

Supplement to Final Official Statement for the

City of Portland, Oregon
\$29,685,000
Oregon Convention Center
Senior Lien Urban Renewal and Redevelopment Refunding Bonds
2011 Series B (Tax-Exempt)

This supplement is dated November 1, 2011, and supplements the final Official Statement for the captioned bonds that is dated June 28, 2011 (the “Official Statement”).

Replacing Appendices

Appendix A (“SENIOR LIEN BOND DECLARATION”) and Appendix D (“LEGAL OPINION”) attached to the Official Statement were incorrect. Attached to this supplement are the revised Appendix A and Appendix D.

References to the Official Statement

All references to the “Official Statement” are deemed to be references to the Official Statement dated June 28, 2011, as supplemented by this supplement which is dated November 1, 2011.

-end of supplement to Official Statement dated June 28, 2011-

APPENDIX A
SENIOR LIEN BOND DECLARATION



AMENDED AND RESTATED

SENIOR LIEN BOND DECLARATION

City of Portland, Oregon

**Oregon Convention Center
Senior Lien Urban Renewal and Redevelopment Refunding Bonds
2011 Series B (Tax-Exempt)**

Executed by the Debt Manager of the City of Portland, Oregon

As of this 6th day of July, 2011

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**AMENDED AND RESTATED SENIOR LIEN BOND
DECLARATION**

THIS AMENDED AND RESTATED BOND DECLARATION is executed as of July 6, 2011, by the Debt Manager of the City of Portland, Oregon pursuant to the authority granted to the Debt Manager by City Ordinance No. 184513.

Section 1. Recitals.

The City recites:

1.1. In its Resolution No. 6860, adopted on April 13, 2011, the Portland Development Commission has requested the City to issue the tax increment bonds pursuant to Section 15-106 of the City Charter to refund certain outstanding tax increment bonds that are secured by the tax increment revenues of the Oregon Convention Center Urban Renewal Area.

1.2. In its Ordinance No. 184513, adopted on April 13, 2011, the Portland City Council authorized the City to issue tax increment bonds pursuant to Section 15-106 of the City Charter to refund certain outstanding tax increment bonds that are secured by the tax increment revenues of the Oregon Convention Center Urban Renewal Area, and authorized the City's Debt Manager to provide that those refunding bonds will be secured by a lien on the tax increment revenues of the Oregon Convention Center Urban Renewal Area that is subordinate to the lien of the outstanding bonds.

1.3. In City Ordinance No. 172389 the City chose Option Three for the Oregon Convention Center Urban Renewal Area as provided in ORS 457.435(2)(c), and has limited Divide the Taxes Revenues to \$5,740,000 in each Fiscal Year. The Portland Development Commission and the City are authorized to notify the county assessor to impose the Special Levies described in ORS 457.435(2)(c) and ORS 457.440(2)(c).

1.4. In City Ordinance No. 172354 the City approved a maximum indebtedness limit for the Oregon Convention Center Area of \$167,511,000. The City has issued approximately \$118 million of this amount, and has approximately \$49 million of unissued maximum indebtedness remaining. The 2011 Series B Bonds are issued to refund previously issued indebtedness, and do not count as additional indebtedness under the maximum indebtedness limit.

1.5. The City is authorized by ORS 457.440(11) to take any actions that its urban renewal agency is authorized to take.

1.6. The City has issued its Oregon Convention Center Senior Lien Urban Renewal and Redevelopment Bond, 2011 Series A under a Bond Declaration that is dated as of May 19, 2011. When the 2011 Series A Bond was issued, bonds secured by a first lien on the Tax Increment Revenues of the Oregon Convention Center Urban Renewal Area ("Prior Lien Bonds") were outstanding.

1.7. The City is now issuing its Oregon Convention Center Senior Lien Urban Renewal and Redevelopment Refunding Bonds, 2011 Series B (Tax-Exempt), on a parity with the 2011 Series A Bond, to defease all remaining Prior Lien Bonds. The City has initially sold the 2011B Bonds to Citigroup Global Markets Inc., as representative of the underwriters, pursuant to a Bond Purchase Agreement which is dated June 28, 2011. As permitted by Section 8.2(F) of the May 19, 2011 Bond Declaration, the City is executing this Amended and Restated Bond Declaration to amend the May 19, 2011 Bond Declaration to delete references to the Prior Lien Bonds, to describe the terms of the City's Oregon Convention Center Senior Lien Urban Renewal and Redevelopment Refunding Bonds, 2011 Series B, and the terms under which Additional Senior Lien Bonds may be issued.

Section 2. Definitions.

Unless the context clearly requires otherwise, the following terms shall have the following meanings:

“2011A Bond” means the City’s Oregon Convention Center Urban Renewal and Redevelopment Bond, 2011 Series A (Federally Taxable) which is described in Section 13 of this Declaration.

“2011B Bonds” means the City’s Oregon Convention Center Senior Lien Urban Renewal and Redevelopment Refunding Bonds, 2011 Series B (Tax-Exempt) which are described in Section 14 of this Declaration.

“Additional Senior Lien Bonds” means obligations that are issued in compliance with Section 5 of this Declaration and that are secured by a lien on, and pledge of, the Tax Increment Revenues that is on a parity with the lien and pledge that secures all Senior Lien Bonds. Additional Senior Lien Bonds include Senior Lien Exchange Agreements.

“Adjusted Annual Debt Service” means Annual Debt Service for a Fiscal Year, reduced by:

a) the amount of any Federal Interest Subsidy that the City is scheduled to receive for Senior Lien Bond interest in that Fiscal Year; and,

b) the amount that is expected to be available in the Senior Lien Reserve Account to pay scheduled debt service on Senior Lien Bonds during that Fiscal Year.

“Adjusted Maximum Annual Debt Service” means the largest Adjusted Annual Debt Service that occurs after the date for which the calculation is done. Adjusted Maximum Annual Debt Service shall be calculated for the remainder of the Fiscal Year in which the calculation is made, and for each subsequent Fiscal Year in which Outstanding Senior Lien Bonds are scheduled to be paid.

“Annual Debt Service” means the amount required to be paid in a Fiscal Year of principal and interest on Outstanding Senior Lien Bonds, calculated as follows:

(i) Interest which is to be paid from proceeds of Senior Lien Bonds shall be subtracted.

(ii) Senior Lien Bonds which are subject to scheduled, noncontingent redemption or tender shall be deemed to mature on the dates and in the amounts which are subject to mandatory redemption or tender, and only the amount scheduled to be Outstanding on the final maturity date shall be treated as maturing on that date.

(iii) Senior Lien Bonds which are subject to contingent redemption or tender shall be treated as maturing on their stated maturity dates.

(iv) Variable Rate Obligations shall bear interest from the date of computation until maturity at their Estimated Average Interest Rate.

(v) Each Balloon Payment shall be assumed to be paid according to its Balloon Debt Service Requirement.

(vi) City Payments to be made in the Fiscal Year under a Senior Lien Exchange Agreement shall increase Annual Debt Service, and Reciprocal Payments to be received in the Fiscal Year under a Senior Lien Exchange Agreement shall reduce Annual Debt Service.

“Area” means the Oregon Convention Center Urban Renewal Area which is described in the Plan.

“BEO” means “book-entry-only” and refers to a system for clearance and settlement of securities transactions through electronic book-entry changes, which eliminates the need for physical movement of securities.

“Balloon Debt Service Requirement” means the Committed Debt Service Requirement for a Balloon Payment or, if the City has not entered into a firm commitment to sell Senior Lien Bonds or other obligations to refund that Balloon Payment, the Estimated Debt Service Requirement for that Balloon Payment.

“Balloon Payment” means any principal payment for a Series of Senior Lien Bonds which comprises more than twenty-five percent of the original principal amount of that Series, but only if that principal payment is designated as a Balloon Payment in the closing documents for the Series.

“Base Period” means any 12 consecutive months from the 24 full months preceding the issuance of a series of Senior Lien Bonds.

