comply with all applicable requirements.

The opinion of Bond Counsel delivered in connection with the issuance of the Series Eighteen Bonds was subject to the condition that the Port comply with the above-referenced covenants and, in addition, relied on representations by the Port and its advisors with respect to matters solely within the knowledge of the Port and its advisors, respectively, which Bond Counsel did not independently verify. If the Port has failed or fails to comply with such covenants or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Series Eighteen Bonds could be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series Eighteen Bonds, regardless of the date on which the event causing taxability occurs.

Except as expressly stated in the Tax Matters section in the Official Statement and this Tax Matters section, neither Bond Counsel nor Special Counsel has expressed any opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning or disposing of the Series Eighteen Bonds. In connection with the issuance of the Series Eighteen Bonds, Owners of the Series Eighteen Bonds were advised to consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Series Eighteen Bonds, which may include original issue discount, original issue premium, purchase at a market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding requirements.

In connection with the issuance of the Series Eighteen Bonds, prospective purchasers of the Series Eighteen Bonds were advised that ownership of the Series Eighteen Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series Eighteen Bonds. Bond Counsel expressed no opinion regarding any collateral tax consequences. In connection with the issuance of the Series Eighteen Bonds, prospective purchasers of the Series Eighteen Bonds were advised to consult their tax advisors regarding collateral federal income tax consequences.

As described in the Official Statement, payments of interest on tax-exempt obligations such as the Series Eighteen Bonds are in many cases required to be reported to the Internal

Revenue Service (the “IRS”), and backup withholding may apply to any such payments made to any owner who is not an “exempt recipient” and who fails to provide certain identifying information; individuals generally are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients.

Neither the opinion of Bond Counsel delivered in connection with the issuance of the Series Eighteen Bonds nor the opinion of Special Counsel to be delivered in connection with the delivery of the Letters of Credit and the reoffering of the Series Eighteen Bonds is a guarantee of result or is binding on the IRS; rather, the opinions represented Bond Counsel’s and Special Counsel’s legal judgment, respectively, as of the dates of the opinions, based on their review of existing law and in reliance on the representations made to Bond Counsel or Special Counsel, as the case may be, and the Port’s compliance with its covenants. As described in the Official Statement, (i) the IRS has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includable in gross income for federal income tax purposes, (ii) Bond Counsel could not predict whether the IRS will commence an audit of the Series Eighteen Bonds, (iii) Owners of the Series Eighteen Bonds were advised that, if the IRS did audit the Series Eighteen Bonds, under then-current IRS procedures, at least during the early stages of an audit, the IRS would treat the Port as the taxpayer, and the owners of the Series Eighteen Bonds may have limited rights to participate in the audit; and (iv) the commencement of an audit could adversely affect the market value and liquidity of the Series Eighteen Bonds until the audit is concluded, regardless of the ultimate outcome.

LEGALITY

At the original issuance of the Series Eighteen Bonds, Bond Counsel delivered a bond counsel opinion in connection with the issuance of the Series Eighteen Bonds, which is attached to this Reoffering Circular as Appendix A. Such opinion spoke only as of the date of initial issuance and delivery of the Series Eighteen Bonds and will not be reissued in connection with this reoffering. Orrick, Herrington & Sutcliffe LLP, Portland, Oregon, as Special Counsel to the Port, takes no responsibility for the accuracy, completeness or fairness of this Reoffering Circular. From time to time Special Counsel serves as counsel to the Remarketing Agents on matters that do not relate to the Port or the Series Eighteen Bonds.

In connection with the reoffering of the Series Eighteen Bonds, Orrick, Herrington & Sutcliffe, LLP, Portland, Oregon, Special Counsel to the Port, will deliver opinions to the effect that the delivery of the Letters of Credit (1) is lawful under Chapters 777 and 778 of the Oregon Revised Statutes and is authorized or permitted by the Series Eighteen Bond Documents and (2) by itself, will not adversely affect the exclusion of interest on Series Eighteen Bonds from gross income for Federal income tax purposes, nor adversely affect the validity of the Series Eighteen Bonds.

Certain legal matters will be passed upon for the Remarketing Agents by their counsel, Kutak Rock LLP, Denver, Colorado (“Counsel to the Remarketing Agents”). Counsel to the Remarketing Agents is not rendering an opinion as to the validity or tax status of the Series Eighteen Bonds. Any opinion of Counsel to the Remarketing Agents will be rendered solely to the Remarketing Agents, will be limited in scope and cannot be relied upon by

investors. Certain legal matters will be passed upon for the Bank by its U.S. counsel, Chapman & Cutler LLP, Chicago, Illinois, and by its China counsel, JunHe LLP, Shanghai, China.

CONTINUING DISCLOSURE

In connection with the issuance of the Series Eighteen Bonds, the Port covenanted for the benefit of the holders and beneficial owners of the Series Eighteen Bonds to provide certain financial information and operating data relating to the Airport (the “Annual Report”) by not later than nine months following the end of the Port’s Fiscal Year, and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report and any notices of enumerated events will be filed by the Port with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system. The specific nature of the information to be contained in the Annual Report and in the notices of material events is set forth in the Continuing Disclosure Certificate attached to this Reoffering Circular as Appendix B.

In each of the past five years, the Port filed its Annual Reports for the Series Eighteen Bonds and the Port’s other bonds on or before the required due date. In certain Annual Reports, between approximately calendar years 2009 and 2013, the Port included financial and operating information that varied from the information specified in the continuing disclosure undertakings. Many of these variations related to undertakings made for the benefit of holders of bonds that were no longer outstanding. Some of the variations occurred when, rather than filing stand-alone annual reports, the Port filed official statements that provided essentially the same type of information but in more or less detail or in a different format than in the original official statements, and some variations occurred because information from third-party sources was not available before the filing deadline.

In the Port’s Annual Reports related to its Limited Tax Pension Obligations submitted before 2013, the Port inadvertently omitted one statistic, its remaining general obligation debt capacity.

In previous years, the Port filed notices of enumerated events except that in some of those years the Port did not file a notice of every rating change in respect to its credit and liquidity providers (letter of credit banks and bond insurers), and certain Annual Reports were filed but not linked to each of the applicable CUSIP numbers.

The Port reviewed these variations, CUSIP linking mechanics and enumerated event reporting requirements and in February 2013 developed a Post-Issuance Compliance for Tax-Exempt and Tax-Advantaged Obligations and Continuing Disclosure Policy, set forth in Policy No. 7.2.15, and a more standardized form of Annual Report. Also in 2013, the Port filed an amended Annual Report to include the Port’s remaining general obligation debt capacity in FY 2012, and for the Limited Tax Pension Obligations posted a special disclosure notice with calculations of the remaining general obligation debt capacity for FY 2002 through 2011, correcting the omissions it discovered.

RATINGS

S&P Global Ratings (“S&P”) is expected to assign its long-term and short-term ratings of “A” and “A-1” respectively, to the Series Eighteen Bonds on the understanding that the Bank will issue its Letters of Credit simultaneously with the reoffering of the Series Eighteen Bonds described herein. Fitch Ratings (“Fitch”) is expected to assign its long-term and short-term ratings of “A” and “F1” respectively, to each Subseries of the Series Eighteen Bonds, on the understanding that the Bank will issue its Letter of Credit simultaneously with the reoffering of the Series Eighteen Bonds described herein. The ratings for each Subseries are based solely on the credit of the Bank, and the Port does not expect to have funds available to pay the purchase price of such Subseries that are subject to optional or mandatory purchase and not remarketed. Investors who purchase the Series Eighteen Bonds should assume that the only credit supporting a Subseries is that of the Bank. **In making an investment decision regarding a possible purchase of the Series Eighteen Bonds, prospective purchasers of such Subseries should rely only on the credit of the Bank and not on the credit of the Port.**

Such ratings reflect only the views of the applicable rating agency, and any desired explanation of the significance of such ratings should be obtained from S &P at the following address: 55 Water Street, New York, New York 10041; and from Fitch at the following address: One State Street Plaza, New York, New York 10004. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such ratings will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agency furnishing the same if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal may have an adverse effect on the market price or the availability of a secondary market for the Series Eighteen Bonds.

The execution and delivery of this Reoffering Circular have been duly authorized by the Port.

THE PORT OF PORTLAND

By: _____ /s/ Cynthia A. Nichol _____
Chief Financial Officer

APPENDIX A

OPINION OF PRIOR BOND COUNSEL

June 11, 2008

The Port of Portland
121 N.W. Everett
Portland, Oregon 97209

J.P. Morgan Securities Inc.
270 Park Avenue, 20th Floor
New York, New York 10017

The Bank of New York Trust Company, N.A.
601 Union Street, Suite 520
Seattle, WA 98101

Merrill Lynch & Co.
999 Third Avenue, Suite 3610
Seattle, Washington 98104

Subject: The Port of Portland, Portland International Airport Refunding Revenue Bonds, Series Eighteen (Multimodal Variable Rate) - \$69,445,000 Subseries Eighteen A and \$69,445,000 Subseries Eighteen B

We have acted as Bond Counsel in connection with the issuance by The Port of Portland, (the "Port") of its Portland International Airport Refunding Revenue Bonds, Series Eighteen (Multimodal Variable Rate), \$69,445,000 Subseries Eighteen A (the "Series A Bonds"), and \$69,445,000 Subseries Eighteen B (the "Series B Bonds" and collectively, with the Series A Bonds, the "Bonds"), which are dated June 11, 2008 and are in the aggregate principal amount of One Hundred Thirty-Eight Million Eight Hundred Ninety Thousand Dollars (\$138,890,000). Capitalized terms which are not defined in this opinion shall have the meanings given those terms in the Ordinances.

The Bonds are being issued pursuant to the provisions of Sections 778.145 through 778.175 and Chapter 288 of the Oregon Revised Statutes, as amended, and pursuant to Port Ordinance No. 155, enacted November 10, 1971, as amended and restated ("Ordinance No. 155"); Port Ordinance No. 323 enacted October 9, 1985, as amended and restated ("Ordinance No. 323"); and Port Ordinance No. 427-B enacted March 12, 2008 (the "Series Eighteen Ordinance" and together with Ordinance No. 155 and Ordinance No. 323, the "Ordinances").

We have examined the law, a duly certified transcript of proceedings of the Port, prepared in part by us, relating to the issuance and sale of the Bonds, and other documents which we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied on representations of the Port and other certified proceedings and certifications of the officials of the Port and others furnished to us without undertaking to verify such representations and certifications by independent investigation. We have also relied on the covenants of the Port to comply with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code") with respect to the investment and use of proceeds of the Bonds.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the official statement or other offering material relating to the Bonds, except to the extent, if any, stated in the official statement, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the official statement.

Based on our examination, we are of the opinion, under existing law, as follows:

1. The Bonds have been legally authorized, sold and issued under and pursuant to the Constitution and Statutes of the State of Oregon. The Bonds constitute valid and legally binding special obligations of the Port, enforceable in accordance with their terms. The Bonds are payable solely from the Net Revenues of the Airport and

Legal Opinion
June 11, 2008
Page 2

any amounts deposited in the SLB Fund and the SLB Construction Account, as defined and provided in the Ordinances.

2. Interest on the Bonds is excludable from gross income for federal income tax purposes; however, interest on the Bonds is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. In addition, interest on any Bond is not excludable from gross income for federal income tax purposes during any period in which such Bond is held by a "substantial user" of the facilities financed with the Bonds or by a "related person" to a substantial user, within the meaning of Section 147(a) of the Code.

3. The opinions set forth paragraph 2 of this opinion assume that the Port will comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Port has covenanted to comply with all applicable requirements. Failure to comply with certain of such covenants may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

4. Interest on the Bonds is exempt from State of Oregon personal income taxes.

Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning or disposing of the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds, which may include original issue discount, original issue premium, purchase at a market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding requirements.

We express no opinion regarding any other federal, state, or local tax consequences arising with respect to ownership of the Bonds.

These opinions are based on existing law and we assume no obligation to update or supplement these opinions to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur or become effective.

The opinions set forth above are qualified only to the extent that enforceability of the Bonds may be limited by or rendered ineffective by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the Port.

Our opinion is limited to matters of Oregon law and applicable federal law, and we assume no responsibility as to the applicability of laws of other jurisdictions.

This opinion is provided to you as a legal opinion only, and not as a guaranty or warranty of the matters discussed herein. No opinions may be inferred or implied beyond the matters expressly stated herein. No qualification, limitation or exception contained herein shall be construed in any way to limit the scope of the other qualifications, limitations and exceptions. For purposes of this opinion, the terms "law" and "laws" do not include unpublished judicial decisions, and we disclaim the effect of any such decision on the opinions expressed. This opinion speaks as of its date only, and we disclaim any undertaking or obligation to advise you of any changes that hereafter may be brought to your attention.

K&L|GATES

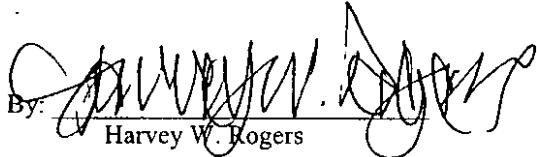
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The opinions expressed herein are solely for your benefit in connection with the above-referenced bond financing and may not be relied on in any manner or for any purpose by any person or entity other than the addressees listed above and the owners of the Bonds, nor may copies be furnished to any other person or entity, without the prior written consent of this firm.

We have served only as bond counsel to the Port in connection with the Bonds and have not represented any other party in connection with the Bonds. Therefore, no attorney-client relationship shall arise by virtue of our addressing this opinion to persons other than the Port.

Respectfully submitted,

KIRKPATRICK & LOCKHART PRESTON GATES ELLIS LLP

By: 
Harvey W. Rogers

APPENDIX B

CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

\$138,890,000	
The Port of Portland, Oregon	
Portland International Airport	
Refunding Revenue Bonds	
Series Eighteen	
(Multimodal Variable Rate)	
\$69,445,000	\$69,445,000
Subseries Eighteen A	Subseries Eighteen B

This Continuing Disclosure Certificate (the "Certificate") is executed and delivered by The Port of Portland, Oregon (the "Port") in connection with the issuance of the Port's Portland International Airport Refunding Revenue Bonds, Series Eighteen (Multimodal Variable Rate) - Subseries Eighteen A and Subseries Eighteen B (the "Bonds").

Section 1. Purpose of Certificate. This Certificate is being executed and delivered by the Port for the benefit of the Bondholders pursuant to paragraph (b)(5) of the Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12), (the "Rule"). This Certificate constitutes the Port's written undertaking for the benefit of the Bondholders pursuant to paragraph (b)(5) of the Rule.

Section 2. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for purposes of this Certificate, have the meanings herein specified.

"Additional Information" means any information other than the information the Port is obligated to provide under Section 3 and Section 5 of this Certificate.

"Beneficial Owner" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding Bonds through nominees or depositories.

"Bondholders" means the registered owners of the Bonds, as shown on the bond register maintained by the Trustee for the Bonds, and any Beneficial Owners.

"Commission" means the Securities and Exchange Commission.

"MSRB" means the Municipal Securities Rulemaking Board or any successor to its functions.

"NRMSIR" means a nationally recognized municipal securities information repository.

"Official Statement" means the final official statement for the Bonds dated June __, 2008.

"Rule" means the Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SID" means a state information depository for the State of Oregon (if one is created).

Section 3. Financial Information. The Port agrees to provide or cause to be provided to each NRMSIR and to the SID, if any, in each case as designated by the Commission in accordance with the Rule, the following annual financial information and operating data for the prior fiscal year (commencing for the fiscal year ended June 30, 2008):

A. The Port's latest publicly available annual financial statements prepared in accordance with the Oregon Local Budget Law (or any successor statute) and in accordance with generally accepted accounting principles so prescribed by the Governmental Accounting Standards Board (or its successors) and generally of the type included in the official statement for the Bonds under the heading "Appendix D: Report on Audit of Financial

Statements and Supplementary Information For the Year Ended June 20, 2007, with comparative totals for the year ended June 30, 2006," and,

B. To the extent not included in Port's annual financial statements, the financial information and operating data of the type included in the Official Statement in the section "PORTLAND INTERNATIONAL AIRPORT" under the following captions and in the following tables and charts:

1. Under the caption "Airlines Serving the Airport";
2. In the column entitled "Total Enplaned Passengers" in the table entitled "Historical Enplaned Passengers";
3. In the paragraph following the table entitled "Historical Enplaned Passengers," regarding the number of origin and destination passengers at the Airport, but only to the extent that information is readily available to the Port;
4. In the table presented under the caption "Airlines Serving the Airport";
5. In the table entitled "Enplanements By Airline";
6. In the table entitled "Historical Cargo Tonnage";
7. In the table entitled "Historical Landed Weight";
8. In the table entitled "Portland International Airport Historical Financial Performance";
9. In the table entitled "Portland International Airport Debt Service Schedule";
10. In the section entitled "Management's Discussion of Results"; and
11. In the table entitled "Portland International Airport Historical and Forecast Debt Service Coverage."

Section 4. Timing. The information described in Sections 3.A and 3.B above shall be provided on or before nine months after the end of the Port's fiscal year. The Port's current fiscal year ends June 30. The Port may adjust such fiscal year by providing written notice of the change of fiscal year to each then existing NRMSIR and the SID, if any. In lieu of providing such annual financial information and operating data, the Port may cross-reference to other documents provided to the NRMSIR, the SID or to the Commission and, if such document is a final official statement within the meaning of the Rule, available from the MSRB.

The Port agrees to provide or cause to be provided, in a timely manner, to each NRMSIR or to the MSRB, and to the SID, if any, notice of its failure to provide the annual financial information described in Sections 3.A and 3.B above on or prior to the date set forth in the preceding paragraph.

Section 5. Material Events. The Port agrees to provide or cause to be provided, in a timely manner, to the SID, if any, and to each NRMSIR or to the MSRB notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers or their failure to perform;

6. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
7. Modifications to the rights of Bondowners;
8. Bond calls;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Bonds; and
11. Rating changes.

Section 6. Termination/Modification. The Port's obligations to provide notices of the material events listed in Section 5 shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. This Certificate, or any provision hereof, shall be null and void if the Port (a) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Certificate, or any provision hereof, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; and (b) notifies each then existing NRMSIR and the SID, if any, of such opinion and the cancellation of this Certificate.

Section 7. Amendment. Notwithstanding any other provision of this Certificate, the Port may amend this Certificate, and any provision of this Certificate may be waived, provided that the following conditions are satisfied:

- A. If the amendment or waiver relates to the provisions of Sections 3.A or 3.B or Section 5 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Port with respect to the Bonds, or the type of business conducted;
- B. The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- C. The amendment or waiver either (i) is approved by the Bondowners or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondowners.

In the event of any amendment or waiver of a provision of this Certificate, the Port shall describe such amendment in the next annual report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Port. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a material event under Section 5 hereof, and (ii) the annual report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 8. Bondowner's Remedies Under This Certificate. The right of any Bondowner to enforce the provisions of this Certificate shall be limited to a right to obtain specific enforcement of the Port's obligations hereunder, and any failure by the Port to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds hereunder. Bondowners may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Port to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed a default or an event of default under the documents authorizing issuance of the Bonds, and no monetary damages shall arise or be payable hereunder, and the sole remedy under this Certificate in the event of any failure of the Port to comply with this Certificate shall be an action to compel performance.