“Bond Buyer 20 Bond Index” means the 20-Bond GO Index published by The Bond Buyer. However, if that index ceases to be available, “Bond Buyer 20 Bond Index” means an index reasonably selected by the City which is widely available to dealers in municipal securities, and which measures the interest rate of high quality, long-term, fixed rate municipal securities.

“Business Day” means any day except a Saturday, a Sunday, a legal holiday, a day on which the offices of banks in Oregon or New York are authorized or required by law or executive order to remain closed, or a day on which the New York Stock Exchange is closed.

“City” means the City of Portland, Oregon.

“City Payment” means any scheduled payment required to be made by or on behalf of the City under an Exchange Agreement which is either fixed in amount or is determined according to a formula set forth in the Exchange Agreement.

“Closing” means the date on which a Series of Senior Lien Bonds is delivered in exchange for payment.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Commission” means the Portland Development Commission.

“Committed Debt Service Requirement” means the schedule of principal and interest payments for a Series of Senior Lien Bonds or other obligations which refund a Balloon Payment, as shown in the documents evidencing the City’s firm commitment to sell that Series. A “firm commitment to sell” means a bond purchase agreement or similar document which obligates the City to sell, and obligates a purchaser to purchase, the Series of refunding Senior Lien Bonds or other obligations, subject only to the conditions which customarily are included in such documents.

“Credit Facility” means a letter of credit, a municipal bond insurance policy, a surety bond, standby bond purchase agreement or other credit enhancement device which is obtained by the City to secure Senior Lien Bonds, and which is issued or unconditionally guaranteed by an entity whose long-term debt obligations or claims-paying ability (as appropriate) are rated, at the time the Credit Facility is issued, in one of the three highest rating categories by a Rating Agency which rated the Senior Lien Bonds secured by the Credit Facility. Under rating systems in effect on the date of this Declaration, a rating in one of the three highest rating categories by a Rating Agency would be a rating of “A” or better.

“Debt Manager” means the Debt Manager of the City, City Treasurer, Chief Financial Officer of the Bureau of Financial Services, the Chief Administrative Officer of the Office of Management and Finance of the City, or the person designated by the Chief Administrative Officer of the Office of Management and Finance to act as Debt Manager under this Declaration.

“Debt Service” means Senior Lien Bond principal, interest and any premium.

“Declaration” means this Amended and Restated Senior Lien Bond Declaration, as it may be amended from time to time pursuant to Section 8.

“Divide the Taxes Revenues” means the taxes which are divided based on the increase in value of property in the Area and which are payable to the City or the Commission under the provisions of Article IX, Section 1c of the Oregon Constitution and ORS Chapter 457, as those provisions exist on the date of this Declaration. The Divide the Taxes Revenues for the Area are limited to \$5,740,000 each Fiscal Year, before reduction for any compression or delinquencies.

“Estimated Average Interest Rate” means the rate calculated pursuant to Section 5.5.

“Estimated Debt Service Requirement” is calculated as provided in Section 5.6.

“Event of Default” refers to an Event of Default listed in Section 9.1 of this Declaration.

“Exchange Agreement” means a swap, cap, floor, collar or similar transaction which includes a written contract between the City and a Reciprocal Payor under which the City is obligated to make one or more City Payments in exchange for the Reciprocal Payor’s obligation to pay one or more Reciprocal Payments, and which provides that:

(a) the Reciprocal Payments are to be deposited directly into the Tax Increment Fund;
and,

(b) the City is not required to fulfill its obligations under the contract if: (i) the Reciprocal Payor fails to make any Reciprocal Payment; or (ii) the Reciprocal Payor fails to comply with its financial status covenants.

“Federal Interest Subsidy” means an interest subsidy payment that the City is entitled to receive from the United States for Senior Lien Bonds. When calculating Adjusted Maximum Annual Debt Service for any Fiscal Year, the Federal Interest Subsidy shall be determined based on the laws in effect on the date the calculation is made.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or as otherwise defined by Oregon law.

“Government Obligations” means direct noncallable obligations of the United States, or obligations the principal of and interest on which are fully and unconditionally guaranteed by the United States.

“Incremental Assessed Value” means the difference between the assessed value of property in the Area for a Fiscal Year and the assessed value of property in the Area which is specified in the certified statement for the Area which is filed with the assessor pursuant to ORS 457.430, or as otherwise provided by Oregon law.

“Maximum Indebtedness” means the maximum amount of indebtedness that may be issued under the Plan, as required by ORS 457.190. The Maximum Indebtedness is currently \$167,511,000. Maximum Indebtedness does not include indebtedness incurred to refund or refinance existing indebtedness.

“Maximum Tax Increment Revenues” for Fiscal Year 2010-2011 means the amount of \$26,575,507; for each subsequent Fiscal Year “Maximum Tax Increment Revenues” means the amount of Maximum Tax Increment Revenues for the prior Fiscal Year adjusted by a percentage change equal to the percentage change in the Incremental Assessed Value from the preceding Fiscal Year.

“Outstanding” refers to all Senior Lien Bonds except those which have been paid, canceled, or defeased, and (for Senior Lien Bonds which must be presented to be paid) those which have matured but have not been presented for payment, but for the payment of which adequate money has been transferred to their paying agent.

“Owner” means the person shown on the register maintained by the City or the Paying Agent as the registered owner of a Senior Lien Bond.

“Paying Agent” means the registrar and paying agent for the 2011B Bonds, which, at the time of execution of this Amended and Restated Bond Declaration, is U.S. Bank National Association.

“Payment Date” means a date on which Senior Lien Bond principal or interest are due, whether at maturity or prior redemption.

“Permitted Investments” means any investments in which the City is authorized to invest surplus funds under the laws of the State of Oregon.

“Plan” means the Commission's Oregon Convention Center Urban Renewal Plan, which was first adopted on May 18, 1989, as that plan has been, and may in the future be, amended.

“Qualified Consultant” means an independent engineer, an independent auditor, an independent financial advisor, or similar independent professional consultant of recognized standing and having experience and expertise in the area for which such person or firm is retained by the City for purposes of performing activities specified in this Declaration.

“Rating Agency” means Fitch, Moody’s, S&P, or any other nationally recognized financial rating agency which has rated Outstanding Bonds at the request of the City.

“Reciprocal Payment” means scheduled payment to be made to, or for the benefit of, the City under an Exchange Agreement by or on behalf of the Reciprocal Payor, which is either fixed in amount or is determined according to a formula set forth in the Exchange Agreement.

“Reciprocal Payor” means a party to an Exchange Agreement (other than the City) that is obligated to make one or more Reciprocal Payments thereunder, and which is rated in one of the top three rating categories by at least one Rating Agency for its obligations under the Exchange Agreement. Under rating systems in effect on the date of this Declaration, a rating in one of the three highest rating categories by a Rating Agency would be a rating of “A” or better.

“Record Date” for the 2011B Bonds means the 1st day of the month preceding a payment date.

“Required Levy Amount” means an amount equal to the sum of:

- a) the Adjusted Annual Debt Service for that Fiscal Year; plus,
- b) any amounts the City reasonably estimates will be required to be deposited into the Senior Lien Reserve Account during that Fiscal Year to restore the balance in any subaccounts in the Senior Lien Reserve Account to their Senior Lien Reserve Requirements; and, minus,
- c) the balances in the Senior Lien Debt Service Account and the Subordinate Indebtedness Fund that are available on July 1 of that Fiscal Year and that will be available to pay the Annual Debt Service in that Fiscal Year.

“Security” means the Tax Increment Revenues, any Federal Interest Subsidies, and all amounts in the Tax Increment Fund, except amounts credited to the Senior Lien Reserve Account.

“Senior Lien Bond Fund” means the account of that name in the Tax Increment Fund established in Section 4.1.

“Senior Lien Bonds” means the 2011A Bond, the 2011B Bonds and any Additional Senior Lien Bonds.

“Senior Lien Debt Service Account” means the account of that name in the Senior Lien Bond Fund described in Section 4.2.

“Senior Lien Exchange Agreement” means an Exchange Agreement that qualifies as a Senior Lien Bond pursuant to Section 5.3.

“Senior Lien Reserve Account” means the account of that name in the Senior Lien Bond Fund described in Section 4.3.

“Senior Lien Reserve Requirement” means a requirement that the City establishes for funding a subaccount in the Senior Lien Reserve Account.

“Series” or “Series of Senior Lien Bonds” refers to all Senior Lien Bonds which are issued at one time, pursuant to a single resolution, ordinance, declaration or other authorizing document of the issuer, regardless of variations in maturity, interest rate or other provisions, unless the documents authorizing the Senior Lien Bonds declares them to be part of a separate Series.

“Special Levy” means a city-wide property tax levy for the Area which is authorized by Article XI, Section 11(16) of the Oregon Constitution and ORS 457.435(2)(c), as those provisions exist on the date of this Declaration.

“Supplemental Declaration” means any Declaration amending or supplementing this Declaration, which is adopted in accordance with Section 8.

“Tax Increment Fund” means the special fund established by the City under ORS 457.440(6)(b) to hold the Tax Increment Revenues, which is currently called the Oregon Convention Center Debt Service Fund.

“Tax Increment Revenues” means all revenues from the Divide the Taxes Revenues and the Special Levies, and all earnings on amounts held in the Tax Increment Fund.

“Taxable Bonds” means Senior Lien Bonds which pay interest which is intended to be includable in gross income under the Code.

“Tax-Exempt Bonds” means Senior Lien Bonds which pay interest which is intended to be excludable from gross income under the Code.

“Variable Rate Obligations” means any Senior Lien Bonds issued with a variable, adjustable, convertible, or other similar interest rate which changes prior to the final maturity date of the Bonds, and any City Payments or Reciprocal Payments under a Senior Lien Exchange Agreement for which the interest portion of the payment is based on a rate that changes during the term of the Exchange Agreement.

Section 3. Security for the Senior Lien Bonds.

3.1. The Senior Lien Bonds shall not be general obligations of the City or the Commission. The City and the Commission shall be obligated to pay the Senior Lien Bonds solely from the Security as provided in this Declaration.

3.2. The City hereby irrevocably pledges the Security to pay the Senior Lien Bonds. Pursuant to ORS 287A.310, these pledges shall be valid and binding from the time of the execution of this Amended and Restated

Declaration. The amounts so pledged and hereafter received by the City shall immediately be subject to the lien of these pledges without any physical delivery or further act.

3.3. When the City and the Commission finalize their budgets for a Fiscal Year the City and the Commission shall reasonably estimate the Divide the Taxes Revenues that the City and the Commission will receive in that Fiscal Year. If the amount of this estimate is less than one hundred five percent (105%) of the Required Levy Amount for that Fiscal Year, then to the extent permitted by law the City and the Commission shall notify the assessors to impose a Special Levy for that Fiscal Year in an amount which the City and the Commission reasonably estimate will result in the City and the Commission receiving Tax Increment Revenues for that Fiscal Year of at least one hundred five percent (105%) of the Required Levy Amount.

3.4. The City will not reduce the Divide the Taxes Collections while any Senior Lien Bonds are Outstanding.

3.5. The provisions of this Declaration shall constitute a contract with the Owners of Senior Lien Bonds, and shall be enforceable by them.

Section 4. The Tax Increment Fund.

The City has previously established the Tax Increment Fund. The Tax Increment Fund shall contain the Senior Lien Bond Fund and the Subordinate Indebtedness Fund. The Senior Lien Bond Fund shall contain the Senior Lien Debt Service Account and the Senior Lien Reserve Account.

4.1. Deposits to the Tax Increment Fund.

(A) Until all Senior Lien Bonds are paid or defeased, each Fiscal Year the City shall deposit all Tax Increment Revenues and Federal Interest Subsidies in the Tax Increment Fund, and shall credit each deposit to the following accounts within the Tax Increment Fund in the following order of priority:

- (1) Subject to Section 4.1(B), to the Senior Lien Debt Service Account, until the Senior Lien Debt Service Account contains an amount sufficient to pay the Annual Debt Service for Senior Lien Bonds for that Fiscal Year;
- (2) If the City has established a Senior Lien Reserve Requirement for a subaccount in the Senior Lien Reserve Account and the balance in that subaccount is less than its Senior Lien Reserve Requirement, to the Senior Lien Reserve Account in the amounts required by the documents governing that subaccount; and,
- (3) To the Subordinate Indebtedness Fund, any amounts which remain after the foregoing deposits have been made.

(B) Whenever Federal Interest Subsidies are received by the City, if the Senior Lien Debt Service Account already contains amounts sufficient to pay the remaining Annual Debt Service for the Fiscal Year, the City shall nevertheless deposit those Federal Interest

Subsidies in the Senior Lien Debt Service Account, but shall release an equal amount of Tax Increment Revenues that were previously deposited in that debt service account, and shall treat the released Tax Increment Revenues as newly received Tax Increment Revenues and shall apply them according to the priorities described in Section 4.1(A).

4.2. Senior Lien Debt Service Account.

- (A) Amounts credited to the Senior Lien Debt Service Account shall be used only to pay principal, interest and premium on Senior Lien Bonds.
- (B) Amounts credited to the Senior Lien Debt Service Account may be invested in Permitted Investments which mature within one year or in the City's investment pool. Earnings shall be credited as provided in Section 4.5.
- (C) On the day any payment of principal, premium or interest on the Senior Lien Bonds is due, if the balance in the Senior Lien Debt Service Account is less than the amount due, the City shall credit to the Senior Lien Debt Service Account from the Subordinate Indebtedness Fund an amount equal to the lesser of the deficiency or the balance in the Subordinate Indebtedness Fund.
- (D) If, after the transfer described in Section 4.2(C), the balance in the Senior Lien Debt Service Account is less than the next payment of principal, premium or interest on the Senior Lien Bonds, the City shall allocate that balance among the outstanding Senior Lien Bonds for which a payment is due, *pro rata* based on the amount due, and shall apply those amounts to pay the Senior Lien Bonds to which the amounts were allocated.
- (E) If, after the amounts in the Senior Lien Debt Service Account are applied pursuant to Section 4.2(D), a deficiency still remains for Senior Lien Bonds that are secured by subaccounts in the Senior Lien Reserve Account, the City shall apply amounts available in those subaccounts to make the Senior Lien Bond payments that are then due. However, amounts in the subaccounts in the Senior Lien Reserve Account shall be applied only to pay Senior Lien Bonds that are secured by those subaccounts. If amounts available in a subaccount of Senior Lien Reserve Account are not sufficient to make all payments then due on Senior Lien Bonds that are secured by that subaccount, the available amounts shall be applied *pro rata* based on the amounts due.

4.3. Senior Lien Reserve Account.

- (A) The City shall create the Senior Lien Reserve Account in the Senior Lien Bond Fund, and may create subaccounts in the Senior Lien Reserve Account to secure Senior Lien Bonds. Before the City issues the first Series of Senior Lien Bonds that is secured by a subaccount in the Senior Lien Reserve Account the City shall:
 - (1) establish the Senior Lien Reserve Requirement for that subaccount,
 - (2) determine whether the subaccount will secure one or more Series of Senior Lien Bonds;

- (3) determine whether credit facilities and surety bonds may be used to satisfy the Senior Lien Reserve Requirement for that subaccount and specify any rating requirements for such instruments;
 - (4) establish withdrawal procedures, replenishment requirements, permitted investments, valuation provisions, and other terms and conditions for that subaccount; and,
 - (5) pledge amounts credited to that subaccount to pay the Senior Lien Bonds that are secured by that subaccount.
- (B) The City shall not create any subaccounts in the Senior Lien Reserve Account for any purpose except securing Senior Lien Bonds in accordance with this Declaration.

4.4. Subordinate Indebtedness Fund. Tax Increment Revenues in the Subordinate Indebtedness Fund shall be applied for the following purposes in the following order of priority:

- (A) To pay Senior Lien Bonds when due if the balance in the Senior Lien Debt Service Account is not sufficient;
- (B) For transfer to subaccounts in the Senior Lien Reserve Account as required by the documents creating the subaccounts in the Senior Lien Reserve Account; and,
- (C) For any legal purpose permitted under Chapter 457 of the Oregon Revised Statutes.