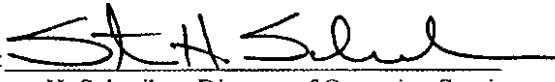
Section 9. DisclosureUSA. Any filing required to be made with any NRMSIR or SID under this Certificate may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at <http://www.disclosureusa.org> unless the Commission has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004.

Section 10. Choice of Law. This Certificate shall be governed by and construed in accordance with the laws of the State of Oregon, provided that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

Section 11. Additional Information. Nothing in this Certificate shall be deemed to prevent the Port from providing Additional Information when the Port provides information pursuant to Section 3 or Section 5 of this Certificate, when the Port provides information pursuant to the Rule in connection with other obligations, or when the Port disseminates information in any other way. If the Port chooses provide Additional Information the Port shall have no obligation to continue to provide that Additional Information when it subsequently complies with Section 3 or Section 5 of this Certificate or subsequently disseminates information in any other way.

Dated as of the 11th day of June, 2008.

The Port of Portland, Oregon

By: 
Steven H. Schreiber, Director of Operation Services and
Chief Financial Officer

APPENDIX C
SERIES EIGHTEEN BOND CERTIFICATE

CERTIFICATE OF THE EXECUTIVE DIRECTOR

ESTABLISHING AND DETERMINING

CERTAIN TERMS OF AND OTHER MATTERS RELATING

TO THE

\$138,890,000

THE PORT OF PORTLAND

PORLAND INTERNATIONAL AIRPORT

REFUNDING REVENUE BONDS

SERIES EIGHTEEN

Dated as of the 11th day of June, 2008

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**CERTIFICATE OF THE EXECUTIVE DIRECTOR
ESTABLISHING AND DETERMINING
CERTAIN TERMS OF AND OTHER MATTERS RELATING TO
THE PORT OF PORTLAND
PORTLAND INTERNATIONAL AIRPORT REFUNDING REVENUE BONDS
SERIES EIGHTEEN (MULTIMODAL VARIABLE RATE)**

I, Steven H. Schreiber, am an Executive Director of The Port of Portland as defined in Port Ordinance No. 427-B adopted on March 12, 2008. Pursuant to Section 3 of Port Ordinance No. 427-B, I hereby certify on behalf of the Port as follows regarding the establishment and determination of certain terms of and other matters relating to the Port's airport revenue bonds designated "The Port of Portland, Portland International Airport Refunding Revenue Bonds, Series Eighteen (Multimodal Variable Rate), Subseries Eighteen A and Subseries Eighteen B."

ARTICLE I

DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS

Section 1.01 Definitions. Unless the context clearly requires otherwise: capitalized terms that are used in this Series Eighteen Bond Certificate and defined in this section shall have the meanings defined for those terms in this section; and capitalized terms that are used in this Series Eighteen Bond Certificate but not defined in this section shall have the meanings defined for such terms in Ordinance No. 323, and, to the extent not defined in Ordinance No. 323, the meanings defined for such terms in Ordinance No. 155.

"Airport Revenue Bond Ordinances" means Ordinance No. 155 and Ordinance No. 323.

"Alternate Rate" means, unless otherwise set forth in a Supplemental Series Eighteen Bond Document, (1) with respect to Series Eighteen Bonds in a Daily Mode, a Weekly Mode or a Commercial Paper Mode for an Interest Period of 30 days or less, an annual rate equal to the SIFMA Municipal Swap Index prior to the date such Alternate Rate is determined; (2) with respect to Series Eighteen Bonds in a Commercial Paper Mode for an Interest Period of greater than 30 days, an annual rate equal to 85% of the highest quoted yield on United States Government Obligations – State and Local Government Series, with a maturity equal to the length of the Interest Period for which the Alternate Rate is calculated, which yield was published in Form PD4262, Department of Treasury, Bureau of Public Debt, as most recently published prior to the date such Alternate Rate is determined; (3) with respect to Series Eighteen Bonds in a Term Rate Mode, an annual rate equal to 85% of LIBOR with a maturity equal to the length of the Interest Period for which the Alternate Rate is calculated; and (4) with respect to Taxable Bonds, an annual rate equal to 105% of LIBOR with a maturity equal to the length of the Interest Period for which the Alternate Rate is calculated.

"Authorized Denominations" means the denominations that are authorized in Section 2.04.

"Board" means the Board of Commissioners of the Port.

“Bond Counsel” means Kirkpatrick & Lockhart Preston Gates Ellis LLP or another legal counsel of recognized national standing in the field of obligations the interest on which is excluded from gross income for federal income tax purposes, selected by the Port and not objected to by the Trustee or the Credit Facility Provider (if any).

“Business Day” means a day that is not a Saturday, Sunday or legal holiday on which banking institutions in the States in which the Trustee is performing its functions under the Series Eighteen Bond Documents, the State of New York or in any state in which the office of the Liquidity Facility Provider (if any), the Credit Facility Provider (if any), the Remarketing Agents (if any), the Tender Agent (if any), or the Trustee is located are authorized to remain closed or a day on which the New York Stock Exchange is closed.

“Calculation Agent” means the Calculation Agent selected by the Port to act under this Series Eighteen Bond Certificate, and its successors and assigns.

“Code” means the Internal Revenue Code of 1986, as amended, or any successor statute thereto, and any regulations promulgated thereunder.

“Commercial Paper Mode” means the Mode during which a subseries of Series Eighteen Bonds bears interest at the Commercial Paper Rate.

“Commercial Paper Rate” means the per annum interest rate with respect to any Series Eighteen Bond in the Commercial Paper Mode determined pursuant to Section 2.07.

“Credit Facility” means a letter of credit (including, if applicable, a confirming letter of credit), bond insurance policy or similar credit facility issued by a commercial bank, savings institution, insurer or other financial institution which, by its terms, shall secure the payment of the principal of and interest on a subseries of Series Eighteen Bonds when due, delivered to the Trustee pursuant to ARTICLE V, including a Substitute Credit Facility.

“Credit Facility Provider” means the commercial bank, savings institution, insurer or other financial institution issuing a Credit Facility.

“Current Mode” shall have the meaning specified in Section 2.13.

“Daily Mode” means the Mode during which a subseries of Series Eighteen Bonds bears interest at the Daily Rate.

“Daily Rate” means an interest rate that is determined on each Business Day with respect to any subseries of Series Eighteen Bonds in the Daily Mode pursuant to Section 2.08.

“Depository Participant” means a member of, or participant in, the Securities Depository.

“Designated Corporate Trust Office” means the designated office of the Trustee, which initially is at 601 Union Street, Suite 520, Seattle, Washington 98101.

“Electronic Means” means telecopy, telegraph, telex, facsimile transmission, email transmission or other similar electronic means of communication.

“Eligible Bonds” means any Series Eighteen Bonds other than Liquidity Facility Bonds or Series Eighteen Bonds owned by, for the account of, or on behalf of, the Port.

“Expiration Date” means (i) the date upon which a Liquidity Facility or a Credit Facility is scheduled to expire (taking into account any extensions of such Expiration Date) in accordance with its terms without regard to any early termination thereof, or (ii) the date upon which a Liquidity Facility or Credit Facility is released pursuant to Section 5.01(E).

“Favorable Opinion of Bond Counsel” means, with respect to any action the occurrence of which requires such an opinion, an unqualified Opinion of Counsel, which shall be Bond Counsel, to the effect that such action is permitted under the Series Eighteen Bond Documents and will not, in and of itself, result in the inclusion of interest on the Series Eighteen Bonds in gross income for federal income tax purposes (subject to any exceptions contained in the opinion delivered upon original issuance of the Series Eighteen Bonds).

“Fitch” means Fitch Inc. a corporation organized and existing under the laws of the state of its organization, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Port by notice to the Credit Facility Provider (if any), the Liquidity Facility Provider (if any) and the Trustee.

“Fixed Rate” means the interest rate on a subseries of Series Eighteen Bonds determined pursuant to Section 2.11.

“Fixed Rate Bonds” means any Series Eighteen Bonds while they are in the Fixed Rate Mode.

“Fixed Rate Mode” means the Mode during which a subseries of Series Eighteen Bonds bears interest at a Fixed Rate.

“Indexed Mode” means the Mode during which a subseries of Series Eighteen Bonds bears interest at the Indexed Rate.

“Indexed Rate” means an interest rate that is determined with respect to any subseries of Series Eighteen Bonds in the Indexed Mode pursuant to Section 2.09, provided, however, the Indexed Rate shall never exceed the Maximum Rate.

“Interest Payment Date” means (1) with respect to Series Eighteen Bonds in a Commercial Paper Mode (a) with an Interest Period of 180 days or less, the Purchase Date, and (b) with an Interest Period of 181 days or more, each January 1 and July 1 prior to the Purchase Date and the Purchase Date; (2) with respect to Series Eighteen Bonds in a Daily Mode or a Weekly Mode, the first Business Day of each month; (3) with respect to Series Eighteen Bonds in a Term Rate Mode, each January 1 and July 1 prior to the Purchase Date and the Purchase Date; (4) with respect to Series Eighteen Bonds in the Fixed Rate Mode, each January 1 and July 1; (5) any Mode Change Date; (6) with respect to a subseries of Series Eighteen Bonds in an

Indexed Mode, the dates determined by the applicable Remarketing Agent pursuant to Section 2.09 hereof; (7) the respective Maturity Dates; and (8) with respect to Liquidity Facility Bonds, the dates of the applicable Liquidity Facility Senior Payments or the Liquidity Facility Junior Payments that are set forth in the applicable Reimbursement Agreement.

“Interest Payment Period” means the period commencing on the last Interest Payment Date to which interest has been paid (or, if no interest has been paid in such Mode, from the date of original issuance of the Series Eighteen Bonds, or the Mode Change Date, as the case may be) to, but not including, the Interest Payment Date on which interest is to be paid.

“Interest Period” means the period of time that an interest rate remains in effect, which period:

(1) with respect to any subseries of Series Eighteen Bonds in a Daily Mode, commences on a Business Day and extends to, but does not include, the next succeeding Business Day;

(2) with respect to any subseries of Series Eighteen Bonds in a Weekly Mode, commences on the first day Series Eighteen Bonds begin to accrue interest in the Weekly Mode and ends on the next succeeding Tuesday, and thereafter commences on each Wednesday and ends on Tuesday of the following week;

(3) with respect to each Series Eighteen Bond in a Commercial Paper Mode, shall be established by the applicable Remarketing Agent pursuant to Section 2.07;

(4) with respect to any subseries of Series Eighteen Bonds in an Indexed Mode, shall be as established for such subseries of Series Eighteen Bonds pursuant to Section 2.09 hereof;

(5) with respect to any subseries of Series Eighteen Bonds in a Term Rate Mode, initially, shall be from and including the Mode Change Date to, but not including, the Purchase Date established for such subseries of Series Eighteen Bonds pursuant to Section 2.10 hereof and thereafter shall be from and including such Purchase Date to but not including the next Purchase Date; and

(6) with respect to any subseries of Series Eighteen Bonds in the Fixed Rate Mode, commences on the first day Series Eighteen Bonds begin to accrue interest in the Fixed Rate Mode and ends on the day prior to the final maturity date of the Series Eighteen Bonds.

“LIBOR” means the London Interbank Offered Rate for deposits in U.S. dollars with a thirty day maturity that appears on Reuters Screen LIBOR 01 Page (or such other page as may replace that page on that service, or such other service as may be nominated by the British Bankers Association, for the purpose of displaying London Interbank Offered Rates for U.S. dollar deposits) as of 11:00 a.m., London time, on the date that is two London banking days prior to the Rate Determination Date.

“Liquidity Facility” means a standby bond purchase agreement, letter of credit or similar liquidity facility issued by a commercial bank, savings institution, insurer or other institution which, by its terms, shall provide for the payment of the Purchase Price of a subseries of Series Eighteen Bonds tendered and not remarketed, that is delivered to the Trustee pursuant to ARTICLE V, including a Substitute Liquidity Facility.

“Liquidity Facility Bonds” means Series Eighteen Bonds while they are held by a Liquidity Facility Provider as the result of a purchase pursuant to a Liquidity Facility. While a

Series Eighteen Bond is a Liquidity Facility Bond it shall be payable solely from the Liquidity Facility Senior Payments or the Liquidity Facility Junior Payments that are due as a result of the purchase of the Series Eighteen Bond by a Liquidity Facility Provider.

“Liquidity Facility Deposit Account” means the account by that name within the Purchase Fund established pursuant to Section 4.01.

“Liquidity Facility Junior Payments” means the obligation of the Port to pay any amounts due to a Liquidity Facility Provider or a Credit Facility Provider except:

(a) fees and expenses of the provider of a Liquidity Facility or Credit Facility which qualify to be paid as Costs of Operation and Maintenance of the Airport as provided in Section 5.03(B)(1); and

(b) Liquidity Facility Senior Payments.

“Liquidity Facility Provider” means the commercial bank, savings institution, insurer or other financial institution issuing a Liquidity Facility.

“Liquidity Facility Senior Payments” means the following payments due from the Port to Liquidity Facility Providers or Credit Facility Providers:

(a) payments to reimburse draws for regularly scheduled principal or interest payments on Series Eighteen Bonds, including scheduled mandatory redemption payments;

(b) any other payments that are designated as Liquidity Facility Senior Payments in the reimbursement agreement between the Port and LLOYDS TSB BANK PLC for the initial direct-pay letter of credit for the Series Eighteen Bonds, and,

(c) any other payment obligations that qualify as a “Parity Reimbursement Agreement” under Section 3 of Ordinance No. 323.

“Mandatory Purchase Date” means: (1) any Purchase Date for Series Eighteen Bonds in the Commercial Paper Mode or the Term Rate Mode; (2) any Mode Change Date; and (3) unless the provisions of Section 3.11 are satisfied, any Termination Date, Substitute Liquidity Facility Date, or Substitute Credit Facility Date, or the second Business Day preceding any Expiration Date.

“Mandatory Sinking Account Payment” means the amount required by Section 3.02 to be paid by the Trustee on any single date for the retirement of Series Eighteen Bonds.

“Maturity Date” means July 1, 2026; however, for any subseries of Series Eighteen Bonds upon change to the Fixed Rate Mode, “Maturity Date” means the maturities determined pursuant to Section 2.11.

“Maximum Rate” means the lesser of twelve percent (12.00%) per annum or the maximum interest rate permitted by law.

“Mode” means, as the context may require, the Commercial Paper Mode, the Daily Mode, the Weekly Mode, the Indexed Mode, the Term Rate Mode or the Fixed Rate Mode.

“Mode Change Date” means, with respect to any subseries of Series Eighteen Bonds, the day following the last day of one Mode for such subseries of Series Eighteen Bonds on which another Mode begins.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the state of its organization, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Port by notice to the Credit Facility Provider (if any), the Liquidity Facility Provider (if any) and the Trustee.

“New Mode” shall have the meaning specified in Section 2.13.

“Opinion of Counsel” means a written opinion of counsel (who may be counsel for the Port) selected by the Port, the Credit Facility Provider (if any) or the Liquidity Facility Provider (if any). If and to the extent required by the provisions of Section 1.02, each Opinion of Counsel shall include the statements provided for in Section 1.02.

“Ordinance No. 155” means Port Ordinance No. 155, originally enacted by the Board on November 10, 1971, as amended, supplemented and restated.

“Ordinance No. 323” means Port Ordinance No. 323, originally enacted by the Board on October 9, 1985, as amended, supplemented and restated, including the amendments made by the Series Eighteen Ordinance.

“Owner” or “Bondowner,” when used with respect to a Series Eighteen Bond, means the Person in whose name such Series Eighteen Bond is registered.

“Person” means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Port” means The Port of Portland, Oregon, a port district created and operating under Chapter 778 of the Oregon Revised Statutes, and the issuer of the Series Eighteen Bonds.

“Principal Payment Date” means, with respect to a Series Eighteen Bond, the date on which principal of such Series Eighteen Bond becomes due and payable, either by maturity, redemption, acceleration or otherwise.

“Purchase Date” means (i) during the Commercial Paper Mode and the Term Rate Mode with respect to each Series Eighteen Bond, the date determined by the applicable Remarketing Agent on the most recent Rate Determination Date as the date on which such Series Eighteen Bond shall be subject to purchase, and (ii) during the Daily Mode, or the Weekly Mode, any Business Day selected by the Owner of such Series Eighteen Bond pursuant to Section 3.07.

“Purchase Fund” means the fund by that name established pursuant to Section 4.01(A)(3).

“Purchase Price” means (i) an amount equal to the principal amount of a Series Eighteen Bond purchased on any Purchase Date, plus, in the case of any purchase of a Series Eighteen Bond in the Daily Mode or the Weekly Mode, accrued interest thereon, if any, to the Purchase Date, or (ii) an amount equal to the principal amount of a Series Eighteen Bond purchased on a Mandatory Purchase Date, plus accrued interest thereon, if any, to the Mandatory Purchase Date.

“Rate Determination Date,” when used with respect to a Series Eighteen Bond, means the Business Day on which the interest rate with respect to such Series Eighteen Bond shall be determined, which, (i) in the case of the Commercial Paper Mode, shall be the first day of an Interest Period; (ii) in the case of the Daily Mode, shall be each Business Day commencing with the first day such Series Eighteen Bond becomes subject to the Daily Mode; (iii) in the case of the initial conversion to the Weekly Mode, shall be no later than the Mode Change Date, and thereafter, shall be each Wednesday or, if Wednesday is not a Business Day, the next Business Day succeeding such Wednesday; (iv) in the case of the Term Rate Mode, shall be a Business Day no earlier than 30 Business Days and no later than the Business Day immediately preceding the first day of an Interest Period; and (v) in the case of the Indexed Mode and the Fixed Rate Mode, shall be a date determined by the Remarketing Agent for that subseries, which shall be at least one Business Day prior to the Mode Change Date.

“Rating Agency” means S&P, Moody’s and Fitch.

“Rating Category” means one of the general rating categories of the Rating Agencies without regard to any refinement or graduation of such rating category by numerical modifier or otherwise.

“Record Date” means (i) with respect to Series Eighteen Bonds in a Commercial Paper Mode, a Daily Mode, or a Weekly Mode, the day (whether or not a Business Day) immediately preceding each Interest Payment Date, and (ii) with respect to Series Eighteen Bonds in an Indexed Mode, a Term Rate Mode or a Fixed Rate Mode, the 15th day (whether or not a Business Day) of the month immediately preceding each Interest Payment Date.

“Redemption Price” means, with respect to any Series Eighteen Bond (or portion thereof), the principal amount of such Series Eighteen Bond (or portion) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Series Eighteen Bond and the Series Eighteen Bond Documents.

“Refunded Bonds” means all of the Port’s outstanding Portland International Airport Refunding Revenue Bonds, Series Seventeen, that were originally dated June 22, 2006.

“Reimbursement Agreement” means the agreement between the Port and a Credit Facility Provider or Liquidity Facility Provider pursuant to which a Credit Facility and/or Liquidity Facility is issued, as amended, supplemented or extended from time to time in accordance with the provisions thereof.

“Remarketing Agent” means any remarketing agent appointed by the Port in accordance with Section 3.14 and Section 3.15 and approved by the Credit Facility Provider (if

any) or the Liquidity Facility Provider (if any) and at the time serving as such under the Remarketing Agreement.