4.5. Earnings. Except as provided below in this Section 4.5, earnings on all funds and accounts in the Tax Increment Fund shall be credited to the Subordinate Indebtedness Fund.

- (A) If the balance in one or more subaccounts in the Senior Lien Reserve Account is less than its Senior Lien Reserve Requirement, then unless otherwise provided in the documents creating the subaccount, earnings on all accounts in the Tax Increment Fund shall be credited to the deficient subaccounts in the Senior Lien Reserve Account, *pro rata* based on the amounts of the deficiencies.

Section 5. Additional Senior Lien Bonds.

5.1. Except as provided in Section 5.2, the City may issue Additional Senior Lien Bonds only if all of the following conditions are met:

- (A) As of the date of Closing of the Additional Senior Lien Bonds, no Event of Default as defined under this Declaration, has occurred and are continuing.
- (B) On or before the date of Closing of the Additional Senior Lien Bonds the City provides either:
 - (1) a certificate of the Debt Manager stating that the Tax Increment Revenues for the Base Period at least equaled one hundred ten percent (110.00%) of the Adjusted

Maximum Annual Debt Service on all then Outstanding Senior Lien Bonds, with the proposed Additional Senior Lien Bonds treated as Outstanding; or,

- (2) a certificate or opinion of a Qualified Consultant:
 - (a) stating the projected amount of the Maximum Tax Increment Revenues for the Fiscal Year in which the proposed Additional Senior Lien Bonds are issued and the projected amount of the Maximum Tax Increment Revenues for each of the four Fiscal Years after the Fiscal Year in which the proposed Additional Senior Lien Bonds are issued;
 - (b) concluding that the respective amounts of projected Maximum Tax Increment Revenues in each of the Fiscal Years described in Section 5.1(B)(2)(a) are at least equal to one hundred thirty percent (130.00%) of the Adjusted Annual Debt Service for each of those respective Fiscal Years on all Outstanding Senior Lien Bonds, with the proposed Additional Senior Lien Bonds treated as Outstanding;
 - (c) stating the projected amount of the Maximum Tax Increment Revenues for the fifth Fiscal Year after the Fiscal Year in which the Additional Senior Lien Bonds are issued; and,
 - (d) concluding that this amount described in Section 5.1(B)(2)(c) is at least equal to one hundred thirty percent (130.00%) of the Adjusted Maximum Annual Debt Service on all Outstanding Senior Lien Bonds, with the proposed Additional Senior Lien Bonds treated as Outstanding.

5.2. The City may issue Additional Senior Lien Bonds to refund Outstanding Senior Lien Bonds without complying with Section 5.1 if:

- (A) the refunded Senior Lien Bonds are defeased on the date of delivery of the refunding Additional Senior Lien Bonds; and,
- (B) the Adjusted Annual Debt Service on the refunding Additional Senior Lien Bonds does not exceed the Adjusted Annual Debt Service on the refunded Senior Lien Bonds in any Fiscal Year by more than \$5,000.

In addition to allowing refunding of maturities of Senior Lien Bonds which are not Balloon Payments, this Section 5.2 is intended to allow Senior Lien Bonds which comprise a Balloon Payment to be refunded with Additional Senior Lien Bonds when the Adjusted Annual Debt Service on the refunding Additional Senior Lien Bonds does not exceed the Balloon Debt Service Requirement for the refunded Senior Lien Bonds in any Fiscal Year by more than \$5,000.

5.3. An Exchange Agreement may be a Senior Lien Exchange Agreement and Additional Senior Lien Bonds if the obligation to make City Payments under the Exchange Agreement qualifies as Additional Senior Lien Bonds under Section 5, after the Reciprocal Payments under

the Exchange Agreement are applied to adjust Annual Debt Service. Any Senior Lien Exchange Agreement shall clearly state that it is a Senior Lien Exchange Agreement and has qualified as Additional Senior Lien Bonds under Section 5 of this Declaration. In addition, the City may replace a Senior Lien Exchange Agreement with another Senior Lien Exchange Agreement without qualifying the replacement Exchange Agreement under Section 5 if the replacement does not increase the Annual Debt Service in any Fiscal Year by more than \$5,000.

5.4. All Additional Senior Lien Bonds issued in accordance with this Section 5 shall have a lien on the Tax Increment Revenues and Federal Interest Subsidies which is equal to the lien of all other Outstanding Senior Lien Bonds.

5.5. The Estimated Average Interest Rate for Variable Rate Obligations shall be calculated as provided in this Section.

- (A) For purposes of calculating Annual Debt Service for determining compliance with any subsection of Section 7: the Estimated Average Interest Rate for Tax-Exempt Bonds means the average SIFMA Index for the 52 week period that ends on or immediately before the end of the month preceding the month in which the calculation is made, expressed as an annualized interest rate, plus fifty basis points (0.50%); and the Estimated Average Interest Rate for Taxable Bonds means the average One Month LIBOR Rate for the 52 week period that ends on or immediately before the end of the month preceding the month in which the calculation is made, expressed as an annualized interest rate, plus fifty basis points (0.50%). For purposes of this section “One Month LIBOR Rate” means the British Banker’s Association average of interbank offered rates in the London market for United States Dollar deposits for a one month period as reported in the Wall Street Journal or, if not reported in such newspaper, as reported in such other source as may be selected by the City.
- (B) For purposes of calculating Annual Debt Service for the tests for issuing Additional Senior Lien Bonds under Section 5:
 - (1) Unless Section 5.5(B)(2) applies, the Estimated Average Interest Rate for any Series of Variable Rate Obligations: (i) that are Tax-Exempt Bonds means the average of the weekly Bond Buyer 20 Bond Index for the 52 week period that ends on or immediately before the last day of the month that precedes the month in which the Additional Senior Lien Bonds is sold, expressed as an annualized interest rate; and (ii) that are Taxable Bonds means the average rate on United States Treasury bills maturing in ten years, as reported in the Wall Street Journal or, if not reported in such newspaper, as reported in such other source as may be selected by the City, for the 52 week period that ends on or immediately before the last day of the month that precedes the month in which the Additional Senior Lien Bonds is sold, expressed as an annualized interest rate, plus two percent (2.00%).
 - (2) For any Series of Variable Rate Obligations that have been outstanding for at least 52 weeks at the end of the period described in Section 5.5(B), if the actual, annualized rate on that Series during that 52 week period is greater than the average, annualized rate described in Section 5.5(B), the Estimated Average

Interest Rate for that Series means the average of the actual rates on that Series during that 52 week period, expressed as an annualized interest rate.

- (C) If a subaccount in the Senior Lien Reserve Account is created and that subaccount may secure Senior Lien Bonds that are Variable Rate Obligations, the documents creating that subaccount shall specify the Senior Lien Reserve Requirement for those Variable Rate Obligations.

5.6. The Estimated Debt Service Requirement for Balloon Payments shall be calculated in accordance with this Section 5.6.

- (A) Whenever a Balloon Payment will be Outstanding on the date a Series of Additional Senior Lien Bonds is issued, the Debt Manager shall prepare a schedule of principal and interest payments for a hypothetical Series of Additional Senior Lien Bonds that refunds each Outstanding Balloon Payment in accordance with this Section 5.6. The Debt Manager shall prepare that schedule as of the date the Additional Senior Lien Bonds is sold, and that schedule shall be used to determine compliance with the tests for Additional Senior Lien Bonds in Section 5.
- (B) Each hypothetical Series of refunding Additional Senior Lien Bonds shall be assumed to be paid in equal annual installments of principal and interest sufficient to amortize the principal amount of the Balloon Payment over the term selected by the Debt Manager; however, the Debt Manager shall not select a term that exceeds the lesser of 20 years from the date on which the Series of Additional Senior Lien Bonds containing the Balloon Payment is issued or the City's estimate of the remaining weighted average useful life (expressed in years and rounded to the next highest integer) of the assets which are financed with the Balloon Payment. The annual installments shall be assumed to be due on the first day of each Fiscal Year, with the first installment due at least six months after the date on which the Estimated Debt Service Requirement is calculated.
- (C) The hypothetical Series of refunding Additional Senior Lien Bonds shall be assumed to bear interest at the Debt Manager's estimate of the average rate that a Series of Additional Senior Lien Bonds would bear if it is amortized as provided in Section 5.6(B) and is sold at the time the schedule described in Section 5.6(A) is prepared.

Section 6. Subordinate Obligations.

The City may issue Subordinate Obligations only if the Subordinate Obligations comply with the requirements of this Section 6. Subordinate Obligations shall not be payable from any account of the Tax Increment Fund except the Subordinate Indebtedness Fund or an account in the Subordinate Indebtedness Fund. All Senior Lien Bonds must state clearly that:

- 6.1. They are secured by a lien on or pledge of the Tax Increment Revenues which is subordinate to the lien on, and pledge of, the Tax Increment Revenues for the Senior Lien Bonds; and,

6.2. They are not payable from any account of the Tax Increment Fund except from Tax Increment Revenues that are available in the Subordinate Indebtedness Fund.

Section 7. General Covenants.

The City hereby covenants and agrees with the Owners of all Outstanding Senior Lien Bonds as follows:

7.1. The City shall promptly cause the principal, premium, if any, and interest on each Series of Senior Lien Bonds to be paid as they become due in accordance with the provisions of this Declaration and any Supplemental Declaration, but solely from the Security.

7.2. The City shall maintain complete books and records relating to the Tax Increment Fund, the Tax Increment Revenues and the Senior Lien Bonds in accordance with generally accepted accounting principles, and will cause such books and records to be audited annually at the end of each Fiscal Year as required by law, and will make the audits available for inspection by the Owners.

7.3. The City may not issue obligations that have a lien on the Security that is superior to the lien that secures the Senior Lien Bonds.

7.4. The City may issue Additional Senior Lien Bonds only as provided in Section 5 of this Declaration.

7.5. The City shall refinance or otherwise provide for the payment of any Balloon Payments not later than the date on which the Balloon Payments are actually due.

7.6. Before the City or the Commission reduces the Area the Debt Manager shall project the Maximum Tax Increment Revenues which will be available from the Area after it is reduced. Neither the City nor the Commission shall reduce the Area unless the Debt Manager reasonably projects that the Area, after the reduction, will have Maximum Tax Increment Revenues which are at least equal to one hundred thirty percent (130.00%) of the Adjusted Maximum Annual Debt Service on all then Outstanding Senior Lien Bonds (calculated as if all Outstanding Senior Lien Bonds were part of a single Series).

7.7. The City shall not take any action which would cause the Plan to cease to qualify as an “existing urban renewal plan” as defined in ORS Chapter 457, or which would cause the Commission or the City to cease to be able to levy or collect the Special Levy.

7.8. The City and the Commission may approve, grant or provide property tax exemptions, or programs that provide property tax exemptions, that affect property in the Area without limitation, but only if the programs providing those exemptions:

- (A) Are in effect on the date of this Declaration;
- (B) Replace or renew programs that are in effect on the date of this Declaration; or,
- (C) Only grant exemptions for the value of newly constructed property.

7.9. Except as provided in Section 7.8, neither the City nor the Commission shall approve, grant or provide any “Nondiscretionary Exemption Program” (as defined below in this Section 7.9 which causes the Maximum Tax Increment Revenues that will be available from the Area after the program is in effect, as reasonably projected by the Debt Manager, to fall below one hundred thirty percent (130.00%) of the Adjusted Maximum Annual Debt Service on all then Outstanding Bonds (calculated as if all Outstanding Bonds were part of a single Series). “Nondiscretionary Exemption Program” means a property tax exemption program that affects property in the Area and that grants any person the right to receive a property tax exemption for property in the Area without subsequent, discretionary approval of that exemption by the City pursuant to Section 7.10.

7.10. Except as provided in Section 7.8, neither the City nor the Commission shall approve, grant or provide any “Discretionary Property Tax Exemption” (as defined below in this Section 7.10, which causes the Maximum Tax Increment Revenues that will be available from the Area after the exemption is in effect, as reasonably projected by the Debt Manager, to drop below one hundred thirty percent (130.00%) of the Adjusted Maximum Annual Debt Service on all then Outstanding Senior Lien Bonds (calculated as if all Outstanding Senior Lien Bonds were part of a single Series). “Discretionary Property Tax Exemption” means any property tax exemption which the City has the ability to deny because of its impact on Maximum Tax Increment Revenues.

Section 8. Amendment of Declaration.

8.1. The City may enact a Supplemental Declaration to amend this Declaration without the consent of any Owner of Senior Lien Bonds for any one or more of the following purposes:

- (A) To cure any ambiguity or formal defect or omission in this Declaration;
- (B) To add to the covenants and agreements of the City in this Declaration other covenants and agreements to be observed by the City which are not contrary to or inconsistent with this Declaration as theretofore in effect;
- (C) To confirm, as further assurance, any security interest or pledge created under this Declaration or any Supplemental Declaration;
- (D) To issue Additional Senior Lien Bonds;
- (E) To authorize Senior Lien Exchange Agreements, and specify the rights and duties of the parties to a Senior Lien Exchange Agreement; or,
- (F) To make any other change which, in the reasonable judgment of the City, does not materially and adversely affect the rights of the Owners of Senior Lien Bonds.

8.2. The City may amend this Declaration for any other purpose, but only if the City obtains the consent of Owners representing not less than fifty-one percent (51%) in aggregate principal amount of the adversely affected Senior Lien Bonds then Outstanding in accordance with Section 10. However, no amendment shall be valid which:

- (A) Extends the maturity of any Senior Lien Bonds, reduces the rate of interest on any Senior Lien Bonds, extends the time of payment of interest on any Senior Lien Bonds, reduces the amount of principal payable on any Senior Lien Bonds, or reduces any premium payable on any Senior Lien Bonds, without the consent of all affected Owners of Senior Lien Bonds; or
- (B) Reduces the percent of Owners required to approve Supplemental Declarations.

Section 9. Default and Remedies.

9.1. The occurrence of one or more of the following shall constitute an Event of Default under this Declaration:

- (A) Failure by the City to pay Senior Lien Bond principal, interest or premium when due (whether at maturity, or upon redemption after a Senior Lien Bond has been properly called for redemption) as required by this Declaration;
- (B) Failure by the City to observe and perform any covenant, condition or agreement which this Declaration requires the City to observe or perform for the benefit of Owners of Senior Lien Bonds, which failure continues for a period of 60 days after written notice to the City by the Owners of ten percent or more of the principal amount of Senior Lien Bonds then Outstanding specifying such failure and requesting that it be remedied; provided however, that if the failure stated in the notice cannot be corrected within such 60 day period, it shall not constitute an Event of Default so long as corrective action is instituted by the City within the 60 day period and diligently pursued, and the default is corrected as promptly as practicable after the written notice referred to in this paragraph 9.1(B); or,
- (C) The City is adjudged insolvent by a court of competent jurisdiction, admits in writing its inability to pay its debts generally as they become due, files a petition in bankruptcy, or consents to the appointment of a receiver for Tax Incremental Revenues.

9.2. The Owners of ten percent or more of the principal amount of Senior Lien Bonds then Outstanding may waive any Event of Default and its consequences, except an Event of Default described in Section 9.1(A).

9.3. Upon the occurrence and continuance of any Event of Default hereunder the Owners of ten percent or more of the principal amount of affected Senior Lien Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the Owners of Senior Lien Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Declaration or in aid of the exercise of any power granted in this Declaration or for the enforcement of any other legal or equitable right vested in the Owners of Senior Lien Bonds by this Declaration or by law. However, the Senior Lien Bonds shall not be subject to acceleration; and, neither the City nor the Commission shall be required to pay any amounts to Owners (other than the Security) because of an Event of Default described in Section 9.1(A) which occurs because of an insufficiency of the Security.