“Remarketing Agreement” means a remarketing agreement between the Port and a Remarketing Agent, as such agreement may from time to time be amended and supplemented, to remarket one or both subseries of the Series Eighteen Bonds delivered or deemed to be delivered for purchase by the Owners thereof, subject to approval by the Credit Facility Provider (if any) and the Liquidity Facility Provider (if any).

“Remarketing Proceeds Account” means the account by that name within the Purchase Fund established pursuant to Section 4.01(A)(3).

“Required Stated Amount” means, at any time of calculation with respect to any subseries of Series Eighteen Bonds, an amount equal to the aggregate principal amount of all Series Eighteen Bonds of such subseries then Outstanding together with interest accruing thereon (assuming an annual rate of interest equal to the Maximum Rate) for the period specified in a Certificate of the Port to be the minimum period specified by the Rating Agencies then rating the Series Eighteen Bonds of such subseries as necessary to maintain, in the case of the Liquidity Facility, the short-term rating of the Series Eighteen Bonds of such subseries, or, in the case of the Credit Facility, the long-term rating of the Series Eighteen Bonds of such subseries.

“S&P” means Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the state of its organization, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Port by notice to the Credit Facility Provider (if any), the Liquidity Facility Provider (if any) and the Trustee.

“Securities Depository” means The Depository Trust Company and its successors and assigns, or any other securities depository selected by the Port to serve as securities depository for the Series Eighteen Bonds.

“Series Eighteen Bond Certificate” means this certificate of an Executive Director of the Port, establishing the terms of the Series Eighteen Bonds.

“Series Eighteen Bond Documents” means this Series Eighteen Bond Certificate, as it may be amended in accordance with its terms and the Airport Revenue Bond Ordinances, including the Series Eighteen Bond Ordinance.

“Series Eighteen Bond Ordinance” means Port Ordinance No. 427-B, enacted by the Board on March 12, 2008.

“Series Eighteen Bonds” means the Subseries A Bonds and the Subseries B Bonds.

“Series Eighteen Qualified Swaps” means the interest rate swaps described in Section 2.03.

“SIFMA Municipal Swap Index” means the Securities Industry and Financial Markets Association (formerly The Bond Market Association™), Municipal Swap Index as disseminated by Municipal Market Data, a Thomson Financial Services Company, or its successor, for the most recently preceding Business Day.

“Special Record Date” means the date established by the Trustee pursuant to Section 2.04 as a record date for the payment of defaulted interest on the Series Eighteen Bonds.

“Subseries A Bonds” means the Port’s Portland International Airport Refunding Revenue Bonds, Series Eighteen (Multimodal Variable Rate), Subseries Eighteen A that are described in this Series Eighteen Bond Certificate.

“Subseries B Bonds” means the Port’s Portland International Airport Refunding Revenue Bonds, Series Eighteen (Multimodal Variable Rate), Subseries Eighteen B that are described in this Series Eighteen Bond Certificate.

“Substitute Credit Facility” means a Credit Facility, delivered to the Trustee pursuant to ARTICLE V.

“Substitute Credit Facility Date” means the date of delivery to the Trustee of a Credit Facility by the Port pursuant to ARTICLE V.

“Substitute Liquidity Facility” means a Liquidity Facility, delivered to the Trustee pursuant to ARTICLE V.

“Substitute Liquidity Facility Date” means the date of delivery to the Trustee of a Substitute Liquidity Facility by the Port pursuant to ARTICLE V.

“Supplemental Series Eighteen Bond Document” means any document amending the Series Eighteen Bond Documents in accordance with the terms of the Series Eighteen Bond Documents.

“Tax Certificate” means the Tax Certificate delivered by the Port at the time of issuance and delivery of the Series Eighteen Bonds, as the same may be amended or supplemented in accordance with its terms.

“Taxable Bonds” means Series Eighteen Bonds, the interest on which is not excludible from gross income for federal income tax purposes by the Owner of such Series Eighteen Bonds.

“Tender Agent” means the Trustee, serving as tender agent for the Series Eighteen Bonds.

“Tender Notice Deadline” shall mean (i) during the Daily Mode, 10:30 a.m. New York City time, on any Business Day, and (ii) during the Weekly Mode, 4:00 p.m. New York City time, on the Business Day five Business Days prior to the applicable Purchase Date.

“Term Rate” means the per annum interest rate with respect to any subseries of Series Eighteen Bonds in the Term Rate Mode determined pursuant to Section 2.10.

“Term Rate Mode” means the Mode during which a subseries of Series Eighteen Bonds bears interest at the Term Rate.

“Termination Date” means the date on which Series Eighteen Bonds are subject to mandatory tender for purchase pursuant to Section 3.11(B) as a result of a Liquidity Facility Provider giving notice of termination of a Liquidity Facility or a Credit Facility Provider giving notice of termination of a Credit Facility. The Termination Date shall not be later than one Business Day before the date on which the Liquidity Facility or Credit Facility would otherwise terminate.

“Trustee” means the “SLB Trustee” as defined in Ordinance No. 323, and includes any successor Trustee. The Trustee is appointed by the Port pursuant to Section 11 of Ordinance No. 323. On the date of this Series Eighteen Bond Certificate the Trustee is The Bank of New York Trust Company, N.A. operating out of Seattle, Washington. While a Liquidity Facility or Credit Facility is in effect, successor Trustees are subject to the limits provided in Section 7.02.

“Valuation Date” means the last Business Day of each fiscal year of the Port, and any date on which: (a) Additional SLBs are issued; (b) a withdrawal is made from the SLB Reserve Account.

“Weekly Mode” means the Mode during which a subseries of Series Eighteen Bonds bears interest at the Weekly Rate.

“Weekly Rate” means an interest rate that is determined on a weekly basis with respect to any subseries of Series Eighteen Bonds in the Weekly Mode pursuant to Section 2.08.

Section 1.02 Content of Certificates and Opinions.

(A) Every certificate or opinion provided for in this Series Eighteen Bond Certificate shall include (1) a statement that the Person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such Person, such Person has made or caused to be made such examination or investigation as is necessary to enable such Person to express an informed opinion with respect to the subject matter referred to in the instrument to which such Person’s signature is affixed; (4) a statement of the assumptions upon which such certificate or opinion is based, and that such assumptions are reasonable; and (5) a statement as to whether, in the opinion of such Person, such provision has been complied with.

(B) Any such certificate or opinion made or given by an officer of the Port may be based, insofar as it relates to legal, accounting or operational matters, upon a certificate or opinion of or representation by counsel, an accountant or a management consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement

may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an accountant or a management consultant may be based, insofar as it relates to factual matters upon a certificate or opinion of or representation by an officer of the Port, unless such counsel, accountant or management consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such Person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the Port, or the same counsel or accountant or management consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of the Series Eighteen Bond Documents, but different officers, counsel, accountants or management consultants may certify to different matters, respectively.

Section 1.03 Interpretation.

(A) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(B) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(C) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Series Eighteen Bond Documents; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to the Series Eighteen Bond Documents as a whole and not to any particular Article, Section or subdivision hereof.

(D) All references herein to a particular time of day shall be to New York City time.

ARTICLE II

THE SERIES EIGHTEEN BONDS

Section 2.01 Authorization Designation and Payment of Series Eighteen Bonds.

(A) Pursuant to the provisions of the Act and the Series Eighteen Bond Documents, the Port hereby authorizes the issuance of \$138,890,000 principal amount of Series Eighteen Bonds to be designated "Portland International Airport Refunding Revenue Bonds Series Eighteen (Multimodal Variable Rate)," as SLBs and "Short Term/Demand Obligations" under Ordinance No. 323.

(B) The Series Eighteen Bonds are issuable as fully registered bonds in Authorized Denominations and shall be numbered from No. R-1 upwards. The Series Eighteen Bonds shall be divided into two Subseries: the \$69,445,000 Subseries Eighteen A, and the \$69,445,000 Subseries Eighteen B.

(C) The Series Eighteen Bonds shall be dated June 11, 2008, and shall bear interest as provided herein. Each subseries shall mature on July 1, 2026, and shall be subject to scheduled, mandatory redemption as shown in Section 3.02.

(D) The Series Eighteen Bonds shall be issued substantially in the form provided in the attached Exhibit A.

(E) The Port shall comply with all requirements of Section 103 of the Code so that interest on the Series Eighteen Bonds is excludable from gross income under the Code. The Port shall operate the facilities that are refinanced with the Series Eighteen Bonds so that the Series Eighteen Bonds qualify as "exempt facility bonds" under Section 142 of the Code, and shall invest the proceeds of the Series Eighteen Bonds, pay any rebates due on the Series Eighteen Bonds and the Refunded Bonds, and take any other action required so that the Series Eighteen Bonds are not "arbitrage bonds" under Section 148 of the Code. The Port shall comply with any covenants made in the closing documents for the Series Eighteen Bonds, including the Tax Certificate.

Section 2.02 Book-Entry Form of Series Eighteen Bonds.

(A) The Series Eighteen Bonds shall be issued as one fully registered bond for each subseries and shall be deposited with The Depository Trust Company, New York, New York ("DTC"). DTC's administrative procedures shall apply to the Series Eighteen Bonds in accordance with the Port's letter of representations with DTC.

(B) If DTC ceases to act as a depository the Port shall select another Securities Depository. If the Port does not replace DTC, the Trustee will register and deliver to the beneficial owners replacement Series Eighteen Bonds in the form of fully registered Series Eighteen Bonds in accordance with instructions from Cede & Co.

Section 2.03 The Series Eighteen Qualified Swaps.

(A) The interest rate swaps effected on May 28, 2004, and evidenced by the following confirmations have been designated as "Qualified Swaps" as defined in Section 2(h) of Ordinance No. 323, and are now identified as the Series Eighteen Qualified Swaps:

(1) The interest rate swap associated with the confirmation given by Bear Stearns Financial Products Inc. to the Port that is dated May 28, 2004, has reference number FXNEC5978, and was for a notional amount of \$6,892,500.

(2) The interest rate swap associated with the confirmation given by Goldman Sachs Mitsui Marine Derivative Products, L.P. to the Port that is dated May 28, 2004, has reference number NUL 0405420, and was for a notional amount of \$6,892,500.

(3) The interest rate swap associated with the confirmation given by Bear Stearns Financial Products Inc. to the Port that is dated May 28, 2004, has reference number FXNEC5977, and was for a notional amount of \$64,750,000.

(4) The interest rate swap associated with the confirmation given by Goldman Sachs Mitsui Marine Derivative Products, L.P. to the Port that is dated May 28, 2004, has reference number NUL 0405430, and was for a notional amount of \$64,750,000.

(B) Amounts due from the Port as Scheduled Swap Obligations for the Qualified Swaps shall be paid as provided in Section 4.01(B)(1)(b). Other Swap Obligations due from the Port on the Qualified Swaps shall be paid from the JLO Fund as provided in Section 4.02(C).

Section 2.04 Denominations; Date; Maturity; Numbering. The Series Eighteen Bonds shall be delivered in the form of fully registered Series Eighteen Bonds in denominations of (i) \$100,000 and any integral multiple of \$5,000 in excess thereof, with respect to Series Eighteen Bonds in a Daily Mode, a Weekly Mode, a Commercial Paper Mode, and a Term Rate Mode of 360 days or less, and (ii) \$5,000 and any integral multiple thereof, with respect to Series Eighteen Bonds in the Fixed Rate Mode, an Indexed Mode and a Term Rate Mode of more than 360 days. The Series Eighteen Bonds shall be registered initially in the name of "Cede & Co.," as nominee of the Securities Depository and shall be evidenced by one Series Eighteen Bond for each subseries of the Series Eighteen Bonds in the total aggregate principal amount of the Series Eighteen Bonds of such subseries. Registered ownership of the Series Eighteen Bonds may thereafter be transferred only as provided in this Series Eighteen Bond Certificate. The Series Eighteen Bonds shall be dated the date of their initial issuance and shall mature (subject to prior redemption) on their respective Maturity Dates. The Series Eighteen Bonds shall be numbered in such manner as shall be determined by the Underwriters. Interest shall be calculated on the basis of (i) a 365-day year for the number of days actually elapsed, during a Commercial Paper Mode, a Daily Mode, a Weekly Mode, a SIFMA based Indexed Mode, and a Term Rate Mode of 360 days or less (ii) a 360-day year of twelve 30-day months during a Term Rate Mode of more than 360 days, and the Fixed Rate Mode, and (iii) a 360-day year for the number of days actually elapsed during a LIBOR based Indexed Mode and for Taxable Bonds in any Mode of 360 days or less. Interest payable on any Liquidity Facility Bonds shall be payable at the rates and in accordance with the terms of the applicable Reimbursement Agreement. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Bondowner on such Record Date and shall be paid to the person in whose name the Series Eighteen Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof being given to the Securities Depository as registered Owner not less 10 days prior to such Special Record Date.

The following charts summarize this Section 2.04.

AUTHORIZED DENOMINATIONS	
\$5,000 and any integral multiple thereof	\$100,000 and any integral multiple of \$5,000
<ul style="list-style-type: none">• Fixed Rate Mode• Indexed Mode• Term Rate Mode of more than 360 days	<ul style="list-style-type: none">• Daily Mode• Weekly Mode• Commercial Paper Mode• Term Rate Mode of 360 days or less

DAY COUNT FOR INTEREST CALCULATIONS		
Actual/365 Days	30/360 Days	Actual/360 Days
• Commercial Paper Mode	• Term Rate Mode of more than 360 days	• LIBOR Based Indexed Mode
• Daily Mode	• Fixed Rate Mode	• Taxable Bonds of 360 days or less
• Weekly Mode		
• SIFMA Based Indexed Mode		
• Term Rate Mode of more than 360 days		

Section 2.05 Payment of Principal of and Interest on the Series Eighteen Bonds.

(A) While the Series Eighteen Bonds are in book-entry form payment of Series Eighteen Bond principal and interest will be made by wire transfer to the Securities Depository or its nominee on the payment date.

(B) If the Series Eighteen Bonds cease to be in book-entry form:

(1) The principal or Redemption Price of the Series Eighteen Bonds shall be payable by check in lawful money of the United States of America at the Designated Corporate Trust Office of the Trustee. Interest on the Series Eighteen Bonds shall be paid to the Person whose name appears on the bond registration books of the Trustee as the Owner thereof as of the close of business on the Record Date for each Interest Payment Date.

(2) Payment of the interest on (i) any subseries of Series Eighteen Bonds in a Daily Mode, a Weekly Mode, an Indexed Mode, a Term Rate Mode of 360 days or less or any Series Eighteen Bond in a Commercial Paper Mode shall be made by wire transfer in immediately available funds to an account within the United States of America designated by such Owner and (ii) any subseries of Series Eighteen Bonds in a Term Rate Mode of more than 360 days or a Fixed Rate Mode in book-entry form shall be made to the Securities Depository as registered Owner, and, if the subseries is not in book-entry form, shall be made by check mailed by first class mail to such Owner at its address as it appears on such registration books, or, upon the written request of any Owner of at least \$1,000,000 in aggregate principal amount of Series Eighteen Bonds, submitted to the Trustee at least one Business Day prior to the Record Date, by wire transfer in immediately available funds to an account within the United States of America designated by such Owner.

(3) CUSIP number identification shall accompany all payments of principal or Redemption Price and interest whether by check or by wire transfer. The principal of Liquidity Facility Bonds shall be paid from the applicable Liquidity Facility Senior Payments or Liquidity Facility Junior Payments as set forth in the Reimbursement Agreement relating to such Liquidity Facility Bonds.

(C) Interest on the Series Eighteen Bonds shall be calculated in accordance with Section 2.06, Section 2.07, Section 2.08, Section 2.09, Section 2.10, Section 2.11, and

Section 2.12 of this Series Eighteen Bond Certificate and shall be payable on each Interest Payment Date for the immediately preceding Interest Payment Period. However, while Series Eighteen Bonds are Liquidity Facility Bonds they shall be payable solely from the applicable Liquidity Facility Senior Payments or Liquidity Facility Junior Payments as provided in ARTICLE V and the Reimbursement Agreements relating to such Liquidity Facility Bonds.

(D) If the Series Eighteen Bonds are accelerated pursuant to Section 16.a of Ordinance No. 323, interest on the Series Eighteen Bonds shall cease to accrue on the date the Trustee makes the declaration of acceleration.

Section 2.06 Initial Modes and Interest Rates; Change of Mode.

(A) The first Interest Rate Period for each subseries of Series Eighteen Bonds shall commence on the date of their original issuance in the following respective Modes with the following respective initial interest rates:

<u>Series</u>	<u>Initial Mode</u>	<u>Initial Interest Rate</u>
Series A	Weekly Rate	1.90%
Series B	Weekly Rate	1.90%

(B) Series Eighteen Bonds of each subseries in any Mode, other than the Fixed Rate Mode or the Indexed Mode, may be changed to any other Mode at the times and in the manner hereinafter provided. All Series Eighteen Bonds of a subseries must be in the same Mode. While the Series Eighteen Bonds of any subseries are in a Commercial Paper Mode, the Series Eighteen Bonds of such subseries may bear interest at different rates at the same time. While a subseries of Series Eighteen Bonds is in a Daily Mode, a Weekly Mode, a Term Rate Mode, the Fixed Rate Mode (subject to Section 2.11), or the Indexed Mode, all Series Eighteen Bonds of such subseries shall bear interest at the same interest rate. Subsequent to such change in Mode (other than a change to the Fixed Rate Mode or the Indexed Mode), the Series Eighteen Bonds may again be changed to a different Mode at the times and in the manner hereinafter provided. The Fixed Rate Mode or the Indexed Mode for a subseries of Series Eighteen Bonds shall be in effect until the Maturity Date of such subseries of Series Eighteen Bonds, and may not be changed to any other Mode.

Section 2.07 Determination of Commercial Paper Rates, Purchase Date and Interest Periods During Commercial Paper Mode.

(A) Interest Periods during a Commercial Paper Mode shall have a duration of from one to 270 calendar days, ending on a day immediately preceding a Business Day or the Maturity Date, as the applicable Remarketing Agent shall determine in accordance with the provisions of this Section 2.07. On each Rate Determination Date, the applicable Remarketing Agent shall select for each Series Eighteen Bond then subject to such adjustment the Interest Period which would result in the Remarketing Agent being able to remarket such Series Eighteen Bond at par in the secondary market representing the lowest interest rate then available and for the longest Interest Period available at such rate. If on any Rate Determination Date, the applicable Remarketing Agent determines that current or anticipated future market conditions or anticipated future events are such that a different Interest Period would result in a lower average

interest cost with respect to the applicable subseries of Series Eighteen Bonds, then the Remarketing Agent shall select the Interest Period that, in the judgment of the Remarketing Agent, would permit such Series Eighteen Bond to achieve such lower average interest cost. If the applicable Remarketing Agent has received notice from the Port that its subseries of Series Eighteen Bonds is to be changed from the Commercial Paper Mode to any other Mode or is to be purchased in accordance with a mandatory purchase pursuant to 0, the Remarketing Agent for that subseries shall, with respect to that subseries, select Interest Periods which do not extend beyond the Mandatory Purchase Date.