9.4. No remedy in this Declaration conferred upon or reserved to Owners of Senior Lien Bonds is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Declaration or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Owners of Senior Lien Bonds to exercise any remedy reserved to them, it shall not be necessary to give any notice other than such notice as may be required by this Declaration or by law.

Section 10. Ownership of Senior Lien Bonds.

10.1. For purposes of determining the percentage of Senior Lien Bond Owners consenting to, waiving or otherwise acting with respect to any matter that may arise under this Declaration:

- (A) the initial purchaser of a Series of Senior Lien Bonds may be treated as the Owner of that Series at the time that Series is delivered in exchange for payment; and,
- (B) the issuer of a Credit Facility which is obligated to pay all principal and interest due on one or more Senior Lien Bonds may be treated as the Owner of all Senior Lien Bonds secured by that Credit Facility.

10.2. For purposes of determining the percentage of Senior Lien Bond Owners taking action under this Declaration, the Owners of Senior Lien Bonds which pay interest only at maturity, and mature more than one year after they are issued shall be treated as Owners of Senior Lien Bonds in an aggregate principal amount equal to the accreted value of such Senior Lien Bonds as of the date the Paying Agent sends out notice of requesting consent, waiver or other action as provided herein.

Section 11. Defeasance.

The City shall be obligated to pay any Senior Lien Bonds which are defeased in accordance with this Section 11 solely from the money and Government Obligations which are deposited in escrow pursuant to this Section 11. Senior Lien Bonds shall be deemed defeased if the City:

11.1. irrevocably deposits money or noncallable Government Obligations in escrow with an independent trustee or escrow agent which are calculated to be sufficient without reinvestment for the payment of Senior Lien Bonds which are to be defeased; and,

11.2. files with the escrow agent or trustee an opinion from a Qualified Consultant to the effect that the money and the principal and interest to be received from the Government Obligations are calculated to be sufficient, without further reinvestment, to pay the defeased Senior Lien Bonds when due.

Section 12. Rules of Construction.

In determining the meaning of provisions of this Declaration, the following rules shall apply unless the context clearly requires application of a different meaning:

12.1. References to section numbers shall be construed as references to sections of this Declaration.

12.2. References to one gender shall include all genders.

12.3. References to the singular include the plural, and references to the plural include the singular.

Section 13. The 2011A Bond.

13.1. Form of 2011A Bond.

The 2011A Bond shall be initially issued in the form of a single installment bond which shall be in substantially the form of Appendix A to this Declaration, with such changes as may be approved by the Debt Manager. The 2011A Bond shall be executed on behalf of the City with the facsimile signatures of the Mayor and City Auditor.

13.2. No 2011A Reserve Subaccount. No subaccount in the Senior Lien Reserve Account is being created for the 2011A Bond, and the City is not required to deposit or maintain any amount in the Senior Lien Reserve Account for the 2011A Bond.

Section 14. The 2011B Bonds.

14.1. The 2011B Bonds shall be dated July 6, 2011, shall bear interest which is payable on June 15 and December 15 of each year, commencing December 15, 2011, and shall mature on the following dates in the following principal amounts:

<u>Date (June 15)</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
2012	\$ 490,000	2.000%
2013	420,000	3.000%
2014	3,260,000	4.000%
2015	3,785,000	4.000%
2016	3,935,000	5.000%
2017	4,130,000	5.000%
2018	4,335,000	5.000%
2019	4,550,000	5.000%
2020	4,780,000	5.000%

14.2. Tax Status. The 2011B Bonds shall be Tax-Exempt Bonds.

14.3. Not Secured by Reserve. No subaccount in the Senior Lien Reserve Account is being created for the 2011B Bonds, and the City is not required to deposit or maintain any amount in the Senior Lien Reserve Account for the 2011B Bonds.

14.4. Redemption. The 2011B Bonds are not subject to optional or mandatory redemption prior to maturity.

14.5. Book Entry System.

- (A) The 2011B Bonds shall be initially issued in BEO form and shall be governed by this Section 14.5. While the 2011B Bonds are in BEO form no physical bonds shall be provided to the Owners. An official of the City has executed and delivered a blanket letter of representations to DTC. While the 2011B Bonds are in BEO form, registration and transfer of beneficial interests in the 2011B Bonds shall be governed by that letter and the operational arrangements of DTC, as they may be amended from time to time, as provided in the blanket issuer letter of representations. So long as the 2011B Bonds are in BEO form DTC shall be treated as the Owner for all purposes, including payment and the giving of notices to the Owners of the Bonds. 2011B Bond payments shall be made, and notices shall be given, to DTC in accordance with the letter of representations. Any failure of DTC to advise any of its participants, or of any participant to notify the beneficial owner, of any such notice and its content or effect will not affect the validity of the redemption of the 2011B Bonds or of any other action premised on such notice.
- (B) The City may discontinue maintaining the 2011B Bonds in BEO form at any time. The City shall discontinue maintaining the 2011B Bonds in BEO form if DTC determines not to continue to act as securities depository for the 2011B Bonds, or fails to perform satisfactorily as depository, and a satisfactory substitute depository cannot reasonably be found.
- (C) If the City discontinues maintaining the 2011B Bonds in book-entry only form, the City shall cause the Paying Agent to authenticate and deliver replacement 2011B Bonds in fully registered form in authorized denominations in the names of the beneficial owners or their nominees; thereafter the provisions set forth in Section 14.6 below, regarding registration, transfer and exchange of 2011B Bonds shall apply.
- (D) The City and the Paying Agent shall have no responsibility or obligation to any participant or correspondent of DTC or to any beneficial owner on behalf of which such participants or correspondents act as agent for the beneficial owner with respect to:
- (1) the accuracy of the records of DTC, the nominee or any participant or correspondent with respect to any beneficial owner's interest in the 2011B Bonds;
 - (2) the delivery to any participant or correspondent or any other person of any notice with respect to the 2011B Bonds, including any notice of prepayment;
 - (3) the selection by DTC of the beneficial interest in 2011B Bonds to be redeemed prior to maturity; or
 - (4) the payment to any participant, correspondent, or any other person other than the registered owner of the 2011B Bonds as shown in the registration books maintained by the Paying Agent, of any amount with respect to principal, any premium or interest on the 2011B Bonds.

- (E) The provisions of this 14.5 may be modified without the consent of the beneficial owners in order to conform this 14.5 to the standard practices of DTC or any successor depository for bonds issued in book-entry only form.

14.6. Authentication, Registration and Transfer.

- (A) No Bond shall be entitled to any right or benefit under this Declaration unless it shall have been authenticated by an authorized officer of the Paying Agent. The Paying Agent shall authenticate all 2011B Bonds to be delivered at the closing of the 2011B Bonds, and shall additionally authenticate all 2011B Bonds properly surrendered for exchange or transfer pursuant to this Declaration.
- (B) The ownership of all 2011B Bonds shall be entered in the Bond register maintained by the Paying Agent, and the City and the Paying Agent may treat the person listed as Owner in the Bond register as the Owner of the Bond for all purposes.
- (C) While the 2011B Bonds are in book-entry only form, the Paying Agent shall transfer Bond principal and interest payments in the manner required by DTC.
- (D) If the 2011B Bonds cease to be in book-entry only form, the Paying Agent shall mail each interest payment on the interest payment date (or the next Business Day if the payment date is not a Business Day) to the name and address of the Owners as they appear on the Bond register as of the Record Date for the 2011B Bonds. If payment is so mailed, neither the City nor the Paying Agent shall have any further liability to any party for such payment.
- (E) 2011B Bonds may be exchanged for an equal principal amount of 2011B Bonds of the same maturity which are in different denominations, and 2011B Bonds may be transferred to other Owners if the Owner submits the following to the Paying Agent: written instructions for exchange or transfer satisfactory to the Paying Agent, signed by the Owner or attorney in fact and guaranteed or witnessed in a manner satisfactory to the Paying Agent, and the 2011B Bonds to be exchanged or transferred.
- (F) The Paying Agent shall not be required to exchange or transfer any 2011B Bonds submitted to it during any period beginning with a Record Date and ending on the next following payment date; however, such 2011B Bonds shall be exchanged or transferred promptly following that payment date.
- (G) The Paying Agent shall note the date of authentication on each Bond. The date of authentication shall be the date on which the Owner's name is listed on the Bond register.
- (H) For purposes of this Section 14.6, 2011B Bonds shall be considered submitted to the Paying Agent on the date the Paying Agent actually receives the materials described in 14.6(E), above.
- (I) The City may alter these provisions regarding registration and transfer by mailing notification of the altered provisions to all Owners. The altered provisions shall take

effect on the date stated in the notice, which shall not be earlier than 45 days after notice is mailed.