(B) On or after 9:00 a.m. New York City time on each Rate Determination Date for a subseries of Series Eighteen Bonds in the Commercial Paper Mode, any Owner of such subseries of Series Eighteen Bonds may telephone the applicable Remarketing Agent and receive notice of the anticipated next Interest Period(s) and the anticipated Commercial Paper Rate(s) for such Interest Period(s).

(C) By 12:30 p.m. New York City time on each Rate Determination Date, the Remarketing Agent for each Series Eighteen Bond in the Commercial Paper Mode which is subject to adjustment on such date, shall determine the Commercial Paper Rate for the Interest Period then selected for such Series Eighteen Bond and the Purchase Date and shall give notice by Electronic Means to the Tender Agent of the Interest Period, the Purchase Date and the Commercial Paper Rate.

(D) By 1:00 p.m. New York City time on each Rate Determination Date, the applicable Remarketing Agent shall apply for and obtain a CUSIP number for each Series Eighteen Bond in the Commercial Paper Mode (which the Tender Agent will promptly assign pursuant to Section 3.16(A)(4)) for which a Commercial Paper Rate, a Purchase Date and an Interest Period have been determined on such date and notify the applicable Remarketing Agent of such assignment by Electronic Means.

(E) By acceptance of a Series Eighteen Bond in the Commercial Paper Mode, the Owner thereof shall be deemed to have agreed, during each Interest Period, to the Commercial Paper Rate (including the Alternate Rate, if applicable), Interest Period and Purchase Date then applicable thereto and to have further agreed to tender such Series Eighteen Bond to the Tender Agent for purchase on the Purchase Date at the Purchase Price.

Section 2.08 Determination of Interest Rates During the Daily Mode and the Weekly Mode.

(A) Method of Determining Interest Rates. Interest on any subseries of Series Eighteen Bonds in the Daily Mode or Weekly Mode shall accrue at the rate of interest per annum determined by the Remarketing Agent for that subseries on and as of the Rate Determination Date as the minimum rate of interest which, in the judgment of the Remarketing Agent under then-existing market conditions, would result in the sale of such subseries of Series Eighteen Bonds on the Rate Determination Date at a price equal to the Purchase Price. Such determination shall be conclusive and binding upon the Port, the Trustee, the Tender Agent, the Credit Facility Provider (if any), the Liquidity Facility Provider (if any), the Remarketing Agent and the Owners.

(B) Determination Time for Daily Rate. During the Daily Mode, the Remarketing Agent for each subseries of Series Eighteen Bonds shall establish the Daily Rate for that subseries by 10:00 a.m. New York City time on each Business Day. The Daily Rate for any day during the Daily Mode which is not a Business Day shall be the Daily Rate established on the immediately preceding Business Day.

(C) Determination Time for Weekly Rate. During the Weekly Mode, the Remarketing Agent for each subseries of Series Eighteen Bonds shall establish the Weekly Rate for that subseries by 10:00 a.m. New York City time on each Rate Determination Date. The Weekly Rate shall be in effect (1) initially, from and including the first day the subseries of Series Eighteen Bonds become subject to the Weekly Mode to and including the following Tuesday and (2) thereafter, from and including each Wednesday to and including the following Tuesday. The Remarketing Agent shall make the Weekly Rate available (i) after 10:00 a.m. New York City time on the Rate Determination Date by telephone to any Owner or the Port, the Trustee, the Tender Agent, the Credit Facility Provider (if any) or the Liquidity Facility Provider (if any) and (ii) by Electronic Means to the Trustee not later than the second Business Day after the Rate Determination Date.

Section 2.09 Determination of Indexed Rates. At the option of the Port and with the consent of the Credit Facility Provider (if any), the Series Eighteen Bonds of a subseries may be converted to bear interest at the Indexed Rate to the final Maturity Date of the Series Eighteen Bonds of such subseries. Prior to any conversion to an Indexed Rate, the Port shall enter into a Supplemental Series Eighteen Bond Document setting forth the index, the spread and the redemption provisions. The Port shall select the index on which the Indexed Rate shall be based not less than five Business Days prior to the Rate Determination Date. Such index may be the Consumer Price Index, LIBOR, SIFMA Swap Index or any other index which the Port in consultation with the Remarketing Agent for the affected subseries deems appropriate. The Remarketing Agent for the affected subseries shall determine a combination of the percentage and/or the spread to be used in calculating the Indexed Rate not later than 4:00 p.m. New York City time on the Rate Determination Date. The combination of the percentage and/or the spread shall be that percent which when multiplied by the index and/or that spread which when added to or subtracted from the index, in the reasonable judgment of the Remarketing Agent for the affected subseries and the written consent of the Port, the Remarketing Agent determines will result in selling the Series Eighteen Bonds of the applicable subseries at a price equal to the Purchase Price on the Rate Determination Date at the lowest average interest cost. At the time the Remarketing Agent determines the combination of the percentage and/or the spread, the Remarketing Agent shall also determine the interest rate for the initial Interest Payment Period from the Mode Change Date to the first Interest Payment Date in the Indexed Mode, the frequency with which the Indexed Rate shall be recalculated, the Interest Payment Periods and the Interest Payment Dates. The Remarketing Agent shall make such information available by Electronic Means to any Owner of the affected subseries requesting such information or to the Port, the Trustee, the Tender Agent or the Credit Facility Provider (if any). Upon request of any Owner, the Port, the Trustee or the Credit Facility Provider (if any), the Tender Agent shall give notice of such information by Electronic Means. On each date on which the Indexed Rate is recalculated, the Calculation Agent shall give notice of such rate by Electronic Means upon request from any Owner, the Port, the Trustee, the Credit Facility Provider (if any) or the Liquidity Facility Provider (if any). Such determination shall be conclusive and binding upon

the Port, the Trustee, the Tender Agent, the Credit Facility Provider (if any), the Liquidity Facility Provider (if any), the Remarketing Agent and the Owners.

Section 2.10 Determination of Term Rates.

(A) Method of Determining Term Rate, Interest Period and Purchase Date During Term Rate Mode. The Term Rate for a subseries of Series Eighteen Bonds shall be the minimum rate which, in the judgment of the Remarketing Agent for that subseries, will result in a sale of the Series Eighteen Bonds of the applicable subseries at a price equal to the Purchase Price on the Rate Determination Date for the Interest Period selected by the Port. The Remarketing Agent for a subseries of Series Eighteen Bonds shall also determine the Purchase Date as the day following the last day of the Interest Period so selected by the Port. If a new Interest Period is not selected by the Port prior to the Business Day next preceding the Purchase Date for the Interest Period then in effect, the new Interest Period shall be the Weekly Mode.

(B) Determination Time for Term Rates. Except as provided in Section 2.10(A), once Series Eighteen Bonds of a subseries are changed to the Term Rate Mode, such Series Eighteen Bonds shall continue in the Term Rate Mode until changed to another Mode in accordance with Section 2.13. The Term Rate shall be determined by the applicable Remarketing Agent not later than 4:00 p.m. New York City time on the Rate Determination Date. After 4:00 p.m. New York City time, the Remarketing Agent shall make the Term Rate available by telephone or Electronic Means to any Owner, the Port, the Trustee, the Tender Agent, the Credit Facility Provider (if any) or the Liquidity Facility Provider (if any).

Section 2.11 Determination of Fixed Rate. Subject to Section 2.13(B), at the option of the Port and with the consent of the Credit Facility Provider (if any), the Series Eighteen Bonds of a subseries may be converted to bear interest at the Fixed Rate to the final Maturity Date of the Series Eighteen Bonds of such subseries unless on the date the Remarketing Agent for that subseries determines the Fixed Rate, that Remarketing Agent also determines that the Series Eighteen Bonds of such subseries would bear a lower effective net interest cost if such Series Eighteen Bonds were serial bonds or serial bonds and term bonds with the maturity (or Mandatory Sinking Account Payment) dates and principal amounts matching the Mandatory Sinking Account Payments, in which event the Series Eighteen Bonds shall become serial bonds or serial bonds and term bonds with such maturity (or Mandatory Sinking Account Payment) dates and principal amounts and shall bear separate Fixed Rates for each maturity. The Remarketing Agent shall determine the Fixed Rate not later than 4:00 p.m. New York City time on the Rate Determination Date. The Fixed Rate shall be the minimum interest rate which, in the judgment of the Remarketing Agent, will result in a sale of the Series Eighteen Bonds of the applicable subseries at a price equal to the Purchase Price on the Rate Determination Date unless in the judgment of the Remarketing Agent and with the written consent of the Port, the Remarketing Agent determines that the lowest yield will result by selling the Series Eighteen Bonds of the applicable subseries at a price equal to the Purchase Price (plus any original issue premium or less any original issue discount) on the Rate Determination Date. In the case of Series Eighteen Bonds to be sold at a discount, either (A) a Liquidity Facility is in effect with respect to such Series Eighteen Bonds and provides for the purchase of such Series Eighteen Bonds at such discount or (B) the Port agrees to transfer to the Tender Agent on the date of change to the Fixed Rate Mode, in immediately available funds, for deposit in the Port Purchase

Account, an amount equal to such discount. In the case of Series Eighteen Bonds sold at a premium, the premium shall be transferred to the Port on the date of change to the Fixed Rate Mode. The Remarketing Agent shall make the Fixed Rate available by telecopy or electronic mail to any Owner, the Port, the Trustee, the Tender Agent or the Credit Facility Provider (if any). Upon request of any Owner, the Port, the Trustee, the Credit Facility Provider (if any) or the Liquidity Facility Provider (if any), the Tender Agent shall give notice of such rate by Electronic Means. Such determination shall be conclusive and binding upon the Port, the Trustee, the Tender Agent, the Credit Facility Provider (if any), the Liquidity Facility Provider (if any), the Remarketing Agent and the Owners.

Section 2.12 Alternate Rate for Interest Calculation. In the case of a subseries of Series Eighteen Bonds other than Fixed Rate Bonds, if (a) the applicable Remarketing Agent fails or is unable to determine the interest rate(s) or Interest Periods with respect to any subseries of Series Eighteen Bonds, or (b) the method of determining the interest rate(s) or Interest Periods with respect to any subseries of Series Eighteen Bonds of such subseries shall be held to be unenforceable by a court of law of competent jurisdiction, the Series Eighteen Bonds of such subseries shall thereupon, until such time as the Remarketing Agent again makes such determination or until there is delivered an Opinion of Counsel to the effect that the method of determining such rate is enforceable, bear interest from the last date on which such rate was determined in the case of clause (a) and from the date on which interest was legally paid in the case of clause (b), at the Alternate Rate for the Mode in effect. If either of the circumstances described in clauses (a) and (b) occurs on a Rate Determination Date for the Commercial Paper Mode, the relevant Interest Period shall be from and including such Rate Determination Date to, but not including, the next succeeding Business Day, and thereafter shall commence on a Business Day and extend to, but shall not include, the next Business Day.

Section 2.13 Changes in Mode. Subject to the provisions of this Section 2.13, the Port may effect a change in Mode with respect to the Series Eighteen Bonds of a subseries other than Fixed Rate Bonds and Series Eighteen Bonds in the Indexed Rate Mode by following the procedures set forth in this Section.

(A) **Changes to Modes Other Than Fixed Rate Mode.** The Series Eighteen Bonds of a subseries (other than Series Eighteen Bonds in the Fixed Rate Mode or the Indexed Rate Mode) may be changed from one Mode to another Mode as follows:

(1) **Mode Change Notice; Notice to Owners.** No later than the 5th Business Day preceding the proposed Mode Change Date, the Port shall give written notice to the Trustee, the Tender Agent (if any), the affected Remarketing Agent (if any), the Liquidity Facility Provider (if any) and the Credit Facility Provider (if any) of its intention to effect a change in the Mode from the Mode then prevailing (for purposes of this Section, the "Current Mode") to another Mode (for purposes of this Section, the "New Mode") specified in such written notice, and, if the change is to a Term Rate Mode, the length of the initial Interest Period. Notice of the proposed change in Mode shall be given to the Owners of the applicable subseries pursuant to 0.

(2) **Determination of Interest Rates.** The New Mode shall commence on the Mode Change Date and the interest rate(s) with respect to the Series Eighteen Bonds of

such subseries (together, in the case of a change to the Commercial Paper Mode, with the Interest Period(s) and Purchase Date(s)) shall be determined by the Remarketing Agent for the affected subseries in the manner provided in Section 2.06, Section 2.07, Section 2.08, Section 2.09, Section 2.10, Section 2.11, and Section 2.12, as applicable.

(3) Conditions Precedent.

- (a) The Mode Change Date shall be a Business Day.
- (b) Additionally, the Mode Change Date in the case of a change:
 - (i) from the Commercial Paper Mode, shall be a day which is the last Purchase Date for all Interest Periods for such subseries of Series Eighteen Bonds set by the applicable Remarketing Agent; and
 - (ii) from the Term Rate Mode, shall be the Purchase Date for such subseries.
- (c) The Trustee, the Tender Agent (if any), and the Remarketing Agent (if any) shall have received on the Mode Change Date a Favorable Opinion of Bond Counsel dated the Mode Change Date and addressed to the Trustee, the Tender Agent (if any), the Credit Facility Provider (if any), the Liquidity Facility Provider (if any) and the applicable Remarketing Agent (if any).
- (d) If the Current Mode is the Commercial Paper Mode, no Interest Period set after delivery by the Port to the applicable Remarketing Agent of the notice of the intention to effect a change in Mode shall extend beyond the proposed Mode Change Date.
- (e) The Port may revoke its election to effect a conversion of the interest rate on the Series Eighteen Bonds to another Mode by giving written notice of such revocation to the Trustee, the applicable Remarketing Agent, if any, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Tender Agent, if any, at any time prior to 10:00 a.m. New York City time on the Business Day immediately preceding the Rate Determination Date for the proposed Mode Change Date.
- (f) If there shall be no Liquidity Facility in effect to provide funds for the purchase of Series Eighteen Bonds of such subseries on the Mode Change Date, the remarketing proceeds available on the Mode Change Date shall be not less than the amount required to purchase all of the Series Eighteen Bonds of such subseries at the Purchase Price (unless the Port, in its sole discretion, elects to transfer to the Tender Agent the amount of such deficiency on or before the Mode Change Date). The following additional conditions must be satisfied before a conversion to a Commercial Paper Mode shall become effective:
 - (i) The Port must engage, at its expense, a commercial paper issuing and paying agent (the "Issuing Agent"), reasonably acceptable to the Trustee, having access to the Securities Depository's electronic money market issuing and payment

system and otherwise eligible to serve as an issuing and paying agent under the Securities Depository's policies and procedures for the issuance and payment of commercial paper;

(ii) The affected Remarketing Agent must arrange for the execution and delivery to the Securities Depository of the required Securities Depository letter of representation for the eligibility of the Series Eighteen Bonds in the Commercial Paper Mode in the Securities Depository's book entry system and the provision of any needed CUSIP numbers;

(iii) The Port shall take all other action needed to comply with the Securities Depository requirements applicable to the issuance and payment of the Series Eighteen Bonds while in the Commercial Paper Mode; and

(iv) The Port shall enter into any amendment of this Series Eighteen Bond Certificate and the Airport Revenue Bond Ordinances, as applicable, that is needed to comply with the Securities Depository's or any Rating Agency's requirements concerning the issuance and payment of the Series Eighteen Bonds in the Commercial Paper Mode.

(4) Failure to Satisfy Conditions Precedent to Mode Change. If the foregoing conditions have not been satisfied by the Mode Change Date, the New Mode shall not take effect and (a) if the change was from a Commercial Paper Mode, the Series Eighteen Bonds of such subseries shall remain in the Commercial Paper Mode with interest rates with respect thereto and Interest Periods to be established in accordance with Section 2.07; and (b) otherwise, all Series Eighteen Bonds of such subseries shall be changed to a Daily Mode.

(B) Change to Fixed Rate Mode. At the option of the Port, Series Eighteen Bonds of a subseries (other than Series Eighteen Bonds in the Indexed Rate Mode) may be changed to the Fixed Rate Mode as provided in this Section 2.13(B). Not less than 15 days (or such shorter time as may be agreed to by the Trustee, the Remarketing Agent for the subseries (if any) before the proposed Mode Change Date, the Port shall give written notice to the Trustee, the Tender Agent (if any), the affected Remarketing Agent (if any), the Credit Facility Provider (if any), the Liquidity Facility Provider (if any) and each Rating Agency then rating the Series Eighteen Bonds stating that the Mode will be changed to the Fixed Rate Mode and setting forth the proposed Mode Change Date. Any such change in Mode shall be made as follows:

(a) The Mode Change Date to a Fixed Rate Mode shall be: (i) in the case of a conversion from a Daily Mode or a Weekly Mode a regularly scheduled Interest Payment Date on which interest is payable for the Daily Mode or Weekly Mode from which the conversion is to be made; (ii) in the case of a conversion from a Term Rate Period, a regularly scheduled Interest Payment Date on which a new Term Rate Period would otherwise have commenced; and (iii) in the case of a conversion from a Commercial Paper Mode, a day which is the last regularly scheduled Interest Payment Date on which interest is payable for any Interest Period theretofore established for the Series Eighteen Bonds to be converted.

(b) Not less than seven (7) Business Days prior to the date on which the Trustee is required to notify the registered owners of the conversion pursuant to

subparagraph (c) below, the Port shall give written notice of the conversion to the Trustee, the affected Remarketing Agent, if any, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Tender Agent, if any, setting forth the proposed Mode Change Date. Together with such notice, the Port shall file with the Trustee, an Opinion of Bond Counsel to the effect that the conversion of such subseries of the Series Eighteen Bonds to the Fixed Rate Mode, including the assignment of new maturity dates and amortization requirements pursuant to subparagraph (g) of this Section 2.13(B), shall not adversely affect the validity of the Series Eighteen Bonds or any exclusion from gross income for federal income tax purposes to which interest on the Series Eighteen Bonds would otherwise be entitled. No conversion to the Fixed Rate Mode shall occur unless the Port shall also file with the Trustee an Opinion of Bond Counsel to the same effect dated the Mode Change Date.

(c) In the event of a conversion from a Daily Mode, Weekly Mode, a Term Rate Mode or a Commercial Paper Mode, the Trustee shall give a notice of the proposed conversion to the Securities Depository as registered owner of all Series Eighteen Bonds to be converted not less than fifteen (15) days prior to the proposed Mode Change Date. Such notice shall state that the Series Eighteen Bonds to be converted shall be subject to mandatory tender at a price equal to 100% of the principal amount thereof plus accrued interest on the Mode Change Date. The principal portion of the purchase price of the Series Eighteen Bonds so tendered shall be payable solely from the proceeds of the remarketing of such subseries of Series Eighteen Bonds. In the event that the conditions of a conversion are not satisfied, including the failure to remarket all applicable Series Eighteen Bonds on a mandatory tender date, the Series Eighteen Bonds shall not be subject to mandatory tender, shall be returned to their owners, and all Series Eighteen Bonds of such subseries shall be changed to a Daily Mode.

(d) Not later than 12:00 noon, New York City time, on the Business Day prior to the Mode Change Date, the affected Remarketing Agent shall determine the Fixed Rate for the Series Eighteen Bonds to be converted.