14.7. Form, Execution and Authentication.

The 2011B Bonds shall be in substantially the form attached hereto as Appendix B, with such changes as may be approved by the Debt Manager. The 2011B Bonds shall be executed on behalf of the City with the facsimile signatures of the Mayor and City Auditor.

Dated as of this 6th day of July, 2011.

City of Portland, Oregon

By: _____
B. Jonas Biery, Debt Manager

Appendix A

Form of 2011A Bond

No. R-1

\$7,540,000

United States of America
 State of Oregon
City of Portland
 Oregon Convention Center Senior Lien Urban Renewal and Redevelopment Bond
 2011 Series A (Federally Taxable)

The City of Portland, Oregon (the “City”), for value received, acknowledges itself indebted and hereby promises to pay, but solely from the sources described below and in the Bond Declaration for this 2011A Bond dated May 19, 2011 (the “Declaration”), to Bank of America, N.A. (the “Bank”), the aggregate principal amount of \$7,540,000 in the following installments, together with interest on those installments, as follows:

Date	Principal	Coupon	Interest	Total P+I
12/15/2011			\$99,234.78	\$99,234.78
06/15/2012	\$3,835,000.00	2.300%	86,710.00	3,921,710.00
12/15/2012			42,607.50	42,607.50
06/15/2013	3,705,000.00	2.300%	42,607.50	3,747,607.50
Total	\$7,540,000	-	\$271,159.78	\$7,811,159.78

Interest is payable semiannually on June 15 and December 15 of each year, commencing December 15, 2011, and shall be computed on the basis of 30 day months over a 360 day year.

This 2011A Bond is issued pursuant to City Ordinance No. 184513, which was adopted on April 13, 2011 and the Declaration. This 2011A Bond is sold to the Bank pursuant to a bond purchase agreement (the “Agreement”) dated May 19, 2011. Capitalized terms used in this 2011A Bond have the meanings defined for such terms in the Declaration.

This 2011A Bond is issued by the City for the purpose of refinancing the City’s outstanding Urban Renewal and Redevelopment Bonds, 2000 Series B for the Oregon Convention Center Urban Renewal Area (the “Area”) in full and strict accordance and compliance with all of the provisions of the Constitution and statutes of the State of Oregon.

This 2011A Bond is a special obligation of the City, payable solely from Security. The pledge on the Tax Increment Revenues that secures the 2011A Bond is subordinate to the pledge of the Tax Increment Revenues that secures the Prior Lien Bonds. The City has reserved the right to issue additional Prior Lien Bonds and obligations on a parity lien with the 2011A Bond, as provided in the Declaration. The City also has the right to issue obligations which have a subordinate lien on the Tax Increment Revenues.

THIS 2011A BOND IS NOT A GENERAL OBLIGATION OF THE CITY AND IS PAYABLE SOLELY FROM THE SECURITY, AS PROVIDED IN THE DECLARATION.

This 2011A Bond is prepayable on any business day upon three business days notice to the Bank. The City shall be required to pay the Bank, upon prepayment of all or part of the principal amount before final maturity, a Prepayment Fee equal to the maximum of: (a) zero, or (b) that amount, calculated on any prepayment date, which is derived by subtracting: (a) the principal amount of this 2011A Bond or portion of this 2011A Bond to be prepaid from (b) the Net Present Value of this 2011A Bond or portion of this 2011A Bond to be prepaid on such date of prepayment. Definitions and further provisions related to the Prepayment Fee are indented below.

“Net Present Value” shall mean the amount which is derived by summing the present values of each prospective payment of principal and interest which, without such full or partial prepayment, could otherwise have been received by the Bank over the shorter of the remaining contractual life of this 2011A Bond or next repricing date if the Bank had instead initially invested this 2011A Bond proceeds at the Initial Money Market Rate. The individual discount rate used to present value each prospective payment of interest and/or principal shall be the Money Market Rate at Prepayment for the maturity matching that of each specific payment of principal and/or interest.

“Initial Money Market Rate” shall mean the rate per annum, determined solely by the Bank, on the first day of the term of this 2011A Bond or as mutually agreed upon by the City and the Bank, as the rate at which the Bank would be able to borrow funds in Money Markets for the amount of this 2011A Bond and with an interest payment frequency and principal repayment schedule equal to this 2011A Bond and for a term as may be arranged and agreed upon by the City and the Bank. Such a rate shall include FDIC insurance, reserve requirements and other explicit or implicit costs levied by any regulatory agency. The City acknowledges that the Bank is under no obligation to actually purchase and/or match funds for the Initial Money Market Rate of this 2011A Bond.

“Money Market Rate At Prepayment” shall mean that zero-coupon rate, calculated on the date of prepayment, and determined solely by the Bank, as the rate in which the Bank would be able to borrow funds in Money Markets for the prepayment amount matching the maturity of a specific prospective 2011A Bond payment or repricing date. Such a rate shall include FDIC insurance, reserve requirements and other explicit or implicit costs levied by any regulatory agency. A separate Money Market Rate at Prepayment will be calculated for each prospective interest and/or principal payment date.

“Money Markets” shall mean one or more wholesale funding mechanisms available to the Bank, including negotiable certificates of deposit, eurodollar deposits, bank notes, fed funds, interest rate swaps, or others.

In calculating the amount of the Prepayment Fee, the Bank is hereby authorized by the City to make such assumptions regarding the source of funding, redeployment of funds and other related matters, as the Bank may deem appropriate. If the City fails to pay any Prepayment Fee when due, the amount of such Prepayment Fee shall thereafter bear interest until paid at the rate specified in this 2011A Bond (computed on the basis of a 30-day month/360-day year). Any prepayment of principal shall be accompanied by a payment of interest accrued to date thereon; and said prepayment shall be applied to the principal installments in the inverse order of their maturities. All prepayments shall be in an amount of at least \$100,000 or if less, the remaining entire principal balance of this 2011A Bond.

Prepayments by the City to the Bank shall be applied first to pay accrued interest, and second to prepay this 2011A Bond principal (in inverse order of maturity).

Any transfer of this 2011A Bond must be registered with the City and the City may treat the person in whose name this 2011A Bond is registered as its absolute owner for all purposes.

The Owner may exchange or transfer any 2011A Bond only by surrendering it, together with a written instrument of exchange or transfer which is satisfactory to the City and duly executed by the Owner or his or her duly authorized attorney.

Interest on this 2011A Bond is includable in gross income under the Internal Revenue Code of 1986, as amended. Interest on this 2011A Bond is exempt from Oregon personal income taxation.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this 2011A Bond have existed, have happened, and have been performed in due time, form, and manner as required by the Constitution and statutes of the State of Oregon and the Charter of the City; and that this 2011A Bond, and all other obligations of the City, are within every debt limitation and other limit prescribed by such Constitution and statutes.

IN WITNESS WHEREOF, the City has caused this 2011A Bond to be signed by the facsimile signature of its Mayor and countersigned by facsimile signature of its Auditor, and has caused a facsimile of the corporate seal of the City to be imprinted hereon, all as of the date first above written.



City of Portland, Oregon

A handwritten signature in black ink, appearing to read "S. Adams".

Sam Adams, Mayor

A handwritten signature in black ink, appearing to read "L. Griffin-Valade".