(e) Such determination shall be conclusive and binding upon the Port, the Trustee, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Tender Agent and the Beneficial Owners of the Series Eighteen Bonds to which such rate shall be applicable. Not later than 5:00 p.m., New York City time, on the Rate Determination Date, the affected Remarketing Agent shall notify the Trustee and the Port of such rate by telephone.

(f) The Port may revoke its election to effect a conversion of the interest rate on the Series Eighteen Bonds to the Fixed Rate Mode by giving written notice of such revocation to the Trustee, the affected Remarketing Agent, if any, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Tender Agent, if any, at any time prior to 10:00 a.m. New York City time on the Business Day immediately preceding the Rate Determination Date for the proposed Mode Change Date.

(g) Prior to the conversion of any subseries of the Series Eighteen Bonds to a Fixed Rate Mode pursuant to this Section 2.13(B):

(i) The Remarketing Agent for the subseries shall determine a serial bond maturity schedule or combination of serial maturities and term bonds that are subject to mandatory redemption that meets the requirements of this Section 2.13(B)(g)(i). The final maturity date of the Series Eighteen Bonds shall be July 1, 2026. The Series Eighteen Bonds of each subseries shall either be term bonds that are subject to mandatory redemption, or be serial bonds that mature, on the dates and in the amounts shown in Section 3.02(A), or any combination of the two. The Remarketing Agent shall select the combination of serial maturities and term bonds in the manner that produces the lowest aggregate interest payable for each subseries of Series Eighteen Bonds.

(ii) The Remarketing Agent for the subseries shall allocate the Series Eighteen Bonds to be converted to a Fixed Rate Mode between serial bonds and term bonds in such manner as shall produce the lowest aggregate interest payable with respect to such Series Eighteen Bonds.

(iii) The Remarketing Agent for the subseries shall set the interest rate on each Series Eighteen Bond to be converted to a Fixed Rate Mode of a particular maturity date at the lowest interest rate that shall enable such Series Eighteen Bond, upon conversion, to be remarketed at par (plus any original issue premium or less any original issue discount pursuant to Section 2.11 and plus any accrued interest) taking into account the maturity date of such Series Eighteen Bond and amortization requirements with respect to the Series Eighteen Bonds of such subseries and maturity date.

(h) Notwithstanding Section 2.13(B)(g), the Port may agree to another method for providing for payment of principal of the Series Eighteen Bonds after the Mode Change Date if (i) the Remarketing Agent for the subseries deems the utilization of such other method necessary in order to remarket such subseries of Series Eighteen Bonds at a price of par plus any original issue premium or less any original issue discount pursuant to Section 2.11 and (ii) there is delivered to the Trustee and by the Port an Opinion of Bond Counsel to the effect that utilization of such other method shall not adversely affect the validity of the Series Eighteen Bonds or any exclusion from federal income taxation to which the interest on the Series Eighteen Bonds would otherwise be entitled.

(i) If the foregoing conditions have not been satisfied by the Mode Change Date, the New Mode shall not take effect and (a) if the change was from a Commercial Paper Mode, the Series Eighteen Bonds of such subseries shall remain in the Commercial Paper Mode with interest rates with respect thereto and Interest Periods to be established in accordance with Section 2.07; and (b) otherwise, all Series Eighteen Bonds of such subseries shall be changed to a Daily Mode.

ARTICLE III

REDEMPTION AND TENDER OF SERIES EIGHTEEN BONDS

Section 3.01 Terms of Redemption. The Series Eighteen Bonds are subject to redemption as set forth below. All redemptions shall be in integral multiples of the Authorized Denominations.

(A) Optional Redemption of Series Eighteen Bonds in the Commercial Paper Mode. Series Eighteen Bonds in the Commercial Paper Mode are not subject to optional redemption prior to their respective Purchase Dates.

(B) Optional Redemption of Series Eighteen Bonds in the Daily Mode or the Weekly Mode. Series Eighteen Bonds in the Daily Mode or the Weekly Mode are subject to redemption prior to their respective stated Maturity Dates, at the option of the Port, in whole on any date or in part on any Business Day at a Redemption Price equal to the principal amount of Series Eighteen Bonds called for redemption, without premium. Optional redemption of Series Eighteen Bonds in the Daily Mode or the Weekly Mode requires the prior, written consent of the providers of the Credit Facility and Liquidity Facility that are then in effect.

(C) Optional Redemption of Series Eighteen Bonds in the Indexed Rate Mode. Series Eighteen Bonds in the Indexed Rate Mode are subject to redemption prior to their respective stated Maturity Dates, at the option of the Port, in whole on any date or in part on any Interest Payment Date at a Redemption Price equal to the principal amount of Series Eighteen Bonds called for redemption, without premium

(D) Optional Redemption of Series Eighteen Bonds in the Term Rate Mode or the Fixed Rate Mode.

(1) Series Eighteen Bonds in a Term Rate Mode are subject to redemption prior to their respective stated Maturity Dates, at the option of the Port, in whole on any date or in part on their Purchase Date at a Redemption Price equal to the principal amount of Series Eighteen Bonds called for redemption, without premium.

(2) Series Eighteen Bonds in the Term Rate Mode or Fixed Rate Mode are subject to redemption prior to their respective stated Maturity Dates, at the option of the Port, at such times and upon such terms as shall be specified by the Port in a schedule to be delivered to the Trustee on or prior to such change to such Term Rate Mode or Fixed Rate Mode.

Section 3.02 Scheduled Mandatory Redemption.

(A) The Series Eighteen Bonds of each subseries shall be redeemed at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on July 1st in the years and the principal amounts (after credit as provided below) as follows:

<u>Year</u>	<u>Subseries A Bonds</u>	<u>Subseries B Bonds</u>
2009	\$2,620,000	\$2,620,000
2010	2,785,000	2,785,000
2011	2,900,000	2,900,000
2012	2,910,000	2,910,000
2013	3,045,000	3,040,000
2014	3,985,000	3,985,000
2015	4,855,000	4,855,000
2016	5,080,000	5,085,000
2017	4,435,000	4,430,000
2018	4,510,000	4,515,000
2019	4,705,000	4,705,000
2020	4,935,000	4,930,000
2021	5,155,000	5,155,000
2022	3,295,000	3,295,000
2023	3,450,000	3,450,000
2024	3,605,000	3,610,000
2025	3,785,000	3,780,000
2026	<u>3,390,000</u>	<u>3,395,000</u>
Total	\$69,445,000	\$69,445,000

The Trustee shall, if requested to do so by the Port not less than 60 days in advance of a redemption date referred to above, reduce the amount of Series Eighteen Bonds of any subseries to be redeemed on any redemption date by the amount of Series Eighteen Bonds of such subseries previously redeemed as described above under "Optional Redemption" or delivered to the Trustee for cancellation, and which have not previously formed the basis for such a reduction.

(B) Mandatory Redemption of Liquidity Facility Bonds. Liquidity Facility Bonds shall be subject to mandatory redemption as provided in the applicable Reimbursement Agreement.

Section 3.03 Selection of Series Eighteen Bonds for Redemption. Whenever provision is made in the Series Eighteen Bond Documents for the redemption of less than all of the Series Eighteen Bonds of a subseries or any given portion thereof, subject to Section 3.01 hereof, the Trustee shall select the Series Eighteen Bonds of such subseries to be redeemed, in Authorized Denominations, by lot, in any manner; provided, however, that Liquidity Facility Bonds of such subseries shall be redeemed prior to any other Series Eighteen Bonds of such subseries. The Trustee shall promptly notify the Port in writing of any redemption of the Series Eighteen Bonds or portions thereof so selected for redemption. The selection of Series Eighteen Bonds shall be at such time as determined by the Trustee.

Section 3.04 Notice of Redemption.

(A) The Trustee shall give notice of all redemptions of Series Eighteen Bonds. Unless waived by the Trustee:

(1) While the Series Eighteen Bonds are in book-entry form the Trustee shall give notice of any optional redemption of Series Eighteen Bonds if the Trustee is directed by the Port to give notice at least two Business Days prior to the date the Trustee must give notice to the Securities Depository.

(2) While the Series Eighteen Bonds are not in book-entry form the Trustee shall give notice of any optional redemption of Series Eighteen Bonds if the Trustee is directed by the Port to give notice at least ten Business Days prior to the date the Trustee must give notice to Owners.

(3) While the Series Eighteen Bonds are in book-entry form and in Weekly Mode the Trustee shall give the Securities Depository notice of redemption not less than fifteen days prior to the date fixed for redemption. If the Series Eighteen Bonds remain in book-entry form but are converted to a mode other than the Weekly Mode, the conversion documents shall specify the minimum period for redemption notices for that mode.

(B) While the Series Eighteen Bonds are in book-entry form the Trustee shall give notice of redemption in accordance with the rules of the Securities Depository. Notice of redemption of Series Eighteen Bonds in book-entry form shall also be given contemporaneously to the Liquidity Facility Provider (if any), the Credit Facility Provider (if any), and the Rating Agencies then rating the Series Eighteen Bonds that are being redeemed.

(C) If the Series Eighteen Bonds cease to be in book-entry form notice of redemption shall be given as provided in this Section 3.04(C).

(1) Notice of redemption shall be mailed by first-class mail by the Trustee, not less than 30 nor more than 60 days prior to the date fixed for redemption, to the Liquidity Facility Provider (if any), the Credit Facility Provider (if any), the Rating Agencies then rating the Series Eighteen Bonds and to the respective Owners of the Series Eighteen Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee.

(2) Each notice of redemption shall state the date of such notice, the date of delivery and subseries designation of the Series Eighteen Bonds, the date fixed for redemption, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the Series Eighteen Bonds, to be redeemed and, in the case of Series Eighteen Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Series Eighteen Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a Series Eighteen Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such date, interest on such

Series Eighteen Bond shall cease to accrue, and shall require that such Series Eighteen Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

(D) Failure by the Trustee to give notice of redemption pursuant to this Section 3.04 to the Liquidity Facility Provider (if any), the Credit Facility Provider (if any), the Rating Agencies then rating the Series Eighteen Bonds or to any one or more of the Owners of the Series Eighteen Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Owner or Owners to whom such notice was mailed.

(E) Any notice given pursuant to this Section 3.04 may be conditional and may be rescinded by written notice given to the Trustee by the Port no later than 5 Business Days prior to the date specified for redemption. The Trustee shall give notice of such rescission, as soon thereafter as practicable, in the same manner, to the same persons, as notice of such redemption was given pursuant to this Section 3.04.

Section 3.05 Partial Redemption of Series Eighteen Bonds. Upon surrender of a Series Eighteen Bond to be redeemed in part only, the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Port, a new Series Eighteen Bond or Series Eighteen Bonds of Authorized Denominations of the same subseries equal in aggregate principal amount to the redeemed portion of the Series Eighteen Bond surrendered.

Section 3.06 Effect of Redemption. Notice of redemption having been duly given as aforesaid and not having been rescinded as aforesaid, the Series Eighteen Bonds (or portions thereof) so called for redemption shall become due and payable on the date fixed for redemption designated in such notice at the Redemption Price specified in such notice plus interest accrued thereon to the date fixed for redemption, and moneys for payment of the Redemption Prince of, together with interest accrued to the date fixed for redemption on, the Series Eighteen Bonds (or portions thereof) so called for redemption being held by the Trustee, interest on the Series Eighteen Bonds so called for redemption shall cease to accrue, those Series Eighteen Bonds (or portions thereof) shall cease to be entitled to any benefit or security under the Series Eighteen Bond Documents, and the Owners of those Series Eighteen Bonds (or portions thereof) shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest.

Section 3.07 Optional Tenders of Series Eighteen Bonds in the Daily Mode or the Weekly Mode. The Owners of Eligible Bonds (other than Liquidity Facility Bonds) in a Daily Mode or a Weekly Mode may elect to have their Series Eighteen Bonds (or portions of those Series Eighteen Bonds in any amount equal to an Authorized Denomination) purchased on any Business Day in the case of Series Eighteen Bonds in a Daily Mode or a Weekly Mode, at a price equal to the Purchase Price, upon delivery of an irrevocable written notice of tender by Electronic Means and an irrevocable telephonic notice to the affected Remarketing Agent and the Tender Agent not later than the Tender Notice Deadline.

Such notice of tender shall state the CUSIP number, subseries designation, bond number (if the Series Eighteen Bonds are not registered in the name of the Securities Depository) and the principal amount of such Series Eighteen Bond and that such Series Eighteen Bond shall be

purchased on the Purchase Date specified above. Payment of the Purchase Price shall be made pursuant to this Section 3.07 only if the Series Eighteen Bond so delivered to the Tender Agent conforms in all respects to the description thereof in the notice described in this Section 3.07. An Owner who gives the notice of tender as set forth above may repurchase the Series Eighteen Bonds so tendered on such Purchase Dates if the affected Remarketing Agent agrees to sell the Series Eighteen Bonds so tendered to such Owner. If such Owner decides to repurchase such Series Eighteen Bonds and the affected Remarketing Agent agrees to sell the specified Series Eighteen Bonds to such Owner, the delivery requirements set forth in Section 3.13(C) shall be waived. The Tender Agent may assume that a Series Eighteen Bond is an Eligible Bond unless it has actual knowledge to the contrary. Such notices of tender may state that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Series Eighteen Bonds.

Section 3.08 Mandatory Purchase at End of Commercial Paper Rate Periods. Each Bond in the Commercial Paper Mode is subject to mandatory purchase on the Purchase Date for the current Interest Period at the Purchase Price. No notice of such mandatory purchase shall be given to the Owners.

Section 3.09 Mandatory Purchase on Mode Change Date.

(A) Series Eighteen Bonds to be changed from one Mode to another Mode (other than a change to the Fixed Rate Mode, which Series Eighteen Bonds are subject to mandatory purchase pursuant to subsection (B) of this 0) at the election of the Port are subject to mandatory purchase on the Mode Change Date. The Tender Agent shall give notice of such mandatory purchase by Electronic Means to the Securities Depository as registered Owner of the Series Eighteen Bonds subject to mandatory purchase no less than 5 Business Days for Series Eighteen Bonds which are to be changed to a Mode of 360 days or less and no less than 15 days for Series Eighteen Bonds which are to be changed to a Mode of more than 360 days or an Indexed Mode, each prior to the Mandatory Purchase Date. The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on Series Eighteen Bonds subject to mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date.

(B) Series Eighteen Bonds to be changed to the Fixed Rate Mode are subject to mandatory purchase on the Mode Change Date at the Purchase Price (subject to Section 2.11). The Tender Agent shall give notice of such mandatory purchase as part of the notice of change of Mode to be sent to the Owners pursuant to Section 2.13(B).

Section 3.10 Mandatory Purchase at End of Interest Period for Term Rate Mode. Series Eighteen Bonds in the Term Rate Mode are subject to mandatory purchase on the Purchase Date for the current Interest Period at the Purchase Price. The Tender Agent shall give notice of such mandatory purchase to the Securities Depository as registered Owner of the Series Eighteen Bonds subject to mandatory purchase no less than 15 days prior to the Mandatory Purchase Date. The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on Series Eighteen Bonds subject to mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date. The Tender Agent may assume that a Series Eighteen Bond is an Eligible Bond unless it has actual knowledge that such Series Eighteen Bond is not an Eligible Bond.

Section 3.11 Mandatory Purchase on Expiration Date, Substitute Liquidity Facility Date, Substitute Credit Facility Date and Termination Date.

(A) On each Substitute Liquidity Facility Date and Substitute Credit Facility Date, and on the second Business Day preceding each Expiration Date, the Eligible Bonds shall be subject to mandatory purchase at the Purchase Price; and the Trustee (or the Trustee in its capacity as Tender Agent) shall draw upon the existing Liquidity Facility or Credit Facility to pay the Purchase Price. However, the Series Eighteen Bonds shall not be subject to Mandatory Purchase on the Substitute Liquidity Facility Date or Substitute Credit Facility Date or the second Business Day preceding each Expiration Date if on or prior to the 15th day prior to such Expiration Date, Substitute Liquidity Facility Date or Substitute Credit Facility Date, the Port has furnished to the Trustee an agreement to extend the Liquidity Facility or Credit Facility, as applicable. The Tender Agent shall give notice of such mandatory purchase to the Securities Depository as registered Owner of the Series Eighteen Bonds subject to mandatory purchase no less than 10 days prior to such Mandatory Purchase Date. The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on Series Eighteen Bonds subject to mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date. Such notice shall also state, if applicable, the name of the provider of the proposed Substitute Liquidity Facility or Substitute Credit Facility and the terms thereof. The failure to give such notice with respect to any Series Eighteen Bond shall not affect the validity of the mandatory purchase of any other Series Eighteen Bond with respect to which notice was so given.

(B) On each Termination Date, the Eligible Bonds shall be subject to mandatory purchase at a price equal to the principal amount thereof, plus accrued interest, if any, with respect thereto to the Termination Date. The Tender Agent shall give notice of such mandatory purchase to the Securities Depository as registered Owner of the Series Eighteen Bonds as soon as practicable, but no later than two Business Days after receipt of notice of termination from the Liquidity Facility Provider or the Credit Facility Provider. The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on Series Eighteen Bonds subject to mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date. Such notice shall also state, if applicable, the name of the provider of the proposed Substitute Liquidity Facility or Substitute Credit Facility and the terms thereof.

Section 3.12 Remarketing of Series Eighteen Bonds; Notices.

(A) Remarketing of Series Eighteen Bonds. The Remarketing Agent for each subseries of Series Eighteen Bonds shall use its best efforts to offer for sale:

- (1) all Series Eighteen Bonds of that subseries, or any portions thereof as to which notice of tender has been given pursuant to Section 3.07;
- (2) all Series Eighteen Bonds of that subseries that are required to be purchased pursuant to Section 3.08, 0, Section 3.10, and Section 3.11; and
- (3) all Liquidity Facility Bonds of that subseries.

(B) Notice of Remarketing; Registration Instructions; New Series Eighteen Bonds. On each Purchase Date or Mandatory Purchase Date, as the case may be:

(1) unless the Remarketing Agent for a subseries of Series Eighteen Bonds has notified the Tender Agent and the Trustee otherwise, the Remarketing Agent for that subseries shall notify the Tender Agent and the Trustee by Electronic Means not later than 11:00 a.m., New York City time of the amount of tendered Series Eighteen Bonds which were successfully remarketed, the names of the tendering Owners and the registration instructions (i.e., the names, addresses and taxpayer identification numbers of the purchasers and the denominations then authorized pursuant to Section 2.04) with respect thereto (the Remarketing Agent may rescind or revise any such notice previously given up until the deadline for such notice); and

(2) the Trustee shall execute new Series Eighteen Bonds for the respective purchasers thereof which shall be available for pick-up by the Remarketing Agent pursuant to Section 3.13(D).

(C) Transfer of Funds; Draw on Liquidity Facility. On each Purchase Date or Mandatory Purchase Date, as the case may be:

(1) the Remarketing Agent for each subseries of Series Eighteen Bonds shall cause to be paid to the Tender Agent the Purchase Price of the remarketed Series Eighteen Bonds of that subseries by 11:45 a.m. New York City time;

(2) the Tender Agent shall give notice to the Trustee (if the Tender Agent is not the Trustee), the Port and, if a Liquidity Facility is then in effect with respect to the Series Eighteen Bonds subject to purchase, to the Liquidity Facility Provider (or the Tender Agent shall instruct the Trustee to give notice and the Trustee shall give notice) in accordance with the terms of the Liquidity Facility prior to 12:00 noon, New York City time (and promptly thereafter, the Tender Agent shall so notify the Securities Depository) of the amount equal to the Purchase Price of all Series Eighteen Bonds tendered or deemed tendered less the aggregate amount of remarketing proceeds paid to the Tender Agent pursuant to Section 3.12(C)(1) above, so that the Trustee receives from the Liquidity Facility Provider by 2:00 p.m. New York City time on such date an amount, in immediately available funds, sufficient, together with the proceeds of the remarketing of Series Eighteen Bonds on such date, to enable the Tender Agent to pay the Purchase Price in connection therewith; and

(3) if a Liquidity Facility is not then in effect with respect to the Series Eighteen Bonds subject to purchase or if the Liquidity Facility Provider (if any) has not paid the full amount required by clause (4) of this subsection (C) at the times required therein, the Port shall transfer Net Revenues to the Tender Agent by 2:00 p.m. New York City time on such date, in immediately available funds, in an amount sufficient, together with the proceeds of the remarketing of Series Eighteen Bonds on such date, to enable the Tender Agent to pay the Purchase Price in connection therewith.

Section 3.13 General Provisions Relating to Tenders.

(A) Payment of Purchase Price. At or before close of business New York City time on the Purchase Date or Mandatory Purchase Date and upon receipt by the Tender Agent of the aggregate Purchase Price of the tendered Series Eighteen Bonds, the Tender Agent shall pay

the Purchase Price of such Series Eighteen Bonds to the Owners by bank wire transfer in immediately available funds. The Tender Agent shall pay the Purchase Price from the following accounts and in the following order of priority: (1) the Remarketing Proceeds Account to the extent funds are available therein, (2) in the case of Eligible Bonds, the Liquidity Facility Deposit Account and (3) the Port Purchase Account. The Tender Agent may assume that a Series Eighteen Bond is an Eligible Bond unless it has actual knowledge to the contrary. If at close of business New York City time on any Purchase Date or Mandatory Purchase Date of Series Eighteen Bonds any balance remains in the Liquidity Facility Deposit Account in excess of any unsatisfied purchase obligation, such excess shall be promptly returned to the Liquidity Facility Provider (if any). If at close of business New York City time on any Purchase Date or Mandatory Purchase Date of Series Eighteen Bonds any balance remains in the Port Purchase Account in excess of any unsatisfied purchase obligation, such excess shall be promptly returned to the Port.

(B) Inadequate Funds for Tenders. If the funds available for purchases of Eligible Bonds pursuant to this ARTICLE III are inadequate for the purchase of all Series Eighteen Bonds of a subseries tendered on any Purchase Date or Mandatory Purchase Date, no purchase of the Series Eighteen Bonds of such subseries shall be consummated and the Tender Agent shall, after any applicable grace period, (1) return all tendered Series Eighteen Bonds of such subseries to the Owners thereof, (2) return all moneys deposited in the Remarketing Proceeds Account therefor to the applicable Remarketing Agent for return to the Persons providing such moneys, (3) return all moneys deposited in the Liquidity Facility Deposit Account therefor to the Liquidity Facility Provider (if any) and (4) return all moneys deposited in the Port Purchase Account therefor to the Port.

(C) Delivery of Series Eighteen Bonds by Tendering Owners; Undelivered Series Eighteen Bonds Deemed Purchased. All Series Eighteen Bonds to be purchased on any date shall be required to be delivered to the principal corporate office of the Tender Agent at or before 11:00 a.m. New York City time on such Purchase Date or Mandatory Purchase Date. If the Owner of a Series Eighteen Bond (or portion thereof) that is subject to purchase pursuant to this ARTICLE III fails to deliver such Series Eighteen Bond to the Tender Agent for purchase on the Purchase Date or Mandatory Purchase Date, and if the Tender Agent is in receipt of the Purchase Price therefor, such Series Eighteen Bond (or portion thereof) shall nevertheless be deemed purchased on the day fixed for purchase thereof and ownership of such Series Eighteen Bond (or portion thereof) shall be transferred to the purchaser thereof as provided in subsection (D) below. Any Owner who fails to deliver such Series Eighteen Bond for purchase shall have no further rights thereunder except the right to receive the Purchase Price thereof upon presentation and surrender of said Series Eighteen Bond to the Tender Agent. The Tender Agent shall, as to any tendered Series Eighteen Bonds that have not been delivered to it: (1) promptly notify the affected Remarketing Agent of such nondelivery; and (2) instruct the Trustee to place a stop transfer against an appropriate amount of Series Eighteen Bonds registered in the name of such Owner(s) on the bond registration books. The Trustee shall place such stop(s) commencing with the lowest serial number Series Eighteen Bond registered in the name of such Owner(s) until stop transfers have been placed against an appropriate amount of Series Eighteen Bonds until the appropriate tendered Series Eighteen Bonds are delivered to the Tender Agent who shall deliver such Series Eighteen Bonds to the Trustee. Upon such delivery, the Trustee shall make any necessary adjustments to the bond registration books.

(D) Delivery of Series Eighteen Bonds. On the Purchase Date or Mandatory Purchase Date, the Tender Agent shall direct the Trustee to execute and deliver all Series Eighteen Bonds purchased on any Purchase Date or Mandatory Purchase Date as follows: (1) Series Eighteen Bonds purchased and remarketed by the Remarketing Agent for each subseries of Series Eighteen Bonds shall be registered and made available to the Remarketing Agent by 11:45 a.m. New York City time in accordance with the instructions of that Remarketing Agent; (2) Series Eighteen Bonds purchased with amounts paid by or on behalf of the Liquidity Facility Provider (if any) shall be registered and made available in the name of or as directed in writing by the Liquidity Facility Provider (if any) on or before 2:30 p.m. New York City time and become Liquidity Facility Bonds; and (3) Series Eighteen Bonds purchased with amounts paid by or on behalf of the Port shall be registered and made available in the name of or as directed in writing by the Port on or before 2:30 p.m. New York City time. Notwithstanding the foregoing, the Tender Agent shall not deliver any such Series Eighteen Bonds unless it has received written notice from the Liquidity Facility Provider that the amount available for the purchase of Series Eighteen Bonds (prior to a conversion to Fixed Rate) is at least equal to the aggregate amount of all Series Eighteen Bonds then Outstanding (other than Liquidity Facility Bonds) plus an amount equal to (in each case assuming an interest rate equal to the Maximum Rate) (1) 35 days' interest on Series Eighteen Bonds in a Daily Mode or a Weekly Mode or (2) 190 days' interest on Series Eighteen Bonds in a Commercial Paper Mode or a Term Rate Mode.

(E) No Sales After Payment Default. Anything in the Series Eighteen Bond Documents to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default and the Credit Facility Provider (if any) has not paid such amount under the Credit Facility, then no Remarketing Agent shall remarket any Series Eighteen Bonds.

Section 3.14 The Remarketing Agents.

(A) The Port has appointed J.P. Morgan Securities Inc. as the Remarketing Agent for the Subseries Eighteen A Bonds and Merrill Lynch & Co. as the remarketing agent for the Subseries Eighteen B Bonds. By issuing its letter of credit the initial Credit Facility Provider consents to these appointments. The Remarketing Agents shall serve as such under the terms and provisions hereof. The Remarketing Agent and each successor Remarketing Agent appointed in accordance with this Series Eighteen Bond Certificate shall designate its principal office and signify its acceptance of the duties and obligations imposed upon it as described herein by a written instrument of acceptance delivered to the Port, the Trustee, the Tender Agent and the Port, under which the Remarketing Agent will agree particularly:

(1) to hold all moneys delivered to it hereunder for the purchase of Series Eighteen Bonds for the exclusive benefit of the Person or Persons that shall have so delivered such moneys until the Series Eighteen Bonds purchased with such moneys shall have been delivered to or for the account of such Person or Persons;

(2) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Port, the Port, the Trustee, the Tender Agent, the Liquidity Facility Provider (if any) and the Credit Facility Provider (if any) at all reasonable times;

(3) to determine the Daily Rate, the Weekly Rate, the Commercial Paper Rate, the Term Rate, the Indexed Rate and the Fixed Rate and give notice of such rates in accordance with ARTICLE II hereof;

(4) to use its best efforts to find purchasers for the Series Eighteen Bonds of the applicable subseries tendered for purchase, any such sale to be made at the Purchase Price in accordance with the terms of the Series Eighteen Bond Documents;

(5) use its best efforts not to remarket Series Eighteen Bonds to the Port or any affiliate or guarantor of the Port; and

(6) to deliver to the Tender Agent all Series Eighteen Bonds held by it in accordance with the terms of the Series Eighteen Bond Documents and the Remarketing Agreement.

(B) If a Remarketing Agent shall be dissolved, or if the property or affairs of a Remarketing Agent shall be taken under control of any state or federal court or administrative body because of bankruptcy or insolvency, or a Remarketing Agent shall cease to perform its duties for any other reason, and the Port shall not have appointed a successor Remarketing Agent, the Tender Agent shall ipso facto be deemed to be such Remarketing Agent for all purposes of the Series Eighteen Bond Documents until the appointment by the Port of a successor Remarketing Agent; provided, however, that the Tender Agent, in its capacity as Remarketing Agent, shall not be required to sell Series Eighteen Bonds or determine the interest rate on the Series Eighteen Bonds hereunder if the Tender Agent should be prohibited by law from conducting such activities. The Port will notify each Rating Agency then rating the Series Eighteen Bonds of any successor Remarketing Agent or co-Remarketing Agent.

(C) Each Remarketing Agent may in good faith hold the Series Eighteen Bonds or any other form of indebtedness issued by the Port or any security issued by the Port; own, accept or negotiate any drafts, bills of exchange, acceptances or obligations thereof; and make disbursements therefor and enter into any commercial or business arrangement therewith; all without any liability on the part of the Remarketing Agent for any real or apparent conflict of interest by reason of any such actions.

Section 3.15 Qualifications of Remarketing Agent.

(A) Each Remarketing Agent shall be authorized by law to perform all the duties imposed upon it. Each Remarketing Agent may at any time resign and be discharged of the duties and obligations described in the Series Eighteen Bond Documents by giving at least 90 days' notice to the Port and the Trustee. If a Remarketing Agent resigns the Port shall use its best efforts to appoint a Successor Remarketing Agent prior to the effective date of the resignation. Successor Remarketing Agents may be appointed by the Port only with the written approval of the Credit Facility Provider (if any) and the Liquidity Facility Provider (if any). A Remarketing Agent may be removed upon 90 days' notice upon the written request of the Port and upon written notice to the affected Remarketing Agent, the Port, the Trustee, the Tender Agent, the Liquidity Facility Provider (if any) and the Credit Facility Provider (if any), so long as a successor Remarketing Agent shall have been appointed and approved as provided herein and

shall have assumed the duties thereof by the effective date of such removal. The notices described in this Section 3.15(A) may be given less than 90 days in advance (but not less than 30 days in advance) with the consent of any providers of Liquidity Facilities or Credit Facilities that are then in effect.

(B) Notwithstanding any other provision to the contrary contained herein, any corporation or association into which a Remarketing Agent may be converted or merged, or with which it may be consolidated, or to which it may be consolidated, or to which it may sell or transfer its marketing business and assets as a whole or substantially as a whole, shall become a successor Remarketing Agent hereunder and fully vested with all of the rights, powers, trusts, duties and obligations of a Remarketing Agent hereunder, without the execution or filing of any instrument or any further act.

Section 3.16 The Tender Agent. The Trustee shall serve as Tender Agent for the Series Eighteen Bonds.

(A) As Tender Agent the Trustee agrees:

(1) to hold all Series Eighteen Bonds delivered to it for purchase hereunder in trust for the exclusive benefit of the respective Owners that shall have so delivered such Series Eighteen Bonds until moneys representing the Purchase Price of such Series Eighteen Bonds shall have been delivered to or for the account of or to the order of such Owners;

(2) to hold all moneys delivered to it hereunder for the purchase of Series Eighteen Bonds in trust for the exclusive benefit of the Person who has delivered such moneys until the Series Eighteen Bonds purchased with such moneys shall have been delivered to it for the account of such Person and, thereafter, for the benefit of the Owners tendering such Series Eighteen Bonds;

(3) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Port, the Port, the Trustee, the Remarketing Agents, the Liquidity Facility Provider (if any) and the Credit Facility Provider (if any) at all reasonable times; and

(4) for any Series Eighteen Bonds in the Commercial Paper Mode, to assign CUSIP numbers to the Series Eighteen Bonds on each Rate Determination Date as provided in Section 2.07.

(B) The Trustee is authorized and directed to execute the Liquidity Facility. The Trustee, as Tender Agent, hereunder and under the Liquidity Facility shall be entitled to the protections, indemnities, immunities and limitations from liability afforded the Trustee under the Series Eighteen Bond Documents in the performance of its duties.

(C) Section 11.b(11) of Ordinance No. 323 permits the Trustee, before taking any action regarding an Event of Default, to require that it be furnished an indemnity satisfactory to it for the reimbursement of all expenses to which it may be put and to protect it against all liability. However, the Trustee is not entitled to indemnity for any liability which results from the negligent action of Trustee, its negligent failure to act or its willful misconduct. In addition, the Trustee is not be entitled to any indemnity as a condition precedent to its drawing upon any

Letter of Credit or Alternate Credit Facility. The Trustee additionally agrees that it will not be entitled to indemnity as a condition precedent to making payments on the Series Eighteen Bonds when due, or directing a mandatory tender or acceleration of Series Eighteen Bonds when required.

(D) The Trustee shall not have any lien on, or right to payment from, any remarketing proceeds or draws on Credit Facilities or Liquidity Facilities that are held in the SLB Fund. The Trustee shall otherwise be entitled to the lien on amounts in the SLB Fund that is provided in Section 11.c of Ordinance No. 323.

ARTICLE IV

FUNDS AND ACCOUNTS; APPLICATION OF SERIES EIGHTEEN BOND PROCEEDS

Section 4.01 Special SLB Fund Accounts.

(A) Creation of Series Eighteen Bonds SLB Fund Accounts; Purpose. There are hereby created and established with the Trustee, as special subaccounts within various accounts of the SLB Fund for the Series Eighteen Bonds, the following:

(1) A special subaccount of the SLB Interest Account to be designated the “Series Eighteen Bonds Interest Account.”

(2) A special subaccount of the SLB Term Bond Principal Account to be designated the “Series Eighteen Bonds Term Bond Principal Account.”

(3) A special account in the SLB Fund to be designated the Series Eighteen Bond Purchase Fund (the “Purchase Fund”). The Trustee shall establish and maintain three separate accounts in the Purchase Fund designated, respectively, as the “Liquidity Facility Deposit Account,” the “Remarketing Proceeds Account” and the “Port Purchase Account.” The money in the Purchase Fund shall be held in trust and applied solely as provided in this Section.

(4) A special account in the SLB Fund to be designated the Liquidity Facility Senior Payment Account.

(5) A special account in the SLB Reserve Account to be designated the Series Eighteen Bonds Debt Service Reserve Account.

(B) *Series Eighteen Bonds Interest Account.* Whenever the Port, pursuant to Section 6.c of Ordinance No. 323, is required to make deposits from the General Account into the SLB Interest Account for the purpose of paying interest on the Series Eighteen Bonds or the Scheduled Swap Obligations for the Series Eighteen Qualified Swaps, such deposits shall be made into the Series Eighteen Bonds Interest Account.

(1) The Port shall deposit into the Series Eighteen Bonds Interest Account:

(a) an amount that, together with any other moneys previously deposited and available in the Series Eighteen Bonds Interest Account to pay interest on Series Eighteen Bonds, will equal the installment of interest falling due on the next succeeding Series Eighteen Bond interest payment date; plus

(b) an amount that, together with moneys previously deposited and available in the Series Eighteen Bonds Interest Account to pay the Scheduled Swap Obligations for the Series Eighteen Qualified Swaps, will equal the Scheduled Swap Obligations for the Series Eighteen Qualified Swaps that are due on the next succeeding payment date for those Scheduled Swap Obligations; plus

(c) the interest and any premium due in connection with the redemption of Series Eighteen Bonds called for redemption prior to maturity; any accrued interest on the Series Eighteen Bonds paid to the Trustee on the Closing Date; and any scheduled payments the Port receives under the Series Eighteen Qualified Swaps.

(2) The Series Eighteen Bonds Interest Account shall contain a segregated "Interest Draw Subaccount." While Series Eighteen Bonds are secured by a "direct-pay" Credit Facility or Liquidity Facility the Trustee shall draw on that facility to pay Series Eighteen Bond interest when due in accordance with the terms thereof and shall credit the amounts so drawn to the Interest Draw Subaccount. Amounts credited to the Interest Draw Subaccount shall be applied only to pay interest on Series Eighteen Bonds. Amounts credited to the Interest Draw Subaccount shall not be commingled with other funds held by the Trustee or Tender Agent and shall remain uninvested. The Port shall not have any right, title or interest in or to any moneys held in the Interest Draw Subaccount.

(3) If Series Eighteen Bond interest is paid from a draw on a Credit Facility or Liquidity Facility, the Trustee shall disburse amounts in the Series Eighteen Bond Interest Account (other than amounts in the Interest Draw Subaccount) to reimburse the providers of the Credit Facility or Liquidity Facility for interest paid by those providers.

(4) All moneys on deposit, from time to time, in the Series Eighteen Bonds Interest Account shall be used, invested, and applied in the same manner as, and shall otherwise be subject to all terms and conditions, provided in Ordinance No. 323 with respect to moneys on deposit in the SLB Interest Account. For purposes of investment, moneys on deposit in the Series Eighteen Bonds Interest Account, other than amounts credited to the Interest Draw Subaccount, may be commingled with other moneys on deposit in the SLB Interest Account.

(C) *Series Eighteen Bonds Term Bond Principal Account.*

(1) The Port shall cause to be deposited into the Series Eighteen Bonds Term Bond Principal Account on the first Business Day of each month to and including the first Business Day of June next preceding the last date on which Series Eighteen Bonds are subject to mandatory scheduled redemption and the final maturity date of the Series Eighteen Bonds, in approximately equal installments, an amount so that there shall be on deposit in said Series Eighteen Bonds Term Bond Principal Account funds sufficient to redeem the Series Eighteen Bonds on each Mandatory Redemption Date in accordance with the mandatory redemption

schedule for the Series Eighteen Bonds, and to pay the amount remaining due on the Series Eighteen Bonds on their maturity date.

(2) The Port shall also deposit into the Series Eighteen Bonds Term Bond Principal Account an amount sufficient to pay when due the principal of Series Eighteen Bonds called for redemption prior to maturity at the Port's option, or accelerated.

(3) While Series Eighteen Bonds are secured by a "direct-pay" Credit Facility or Liquidity Facility the Trustee shall maintain a segregated subaccount in the Series Eighteen Term Bond Principal Account called the "Principal Draw Subaccount." The Trustee shall draw on that direct-pay facility in accordance with its terms to pay when due the principal amount of any Series Eighteen Bonds that mature, are called for optional or mandatory redemption, or are accelerated, and shall credit all draws to the Principal Draw Subaccount. Amounts in the Principal Draw Subaccount shall be used only to pay principal on Series Eighteen Bonds, shall not be commingled with other funds held by the Trustee or Tender Agent and shall remain uninvested. The Port shall not have any right, title or interest in or to any moneys held in the Principal Draw Subaccount.