LaVonne Griffin-Valade, Auditor

Attest:

B. Jonas Biery, Debt Manager

Appendix B
Form of 2011B Bond

No. R-«BondNumber»

\$«PrincipalAmtNumber»

United States of America
State of Oregon
Counties of Multnomah, Washington and Clackamas
City of Portland
Oregon Convention Center Senior Lien Urban Renewal and Redevelopment Refunding Bonds
2011 Series B (Tax-Exempt)

Dated Date: _____, 2011
Interest Rate Per Annum: «CouponRate»%
Maturity Date: _____«MaturityYear»
CUSIP Number: 736746«CUSIPNumbr»
Registered Owner: -----Cede & Co.-----
Principal Amount: -----«PrincipalAmtSpelled» Dollars-----

The City of Portland, Oregon (the “City”), for value received, acknowledges itself indebted and hereby promises to pay to the Registered Owner hereof, or registered assigns, but solely from the sources named below, the Principal Amount indicated above on the Maturity Date indicated above together with interest thereon from the date hereof at the Interest Rate Per Annum indicated above, computed on the basis of a 360-day year of twelve 30-day months. Interest is payable semiannually on the 15th day of June and the 15th day of December in each year until maturity, commencing December 15, 2011. Payment of each installment of principal or interest shall be made to the Registered Owner hereof whose name appears on the registration books of the City maintained by the City’s paying agent and registrar, which is currently U.S. Bank National Association, in Portland, Oregon (the “Paying Agent”), as of the close of business on the 1st day of the calendar month immediately preceding the applicable interest payment date. For so long as this Bond is subject to a book-entry-only system, principal and interest payments shall be paid on each payment date to the nominee of the securities depository for the Bonds. On the date of issuance of this Bond, the securities depository for the 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 Bond is one of a duly authorized series of bonds of the City aggregating \$29,685,000 in principal amount designated as Oregon Convention Center Senior Lien Urban Renewal and Redevelopment Refunding Bonds, 2011 Series B (Tax-Exempt) (the “Bonds”). The Bonds are issued for the purpose of refinancing urban renewal projects within the Oregon Convention Center Urban Renewal Area. The Bonds are authorized by City Ordinance No. 184513 adopted April 13, 2011 (the “Ordinance”), Oregon Revised Statutes Chapter 457 and an Amended and Restated Senior Lien Bond Declaration (the “Declaration”) executed by the City’s Debt Manager pursuant to the Ordinance. The provisions of the Ordinance and the Declaration are hereby incorporated into this Bond by reference. The Bonds are issued in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon and the Charter of the City.

The Bonds constitute valid and legally binding special obligations of the City which are payable solely from the Tax Increment Revenues of the Oregon Convention Center Urban Renewal Area and the other amounts constituting the Security, as defined and provided in the Declaration.

THIS BOND IS A SPECIAL, LIMITED OBLIGATION OF THE CITY WHICH IS SECURED SOLELY BY AND PAYABLE SOLELY FROM THE OREGON CONVENTION CENTER TAX INCREMENT REVENUES AND OTHER AMOUNTS CONSTITUTING THE “SECURITY” AS DEFINED AND PROVIDED IN THE DECLARATION. THIS BOND IS NOT A GENERAL OBLIGATION OF THE CITY OR THE

COMMISSION, AND IS NOT SECURED BY OR PAYABLE FROM ANY FUNDS OR REVENUES OF THE CITY OR THE COMMISSION EXCEPT THE SECURITY.

The Bonds are initially issued in book-entry-only form with no certificates provided to the beneficial owners of the Bonds. Records of ownership of beneficial interests in the Bonds will be maintained by The Depository Trust Company and its participants.

Should the book-entry only security system be discontinued, the Bonds shall be issued in the form of registered Bonds without coupons in the denominations of \$5,000 or any integral multiple thereof. Such Bonds may be exchanged for Bonds of the same aggregate principal amount and maturity date, but different authorized denominations, as provided in the Declaration.

The Bonds are not subject to optional or mandatory redemption prior to maturity.

Any transfer of this Bond must be registered, as provided in the Declaration, upon the Bond register kept for that purpose by the Registrar. Upon registration, a new registered Bond or Bonds, of the same series and maturity and in the same aggregate principal amount, shall be issued to the transferee as provided in the Declaration. The Registrar and the City may treat the person in whose name this Bond is registered as its absolute owner for all purposes, as provided in the Declaration.

This Bond shall remain in the Paying Agent's custody subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Paying Agent and The Depository Trust Company.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form, and manner as required by the Constitution and Statutes of the State of Oregon; and that the issue of which this Bond is a part, and all other obligations of the City, are within every debt limitation and other limit prescribed by such Constitution and Statutes and City Charter.

IN WITNESS WHEREOF, the Council of the City of Portland, Oregon, has caused this Bond to be signed by facsimile signature of its Mayor and countersigned by facsimile signature of its Auditor, and has caused a facsimile of the corporate seal of the City to be imprinted hereon, all as of the date first above written.



City of Portland, Oregon

A handwritten facsimile signature in black ink, appearing to read "S.A.M.", representing Sam Adams, Mayor of Portland, Oregon.

Sam Adams, Mayor

A handwritten facsimile signature in black ink, appearing to read "L. Griffin-Valade", representing LaVonne Griffin-Valade, Auditor of Portland, Oregon.

LaVonne Griffin-Valade, Auditor

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

CERTIFICATE OF AUTHENTICATION

This Bond is one of a series of \$29,685,000 aggregate principal amount of City of Portland, Oregon Convention Center Senior Lien Urban Renewal and Redevelopment Refunding Bonds, 2011 Series B (Tax-Exempt) issued pursuant to the Declaration described herein.

Date of Authentication: _____, 2011.

U.S. Bank National Association, as Paying Agent

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 entireties
- 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

APPENDIX D
LEGAL OPINION



July 6, 2011

City of Portland
1221 S.W. Fourth Avenue, Room 120
Portland, Oregon 97204

Subject: \$29,685,000 City of Portland, Oregon, Oregon Convention Center Senior Lien Urban Renewal and Redevelopment Refunding Bonds, 2011 Series B (Tax-Exempt)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Portland, Oregon (the "City") of its Oregon Convention Center Senior Lien Urban Renewal and Redevelopment Refunding Bonds, 2011 Series B (Tax-Exempt) (the "2011 Series B Bonds") which are dated as of July 6, 2011. The 2011 Series B Bonds are issued pursuant to City Ordinance No. 184513 adopted April 13, 2011 (the "Ordinance"), and a Bond Declaration dated as of July 6, 2011 ("Bond Declaration") executed in connection with the Bonds. Capitalized terms not defined herein shall have the meanings defined for such terms in the Bond Declaration.

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the official statement or other offering materials relating to the 2011 Series B Bonds, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the official statement.

Regarding questions of fact material to our opinion, we have relied on representations of the City in the Ordinance and in the certified proceedings and on other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The 2011 Series B Bonds have been legally authorized, sold and issued under and pursuant to the Constitution and Statutes of the State of Oregon, the Charter of the City, and the Ordinance. The 2011 Series B Bonds constitute valid and legally binding obligations of the City enforceable in accordance with their terms.
2. The 2011 Series B Bonds are special, limited obligations of the City secured solely by and payable solely from the Security.
3. Interest on the 2011 Series B Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations. The portion of the opinion set forth in this paragraph is subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the 2011 Series B Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the 2011 Series B Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2011 Series B Bonds.
4. Interest on the 2011 Series B Bonds is exempt from Oregon personal income tax.

We note that the City has not designated the 2011 Series B Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3)(B) of the Code.

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 2011 Series B Bonds. Owners of the 2011 Series B Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the 2011 Series B 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.

The portion of this opinion that is set forth in paragraph 1, above, is qualified only to the extent that enforceability of the 2011 Series B 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 City.

This opinion is given as of the date hereof, and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

This 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 this opinion.

This opinion is given solely for your benefit in connection with the 2011 Series B Bonds 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 2011 Series B Bonds, nor may copies be furnished to any other person or entity, without the prior written consent of K&L Gates LLP.

We have served only as bond counsel to the City in connection with the 2011 Series B Bonds and have not represented any other party in connection with the 2011 Series B Bonds. Therefore, no attorney-client relationship shall arise by virtue of our addressing this opinion to persons other than the City.

Respectfully submitted,

K&L GATES LLP

Lawyers