(4) If Series Eighteen Bond principal is paid from a draw on a Credit Facility or Liquidity Facility, the Trustee shall disburse amounts in the Series Eighteen Bond Term Bond Principal Account (other than amounts in the Principal Draw Subaccount) to reimburse the providers of the Credit Facility or Liquidity Facility for the mandatory redemption payments made by those providers.

(5) The moneys on deposit from time to time in the Series Eighteen Bonds Term Bond Principal Account shall otherwise be used, invested and applied, and shall otherwise be subject to all terms and conditions, provided in Ordinance No. 323 with respect to moneys on deposit in the SLB Term Bond Principal Account. For purposes of investment, moneys on deposit in the Series Eighteen Bond Term Bond Principal Account may be commingled with other moneys on deposit in the SLB Term Bond Principal Account.

(D) The Purchase Fund.

(1) The Trustee shall deposit each amount delivered to it hereunder for the purchase of Series Eighteen Bonds into the Remarketing Proceeds Account and shall hold such amount in trust for the exclusive benefit of the Person delivering that amount until the Series Eighteen Bonds purchased with that amount shall have been delivered to the Trustee for the account of such Person and, thereafter, for the benefit of the Owners tendering the Series Eighteen Bonds.

(2) The Trustee shall deposit all moneys delivered to it hereunder from a payment by or on behalf of the Liquidity Facility Provider (if any) for the purchase of Series Eighteen Bonds into the Liquidity Facility Deposit Account and shall hold all such moneys in trust for the exclusive benefit of the Liquidity Facility Provider (if any) until the Series Eighteen Bonds purchased with such moneys shall have been delivered to or for the account of the Liquidity Facility Provider (if any) and, after such delivery, the Tender Agent shall hold such funds exclusively for the benefit of the Owners tendering such Series Eighteen Bonds.

(3) The Tender Agent shall deposit all moneys delivered to it hereunder from a payment by or on behalf of the Port for the purchase of Series Eighteen Bonds into the Port Purchase Account and shall hold all such moneys in trust for the exclusive benefit of the Port until the Series Eighteen Bonds purchased with such moneys shall have been delivered to or for the account of the Port and, after such delivery, the Tender Agent shall hold such funds exclusively for the benefit of the Owners tendering such Series Eighteen Bonds.

(4) Moneys in the Liquidity Facility Deposit Account, the Remarketing Proceeds Account and the Port Purchase Account shall not be commingled with other funds held by the Tender Agent and shall remain uninvested. The Port shall not have any right, title or interest in or to any moneys held in the Purchase Fund.

(E) The Liquidity Facility Senior Payment Account. If Liquidity Facility Senior Payments are due in connection with a Liquidity Facility Bond the Port shall cause the amount of each Liquidity Facility Senior Payment to be deposited into the Liquidity Facility Senior Payment Account not less than one Business Day prior to the date it is due. Amounts in the Liquidity Facility Senior Payment Account shall be used to make Liquidity Facility Senior Payments when due under the applicable Reimbursement Agreement. Notwithstanding any other provision in this Series Eighteen Bond Certificate, no draw shall be made on a Credit Facility or a Liquidity Facility to pay Liquidity Facility Bonds.

(F) Investment Limitations. Amounts held in the Remarketing Proceeds Subaccount and the Port Purchase Subaccount by the Trustee shall be held uninvested.

(G) Additional Subaccounts. The Trustee may establish additional subaccounts within the Series Eighteen Purchase Account corresponding to the different sources of funds it receives for the purchase price of Series Eighteen Bonds to enable the Trustee to identify such sources.

(H) As provided in the SLB Ordinance, if on any Interest Payment Date insufficient funds are on deposit in the SLB Interest Account, the SLB Serial Bond Principal Account, Liquidity Facility Senior Payment Account or the SLB Term Bond Principal Account to pay amounts then owing on the SLBs (including any Liquidity Facility Senior Payments) or Scheduled Swap Payments due under the Series Eighteen Qualified Swaps, the Trustee shall withdraw from the SLB Debt Service Reserve Account an amount equal to such deficiency and apply the amount so withdrawn to pay the SLBs (including any Liquidity Facility Senior Payments) and the Scheduled Swap Payments due under the Series Eighteen Qualified Swaps.

Section 4.02 Payments of Liquidity Facility Bonds from the JLO Fund.

(A) The Port shall create a Liquidity Facility Junior Payments Fund in the JLO Fund.

(B) The Port shall set aside and pay into the JLO Fund from the first moneys available in the General Account after required payments to the SLB Fund, an amount sufficient, with other amounts available in the JLO Fund, to pay:

(1) any Other Swap Obligations when due;

(2) any Liquidity Facility Junior Payments; plus

(3) any amounts the Port subsequently agrees to deposit into the JLO Fund for the benefit of other Junior Lien Obligations.

(C) Amounts required to pay Other Swap Obligations shall be credited to the Qualified Swap Termination Payment Fund.

(D) Amounts required to pay Liquidity Facility Junior Payments shall be credited to the Liquidity Facility Junior Payments Fund. Notwithstanding any other provision in this Series Eighteen Bond Certificate, no draw shall be made on a Credit Facility or a Liquidity Facility to pay Liquidity Facility Bonds.

(E) While the Port holds the JLO Fund, if the amount available for credit to the JLO Fund is not sufficient to make all the credits that are then required to be made to Funds in the JLO Fund, the Port shall distribute the available amounts pro rata among the Funds in the JLO Fund based on the amounts that are then required to be credited to the Funds in the JLO Fund.

(F) The Port hereby pledges the Net Revenues that are available for deposit into the JLO Fund under the Airport Revenue Bond Ordinances to pay Liquidity Facility Junior Payments.

(G) The Port reserves the right to issue additional Junior Lien Obligations and to pledge the amounts in the JLO Fund to pay Junior Lien Obligations and fund reserves for Junior Lien Obligations. The lien of the pledge that secures the additional Junior Lien Obligations may be on a parity with, or subordinate to, the lien of the pledge that secures the Other Swap Obligations and the Liquidity Facility Junior Payments. The Port may create additional funds in the JLO Fund and covenant to make additional deposits into those funds to pay additional Junior Lien Obligations and fund reserves for additional Junior Lien Obligations.

(H) The Port shall not grant any lien on amounts that are available for deposit in the JLO Fund that is superior to the lien that secures Other Swap Obligations and the Liquidity Facility Junior Payments.

(I) The Port may elect to transfer the JLO Fund, or any of its accounts, to a qualified trustee, but only with the consent of the Qualified Swap Providers of any Qualified Swaps that are then in effect and the providers of any affected Series Eighteen Liquidity Facilities. If the Port so elects, that trustee shall be obligated to apply the amounts in the JLO Fund as provided in this subsection, and the Port shall transfer to that trustee the amounts that the Port is required to deposit into the JLO Fund.

Section 4.03 The SLB Reserve Account.

(A) So long as the reserve insurance policy issued by MBIA on April 30, 1991, is in effect, if the SLB Reserve Account is funded with more than one reserve insurance policy, or one or more reserve insurance policies and cash, then any withdrawal from the SLB Reserve Account shall be made on a pro rata basis based upon the amount that is eligible to be

drawn on each reserve insurance policy and the market value of the investments comprising the cash balance.

(B) Moneys in the SLB Reserve Account shall be used only to pay principal of and interest on, Subordinate Lien Bonds and Scheduled Swap Obligations, and only when moneys in the SLB Interest Account, SLB Serial Bond Principal Account, and SLB Term Bond Principal Account are insufficient for such purposes.

(C) Valuation of the SLB Reserve Account.

(1) The Trustee shall invest the SLB Reserve Account at the written direction of the Port in Investment Securities and shall value the Investment Securities credited to the SLB Reserve Account on each Valuation Date.

(2) For the purpose of valuing Investment Securities held in any account held by the Trustee hereunder, the Trustee shall value all investments at market on each Valuation Date. In determining market value of Investment Securities, the Trustee may use and rely conclusively and without liability upon any generally recognized pricing information service (including brokers and dealers in securities) available to it.

(3) Debt service reserve insurance policies that are credited to the SLB Reserve Account shall be valued at the amount available to be drawn under the policies.

(D) The Trustee shall credit the amount described in Section 4.04(A) to the Series Eighteen Bonds Debt Service Reserve Account.

(E) In accordance with Section 6.g of Ordinance No. 323, all earnings on the Series Eighteen Bonds Debt Service Reserve Account shall be credited to the Series Eighteen Bonds Debt Service Reserve Account unless and until the sum of all amounts credited to all accounts in the SLB Reserve Account is equal to the SLB Reserve Requirement on all Subordinate Lien Bonds then outstanding, in which event earnings on the Series Eighteen Bonds Debt Service Reserve Account shall be credited to the SLB Interest Account, or the SLB Serial Bond Principal Account, or 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 4.04 Disposition of Series Eighteen Bond Proceeds and Other Amounts. The proceeds of the Series Eighteen Bonds, net of underwriters' discount, and with other available funds of the Port, shall be deposited:

(A) into the Series Eighteen Bonds Debt Service Reserve Account the amount of \$3,972,960.29;

(B) with the Trustee as provided in ARTICLE VI; and

(C) with the Port, any remaining amount, to be applied to pay costs relating to the Series Eighteen Bonds.

ARTICLE V
CREDIT AND LIQUIDITY FACILITIES

Section 5.01 Credit and Liquidity Facilities.

(A) The Port has obtained an initial direct-pay letter of credit constituting both a Credit Facility and a Liquidity Facility for the Series Eighteen Bonds from LLOYDS TSB BANK PLC.

(B) At any time, the Port may obtain or provide for the delivery to the Trustee a Substitute Credit Facility or Substitute Liquidity Facility with respect to any subseries of Series Eighteen Bonds. If the Port wishes to obtain a Substitute Liquidity Facility without simultaneously obtaining a Substitute Credit Facility the Port shall obtain the prior written consent of the Credit Facility Provider, if any, for such subseries of Series Eighteen Bonds. All Series Eighteen Bonds that are supported by a Liquidity Facility or a Credit Facility will be subject to mandatory tender for purchase on termination of the Liquidity Facility or Credit Facility.

(C) On or prior to the date on which a Substitute Credit Facility or Substitute Liquidity Facility is obtained and delivered to the Trustee the Port shall furnish to the Trustee an opinion of Bond Counsel to the effect that the delivery thereof, by itself, (1) is lawful under the Act and is authorized or permitted by the Series Eighteen Bond Documents, and (2) will not adversely affect the exclusion of interest on Series Eighteen Bonds from gross income for Federal income tax purposes, nor adversely affect the validity of the affected Series Eighteen Bonds.

(D) The Port shall deliver to the Trustee, the Remarketing Agents and the Tender Agent a copy of each Substitute Credit Facility and Substitute Liquidity Facility obtained pursuant to this ARTICLE V on the effective date of such Substitute Credit Facility or Substitute Liquidity Facility, as the case may be. In the event of an extension of the Expiration Date, the Port shall give the Trustee and the Tender Agent a written notice of the new Expiration Date at least thirty (30) days prior to the Expiration date then in effect. If the Port provides a Substitute Credit Facility or Substitute Liquidity Facility (i) the Port shall give the Trustee, the Tender Agent and the Remarketing Agents a written notice of such substitution at least thirty (30) days prior to the effective date of such Substitute Credit Facility or Substitute Liquidity Facility, and (ii) Series Eighteen Bonds are subject to mandatory tender for purchase pursuant to Section 3.11(A).

(E) The Trustee shall release any then-existing Credit Facility or Liquidity Facility supporting Series Eighteen Bonds of a subseries only upon (i) the Substitution Date therefor and following the honoring of any draws on the then-existing Credit Facility or the making of advances under the then-existing Liquidity Facility to pay the Purchase Price of Series Eighteen Bonds that have been tendered for purchase on or prior to such Substitution Date and that have not been remarketed on or prior to such Substitution Date, (ii) the effective date of a change in the Mode to a Fixed Rate Mode, or (iii) the date on which all Series Eighteen Bonds of

such subseries cease to be Outstanding (whether by defeasance of the Series Eighteen Bonds in accordance with Series Eighteen Bond Documents or otherwise).

(F) Each Credit Facility for the Series Eighteen Bonds of a subseries shall provide for draws thereon or borrowings therefrom, in the aggregate, in an amount at least equal to the Required Stated Amount for all of the Series Eighteen Bonds of such subseries. Each Liquidity Facility for the Series Eighteen Bonds of a subseries shall provide for draws thereon or borrowings therefrom, in the aggregate, in an amount at least equal to the Applicable Principal and Interest Coverage for the Series Eighteen Bonds of such subseries.

(G) If at any time there shall have been delivered to the Trustee a Substitute Credit Facility or Substitute Liquidity Facility, in substitution for or replacement of the then existing Credit Facility or Liquidity Facility, the Trustee shall accept such Substitute Credit Facility or Substitute Liquidity Facility and promptly surrender the previously held Credit Facility or Liquidity Facility to the respective Credit Facility Provider or Liquidity Facility Provider; provided, however, that no such surrender shall be permitted unless provisions of Section 5.01(E) have been complied with.

(H) On or prior to a Substitution Date relating to a Series Eighteen Bond, no drawing under a Substitute Credit Facility or Substitute Liquidity Facility, as the case may be, shall be made by the Trustee with respect to such Series Eighteen Bond if the predecessor Credit Facility or Liquidity Facility shall be effective and available to make drawings thereunder on the date of such drawing. After a Substitution Date relating to a Series Eighteen Bond, no drawing under a predecessor Credit Facility or Liquidity Facility shall be made by the Trustee with respect to such Series Eighteen Bond if such Substitute Credit Facility or Substitute Liquidity Facility, as the case may be, shall be effective and available to make drawings thereunder on the date of such drawing.

(I) If at any time during the term of a Credit Facility or Liquidity Facility any successor Trustee shall be appointed and qualified under the Series Eighteen Bond Documents, the Trustee shall request that the Credit Facility Provider or Liquidity Facility Provider transfer (or reissue) the Credit Facility or Liquidity Facility, as the case may be, to such successor Trustee. If the Trustee fails to make such request, the successor Trustee shall do so before accepting its appointment. The Port shall pay all costs associated with such a transfer.

(J) Other than in connection with a change in Mode to the Fixed Rate Mode, neither the Port nor the Trustee shall permit, or consent to, the delivery of a Substitute Credit Facility in substitution for or replacement of a then-existing Credit Facility securing the Series Eighteen Bonds of a subseries that is a bond insurance policy without the written confirmation from each Rating Agency then rating the Series Eighteen Bonds of such subseries to the effect that such substitution will not, by itself, result in a reduction or withdrawal of the short-term rating, if any, or the long-term rating of such Series Eighteen Bonds below the rating of such Rating Agency then in effect with respect to such Series Eighteen Bonds.

Section 5.02 Rights of Credit Facility and Liquidity Facility Providers.

(A) To the extent any provision in the Series Eighteen Bond Documents requires the Port or the Trustee to obtain or procure the consent, direction, approval or request of a Credit Facility Provider or Liquidity Facility Provider, the Port or the Trustee as the case may be, shall be required to obtain or procure such consent, direction, approval or request in all instances, except during any time in which:

(1) Such Credit Facility Provider or Liquidity Facility Provider, as the case may be, has failed to pay a properly presented conforming draw or notice of presentment under its respective Credit Facility or Liquidity Facility, which failure is continuing;

(2) Such Credit Facility or Liquidity Facility, as the case may be, shall at any time for any reason be finally determined under applicable law, by a court of competent jurisdiction, to be null and void and not valid and binding on the respective Credit Facility Provider or Liquidity Facility Provider, or the validity or enforceability thereof is being contested by such Credit Facility Provider or Liquidity Facility Provider or by any governmental agency or authority which has taken control of the assets of the Credit Facility Provider or Liquidity Facility Provider in any bankruptcy, insolvency or similar proceedings and which shall be authorized under applicable law to act on behalf of such Credit Facility Provider or Liquidity Facility Provider; or

(3) The Credit Facility or Liquidity Facility is no longer in effect and any and all of the Port's obligations under the respective Credit Facility or the Liquidity Facility have been paid in full.

(B) Except as provided in the next sentence, if a Credit Facility Provider has not failed to pay a properly presented conforming draw under a Credit Facility, then the Credit Facility Provider shall be deemed to be the sole Owner of the Outstanding Series Eighteen Bonds secured by that Credit Facility for purposes of giving approval or consent and directing remedies and Trustee actions under the Series Eighteen Bond Documents. No Credit Facility Provider shall be permitted to consent to, or approve of, any changes in the payment dates or interest rates of Outstanding Series Eighteen Bonds or changes that reduce or limit the obligations of the Credit Facility Provider under the Credit Facility, unless those changes only take effect after a mandatory tender or redemption of then Outstanding Series Eighteen Bonds.

Section 5.03 Liquidity Facility Senior Payments and Liquidity Facility Junior Payments.

(A) The last paragraph of Section 3 of Ordinance No. 323, as amended by Ordinance No. 427-B, states:

The Port may enter into a Parity Reimbursement Agreement only if: (1) the agreement requires the Port to repay amounts paid by the provider under the related Liquidity Facility or Credit Facility in substantially equal annual amounts over a period of no less than five years; and, (2) the obligations of the Port under the agreement are not subject to acceleration unless all Subordinate Lien Bonds are accelerated or subject to tender. The limitation in clause (1) of the preceding sentence does not apply to the Port's obligation to pay the provider of the Liquidity

Facility or Credit Facility for: (i) amounts advanced by the provider to pay scheduled interest or principal payments on Subordinate Lien Bonds under a “direct-pay” Liquidity Facility or Credit Facility, and that are required to be repaid by the Port within five business days; (ii) interest required to be paid by the Port on amounts drawn under the Liquidity Facility or Credit Facility; or (iii) fees and expenses of the provider of the Liquidity Facility or Credit Facility. Fees and expenses due under a Parity Reimbursement Agreement shall be treated as Costs of Operation and Maintenance of the Airport.

(B) The Reimbursement Agreement for each Credit Facility and Liquidity Facility shall classify any payment obligations of the Port as:

(1) Fees and expenses of the Liquidity Facility Provider or Credit Facility Provider that were incurred in connection with the Parity Reimbursement Agreement obligations of the Port, which shall be paid by the Port from Airport Revenues as Costs of Operation and Maintenance of the Airport; or,

(2) Liquidity Facility Senior Payments; or,

(3) Liquidity Facility Junior Payments, which are payable solely from the Net Revenues available in the JLO Fund for credit to the Liquidity Facility Junior Payment Account. Liquidity Facility Junior Payments consist of all payments due to a Liquidity Facility Provider except payments described in Section 5.03(B)(1) and Section 5.03(B)(2).

ARTICLE VI

DEFEASANCE

Section 6.01 Defeasance of Refunded Bonds.

The Port has irrevocably deposited the “Refunded Bonds Redemption Amount” of \$134,557,772.16 with the SLB Trustee and hereby irrevocably directs the SLB Trustee to apply such amount to call and redeem the Series A Refunded Bonds on June 18, 2008 and the Series B Refunded Bonds on June 11, 2008. The Refunded Bonds Redemption Amount consists of \$134,295,000 of Series Eighteen Bond proceeds, and \$262,772.16 of prior transfers from the Port to the Trustee which are allocable to the Refunded Bonds.

The Port certifies, based on the calculations of J.P. Morgan Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated that the Refunded Bonds Redemption Amount is sufficient to pay all principal, interest and redemption premium that is required to redeem and pay all the Series A Refunded Bonds on June 18, 2008 and all the Series B Refunded Bonds on June 11, 2008.

The SLB Trustee shall invest the Refunded Bonds Redemption Amount in accordance with the written direction of the Port in Investment Securities that mature on or before the date the invested amounts are required to pay the Refunded Bonds. After the funds in the SLB Series 17A/B Interest Account and the SLB Series 17A/B Term Bond Principal Account are used to redeem and pay all the Refunded Bonds in full, the Port hereby directs that the SLB Trustee shall transfer any amounts remaining in such accounts to the Series Eighteen Bonds Interest Account

and applied to reduce the next transfer due from the Port to pay interest on the Series Eighteen Bonds.

The SLB Trustee agrees to hold these amounts in trust and irrevocably appropriated and set aside exclusively to pay and redeem all the Series A Refunded Bonds on June 18, 2008 and all the Series B Refunded Bonds on June 11, 2008. The SLB Trustee also acknowledges that all necessary and proper fees, compensation and expenses of the SLB Trustee pertaining to the Refunded Bonds have been paid or the payment thereof provided for to the satisfaction of the SLB Trustee.

Section 6.02 Defeasance of Series Eighteen Bonds.

Series Eighteen Bonds may be defeased by complying with the requirements of Section 17 of Ordinance No. 323. However, for any Series Eighteen Bonds that are not in Fixed Rate Mode:

(A) The phrase "sufficient moneys to make such payment" in Section 17(ii) of Ordinance 323 shall mean sufficient moneys to pay the Series Eighteen Bonds to be defeased on their due date (whether such due date be by reason of maturity or upon redemption or prepayment or otherwise), assuming that the Series Eighteen Bonds bear interest at the Maximum Rate.

(B) The defeased Series Eighteen Bonds shall be due on the first available mandatory tender or redemption date.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Amendments.

(A) Except as otherwise specifically provided in this Certificate, any amendments to this Certificate shall be made in the same manner as amendments of Ordinance No. 323.

(B) If the Series Eighteen Bonds cease to be in book-entry form the Port shall amend this Series Eighteen Bond Certificate to the extent required to conform the notices, payment provisions and other administrative provisions of the Series Eighteen Bonds to the then current practices and procedures in the municipal bond market for securities that are similar to the Series Eighteen Bonds. Amendments described in this Section 7.01(B) do not require consent of Owners.

(C) This Series Eighteen Bond Certificate may be amended without the consent of Owners to make any changes requested by the Port, as long as the changes do not take effect until after a date on which all Series Eighteen Bonds are subject to mandatory tender.

Section 7.02 Special Conditions for Successor Trustee. While any Credit Facility or Liquidity Facility is in effect, if The Bank of New York Trust Company, N.A. ceases to be the Trustee, the SLB Fund shall be held only in accounts that are either:

(A) Maintained with a federal or state-chartered depository institution or trust company that has a Standard & Poor's short-term debt rating of at least 'A-2' (or, if no short-term debt rating, a long-term debt rating of 'BBB+'); or

(B) Maintained with the corporate trust department of a federal depository institution or state-chartered depository institution subject to regulations regarding fiduciary funds on deposit similar to Title 12 of the U.S. Code of Federal Regulation Section 9.10(b), which, in either case, has corporate trust powers and is acting in its fiduciary capacity.

Section 7.03 Liability of Port Limited to Revenues. Notwithstanding anything in the Series Eighteen Bond Documents or in the Series Eighteen Bonds contained, the Port shall not be required to advance any moneys derived from any source other than the Revenues and other assets pledged under the Series Eighteen Bond Documents for any of the purposes in the Series Eighteen Bond Documents mentioned, whether for the payment of the principal or Redemption Price of or interest on the Series Eighteen Bonds or for any other purpose of the Series Eighteen Bond Documents. Nevertheless, the Port may, but shall not be required to, advance for any of the purposes hereof any funds of the Port that may be made available to it for such purposes.

Section 7.04 Successor Is Deemed Included in All References to Predecessor. Whenever in the Series Eighteen Bond Documents either the Port or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in the Series Eighteen Bond Documents contained by or on behalf of the Port or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 7.05 Limitation of Rights to Parties. Nothing in the Series Eighteen Bond Documents or in the Series Eighteen Bonds expressed or implied is intended or shall be construed to give to any person other than the Port, the Trustee, the Credit Facility Provider (if any), the Liquidity Facility Provider (if any) and the Owners of the Series Eighteen Bonds, any legal or equitable right, remedy or claim under or in respect of the Series Eighteen Bond Documents or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Port, the Trustee, the Credit Facility Provider (if any), the Liquidity Facility Provider (if any) and the Owners of the Series Eighteen Bonds. The Credit Facility Provider (if any) is expressly deemed to be a third-party beneficiary of the Series Eighteen Bond Documents.

Section 7.06 Waiver of Notice. Whenever in the Series Eighteen Bond Documents the giving of notice is required, the giving of such notice may be waived in writing or by Electronic Means by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 7.07 Severability of Invalid Provisions. If any one or more of the provisions contained in the Series Eighteen Bond Documents or in the Series Eighteen Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in the Series Eighteen Bond Documents and such invalidity, illegality or unenforceability shall not affect any other provision of the Series Eighteen Bond Documents, and the Series Eighteen Bond Documents shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Port hereby declares that it would have entered into the Series Eighteen Bond Documents and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Series Eighteen Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of the Series Eighteen Bond Documents may be held illegal, invalid or unenforceable.

Section 7.08 Notices.

(A) All notices to the Liquidity Facility Provider (if any) shall be given by Electronic Means (unless otherwise provided herein) and confirmed in writing as soon as practicable. Any notice required to be given to Owners shall also be given to the Credit Facility Provider (if any).

(B) Any notice to or demand upon the Trustee may be served or presented, and such demand may be made, at the Designated Corporate Trust Office (original address shown below), or at such other address as may have been filed in writing by the Trustee with the Port.

(C) Except with respect to notices to the Liquidity Facility Provider (if any) or the Credit Facility Provider (if any) with respect to claims under the Liquidity Facility or the Credit Facility, respectively, which notices shall be given in accordance with such documents, any notice to or demand upon the Port, the Remarketing Agents (if any), the Tender Agent (if any), the Liquidity Facility Provider (if any) or the Credit Facility Provider (if any) shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent Electronically or by being deposited, postage prepaid, in a post office letter box, addressed, as the case may be, to the respective following addresses (or to such other address as may have been filed in writing by such party with the Trustee):

(1) to the Port at:

The Port of Portland
121 N.W. Everett Street
Portland, Oregon 97209
Attention: Chief Financial Officer

(2) to the Remarketing Agents at:

For the Subseries Eighteen A Bonds

J.P. Morgan Securities Inc.
270 Park Avenue, 6th Floor
New York, New York 10017
Attention: Municipal Short Term Desk

For the Subseries Eighteen B Bonds:

Merrill Lynch, Pierce, Fenner & Smith Incorporated
Municipal Money Markets
Municipal Bond Division
4 World Financial Center, 9th Floor
New York, NY 10080
Attention: Manager, Municipal Money Markets

(3) to the Trustee or the Tender Agent at:

The Bank of New York Trust Company, N.A.
601 Union Street, Suite 520
Seattle, Washington 98101
Attention: Corporate Trust Department

(4) to S&P at:

Standard & Poor's
55 Water Street, 38th Floor
New York, New York 10041
Attention: Structured Finance Group
Telephone: (212) 438-2166
Facsimile: (212) 438-2153
E-Mail: pubfin_structured@sandp.com

(5) to Moody's at:

7 World Trade Center
250 Greenwich Street
New York, New York 10007
Attention: Structured Finance

(6) to Fitch at:

One State Street Plaza
New York, New York 10004
Attention: Municipal Structured Finance

Section 7.09 Notices to Rating Agencies. The Trustee shall notify S&P and Fitch, with a copy to the Port, of any of the following of which the Trustee has actual knowledge: any change in the Trustee or any Remarketing Agent, any amendment to this Series Eighteen Bond Certificate, the Airport Revenue Bond Ordinances or any Credit Facility or Liquidity Facility, the acceleration of any Series Eighteen Bonds, payment in full of all Series Eighteen Bonds, the conversion of any Series Eighteen Bonds to a rate not covered by the initial Credit Facility and Liquidity Facility with Lloyds TSB Bank plc, and any expiration, termination, extension or substitution of any Liquidity Facility or Credit Facility. The Port shall notify S&P and Fitch of any change described in this paragraph for which the Trustee does not give notice.

Section 7.10 Waiver of Personal Liability. No member, officer, agent or employee of the Port shall be individually or personally liable for the payment of the principal or Redemption Price or interest on the Series Eighteen Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by the Series Eighteen Bond Documents.

Section 7.11 Business Days. When any action is provided for herein to be done on a day named or within a specified time period, and the day or the last day of the period falls on a day other than a Business Day, such action may be performed on the next ensuing Business Day with the same effect as though performed on the appointed day or within the specified period.

Section 7.12 Governing Law. The Series Eighteen Bond Documents and the Series Eighteen Bonds are contracts made under the laws of the State of Oregon, and shall be governed by and construed in accordance with such laws applicable to contracts made and performed in said State.

Section 7.13 Execution in Several Counterparts. The Series Eighteen Bond Documents may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Port and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 7.14 Interpretation of Series Eighteen Bond Documents. The provisions of the Airport Revenue Bond Ordinances are incorporated into this Certificate by reference. To the maximum extent possible, the Series Eighteen Bond Documents shall be read and construed as one document.

Section 7.15 Appendices and Exhibits. Any and all schedules, appendices or exhibits referred to in and attached to this Certificate are hereby incorporated herein and made a part of this Certificate for all purposes.

DATED this 11th day of June, 2008.

THE PORT OF PORTLAND

By: St H Schreiber
Steven H. Schreiber,
Chief Financial Officer and Director of
Operation Services

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ACCEPTED as of the 11th day of June, 2008:

The Bank of New York Trust Company, N.A., as Trustee

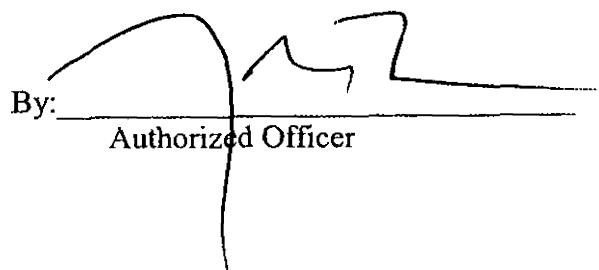
By: 
Authorized Officer

EXHIBIT A
FORM OF SERIES EIGHTEEN BOND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation ("DTC"), to the Port or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), any transfer, pledge or other use hereof for value or otherwise by or to any person is wrongful inasmuch as the registered owner hereof Cede & Co. has an interest herein.

REGISTERED

REGISTERED

No. R-_____

THE PORT OF PORTLAND

PORTLAND INTERNATIONAL AIRPORT REFUNDING REVENUE BOND
SERIES EIGHTEEN (MULTIMODAL VARIABLE RATE)

SUBSERIES EIGHTEEN [A/B]

<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP NO.</u>
July 1, 2026	_____, 2008	_____

Registered Owner: CEDE & CO.

Principal Amount: \$[subseries principal amount]

The Port of Portland (the "Port"), for value received, hereby promises to pay, solely from the sources described in this Subseries Eighteen A/B Bond, to the Registered Owner identified above, or registered assigns, on the Maturity Date stated above (or if this Subseries Eighteen A/B Bond is called for earlier redemption as described herein, on the redemption date) the principal amount identified above and to pay interest as provided in this Subseries Eighteen A/B Bond. Payment of interest shall be made on the applicable Interest Payment Date to the Registered Owner identified above by the SLB Trustee, which is currently The Bank of New York Trust Company, N.A. For so long as this Subseries Eighteen A/B Bond is subject to a book-entry-only system, principal and interest payments shall be paid in same day funds on each payment date to the nominee of the securities depository for the Series Eighteen Bonds. On the date of issuance of this Subseries Eighteen A/B Bond, the securities depository for the Series Eighteen Bonds is The Depository Trust Company, New York, New York, and Cede & Co. is the nominee of The Depository Trust Company. Such payments shall be made payable to the order of "Cede & Co."

This Subseries Eighteen A/B Bond is one of the Port's \$[series amount] Portland International Airport Refunding Revenue Bonds, Series Eighteen (Multimodal Variable Rate) Subseries Eighteen A/B (the "Subseries Eighteen A/B Bonds"). The Subseries Eighteen A/B Bonds are being issued in conjunction with the Port's \$[other subseries amount] Portland International Airport Refunding Revenue Bonds, Series Eighteen (Multimodal Variable Rate) Subseries Eighteen A/B (the "Subseries Eighteen A/B Bonds"). The Subseries Eighteen A Bonds and the Subseries Eighteen B Bonds (collectively, the "Series Eighteen Bonds"), are issued in Authorized Denominations under and pursuant to Oregon Revised Statutes Chapters 777 and 778 (collectively, the "Act"), and the following documents of the Port: Ordinance No. 323, as amended, Ordinance No. 155, as amended, (collectively the "Airport Revenue Bond Ordinances") and the Certificate Of The Executive Director Establishing And Determining Certain Terms Of And Other Matters Relating To The Series Eighteen Bonds that is dated as of [dated date] (the "Certificate"). The provisions of the Airport Revenue Bond Ordinances and the Certificate (collectively, the "Series Eighteen Bond Documents") are incorporated into this Subseries Eighteen A/B Bond by reference. Capitalized terms

that are used but not defined in this Subseries Eighteen A/B Bond shall have the meanings defined for such terms in the Certificate.

This Subseries Eighteen A/B Bond initially bears interest at a Weekly Rate and may be converted to other modes as provided in the Certificate. This Subseries Eighteen A/B Bond is subject to optional and mandatory tender and optional and mandatory redemption as provided in the Certificate.

While any portion of this Subseries Eighteen A/B Bond is a Liquidity Facility Bond it shall be payable solely from the Liquidity Facility Senior Payments and the Liquidity Facility Junior Payments as provided in the Series Eighteen Bond Documents and the applicable Reimbursement Agreement.

NEITHER THE PORT NOR THE TRUSTEE HAS ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS OR TO THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE SERIES EIGHTEEN BONDS REGARDING (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY NOMINEE OR DTC PARTICIPANTS WITH RESPECT TO ANY OWNERSHIP INTEREST IN THE SERIES EIGHTEEN BONDS; (ii) THE DELIVERY TO ANY PARTICIPANT OR CORRESPONDENT OR TO ANY OTHER PERSON OF ANY NOTICE WITH RESPECT TO THE SERIES EIGHTEEN BONDS, INCLUDING ANY NOTICE OF REDEMPTION; (iii) THE SELECTION BY DTC OF THE BENEFICIAL INTERESTS IN SERIES EIGHTEEN BONDS TO BE REDEEMED PRIOR TO MATURITY; OR (iv) THE PAYMENT TO ANY NOMINEE, PARTICIPANT, CORRESPONDENT, OR ANY OTHER PERSON OTHER THAN THE REGISTERED OWNER, OF ANY AMOUNT WITH RESPECT TO PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES EIGHTEEN BONDS.

THIS SUBSERIES EIGHTEEN A/B BOND IS SECURED SOLELY BY THE NET REVENUES OF THE AIRPORT THAT ARE AVAILABLE FOR DEPOSIT IN THE GENERAL ACCOUNT AND FROM AMOUNTS AVAILABLE IN THE SLB FUND AS PROVIDED IN THE SERIES EIGHTEEN BOND DOCUMENTS, AND IS NOT IN ANY MANNER OR TO ANY EXTENT A CHARGE UPON ANY OTHER REVENUES OR PROPERTY OF THE PORT. THIS SUBSERIES EIGHTEEN A/B BOND IS NOT A GENERAL OBLIGATION OF THE PORT, THE STATE OF OREGON, ITS AGENCIES, INSTRUMENTALITIES OR POLITICAL SUBDIVISIONS. THE SERIES EIGHTEEN BONDS ARE NOT IN ANY MANNER OR TO ANY EXTENT GENERAL OBLIGATIONS OF THE PORT NOR A CHARGE UPON ANY REVENUES OR PROPERTY OF THE PORT NOT SPECIFICALLY PLEDGED THERETO. THE OWNERS OF THE SERIES EIGHTEEN BONDS CANNOT COMPEL THE PORT TO LEVY ANY TAXES FOR THE PURPOSE OF PAYING ANY AMOUNTS DUE UNDER THE SERIES EIGHTEEN BONDS. THE SERIES EIGHTEEN BONDS ARE PAYABLE SOLELY AND ONLY OUT OF THE REVENUES PLEDGED THERETO.

The Series Eighteen Bonds are being issued to refund the Port's previously issued Portland International Airport Revenue Bonds, Series Seventeen and to pay related costs.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Series Eighteen Bond Documents and the issuance of this Series Eighteen Bond do exist, have happened and have been performed in due time, form and manner as required by law.

This Series Eighteen Bond shall remain in the Trustee's custody subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Trustee and DTC.

IN WITNESS WHEREOF, THE PORT OF PORTLAND has caused this Series Eighteen Bond to be executed in its name by the facsimile signature of its President and to be attested by the facsimile signature of an Assistant Secretary, and to bear a facsimile of the Seal of the Port, all as of the _____ day of _____, 2008.

THE PORT OF PORTLAND

[seal]

By: _____
President

ATTEST:

Assistant Secretary

THIS BOND SHALL NOT BE VALID UNLESS PROPERLY AUTHENTICATED BY THE TRUSTEE IN THE SPACE INDICATED BELOW.

CERTIFICATE OF AUTHENTICATION

This is one of the \$[series amount] aggregate original principal amount of The Port of Portland Portland International Airport Refunding Revenue Bonds, Series Eighteen (Multimodal Variable Rate) Subseries Eighteen A/B which is described herein.

Date of authentication: ___, 2008.

The Bank of New York Trust Company, N.A., as Trustee

By: _____
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____

(Please insert social security or other identifying number of assignee)

this Bond and does hereby irrevocably constitute and appoint _____ as attorney to transfer this Bond on the books kept for registration thereof with the full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of this Bond in every particular, without alteration or enlargement or any change whatever.

NOTICE: Signature(s) must be guaranteed by a member of
the New York Stock Exchange or a commercial bank or trust
company

Signature Guaranteed

(Bank, Trust Company or Brokerage Firm)

Authorized Officer

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM -- tenants in common

TEN ENT -- as tenants by the entirieties

JT TEN -- as joint tenants with right of survivorship
and not as tenants in common

OREGON CUSTODIANS use the following

CUST UL OREG _____ MIN

as custodian for _____ (name of minor)

OR UNIF TRANS MIN ACT

under the Oregon Uniform Transfer to Minors Act

Additional abbreviations may also be used though not in the list above.