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January 27, 2010

Patti Tighe
Principal Debt Analyst
City of Portland
Public Finance and Treasury Division
1221 S.W. Fourth Avenue, Room 120
Portland, OR 97204

Re: \$12,000,000 Bank Non-Revolving Line of Credit (PGE Park)

Dear Patti:

We enclose a term sheet outlining the proposed terms under which Bank of America, N.A. ("Bank") may extend credit to the City of Portland, Oregon ("Borrower"). This term sheet is not a commitment to lend by Bank.

Please call me at (503) 795-6459, or Sharon Capizzo at (503) 795-6395, to discuss this proposal. We look forward to working with you.

Very truly yours,

BANK OF AMERICA, N.A.

Douglas Bowsby
Senior Vice President

Sharon Capizzo
Senior Vice President

Cc: Merlean Locke, Bank of America

**TERM SHEET PROPOSAL
CITY OF PORTLAND, OREGON
January 27, 2010**

This Term Sheet Proposal is presented for discussion purposes only. It is not a commitment to lend by Bank of America or any of its affiliates. Bank of America may withdraw or amend it at any time in its sole discretion. If Bank of America does extend a loan commitment, the actual terms and conditions (including pricing and financial covenants) will be subject to completion of due diligence, Bank of America's credit and documentation standards, necessary credit approval, market conditions and other considerations determined by Bank of America in its sole discretion.

BORROWER: City of Portland, Oregon (the "Borrower").

LENDER: Bank of America, N.A. ("Bank of America").

CREDIT FACILITY: \$12,000,000 Taxable Non-Revolving Credit Facility (the "Credit Facility").

PURPOSE: The proceeds of the Credit Facility shall be used for interim financing for costs related to renovation of PGE park to accommodate Major League Soccer, and for costs of issuance and financing.

INTEREST RATE: The following interest rate options will be available to Borrower, depending upon the tenor selected:

(A) 3-Year Tenor:

BBA LIBOR Daily Floating Rate: A rate per year equal to the BBA LIBOR Daily Floating Rate plus 1.10%.

LIBOR Fixed Rate: A rate per year equal to the LIBOR Fixed Rate plus 1.10%. LIBOR Fixed Rate advances with interest periods of 1 to 12 months will be available, not to exceed the expiration/maturity date of the Credit Facility. Minimum LIBOR Fixed Rate advance is \$100,000.

(B) 5-Year Tenor:

BBA LIBOR Daily Floating Rate: A rate per year equal to the BBA LIBOR Daily Floating Rate plus 1.20%.

LIBOR Fixed Rate: A rate per year equal to the LIBOR Fixed Rate plus 1.20%. LIBOR Fixed Rate advances with interest periods of 1 to 12 months will be available, not to exceed the expiration/maturity date of the Credit Facility. Minimum LIBOR Fixed Rate advance is \$100,000.

NOTE: If Borrower agrees to advance the full amount of the Credit Facility at closing, the interest rates set forth above will be decreased by 0.10%.

INTEREST RATE: The BBA LIBOR Daily Floating Rate is a fluctuating rate of interest which can change on each banking day. The rate will be adjusted on each banking day to equal the British Bankers Association LIBOR Rate ("BBA LIBOR") for U.S. Dollar deposits for delivery on the date in question for a one month term beginning on that date. The Bank will use the BBA LIBOR Rate as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as selected by the Bank from time to time) as determined at approximately 11:00 a.m. London time two (2) London Banking Days prior to

INTEREST RATE:	<p>the date in question, as adjusted from time to time in the Bank's sole discretion for reserve requirements, deposit insurance assessment rates and other regulatory costs. If such rate is not available at such time for any reason, then the rate will be determined by such alternate method as reasonably selected by the Bank. A "London Banking Day" is a day on which banks in London are open for business and dealing in offshore dollars.</p> <p>"LIBOR" means, for any applicable interest period, the rate per annum equal to the British Bankers Association LIBOR Rate ("BBA LIBOR"), as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as selected by the Bank from time to time) at approximately 11:00 a.m. London time two (2) London Banking Days before the commencement of the interest period, for U.S. Dollar deposits (for delivery on the first day of such interest period) with a term equivalent to such interest period. If such rate is not available at such time for any reason, then the rate for that interest period will be determined by such alternate method as reasonably selected by the Bank. A "London Banking Day" is a day on which banks in London are open for business and dealing in offshore dollars.</p>
INTEREST CALCULATION	All calculations of interest shall be made on the basis of actual number of days elapsed in a 360-day year.
ARRANGEMENT FEE:	\$5,000 payable at closing.
UNUSED COMMITMENT FEE:	There will be no Unused Commitment Fee, Draw Fee or Annual Facility Fee.
TERMINATION:	Borrower may terminate the Credit Facilities at any time without fee, except for any applicable prepayment fees (see below).
REPAYMENT/MATURITY:	The Credit Facility shall be repaid in semi-annual payments of accrued interest, with the entire outstanding principal balance payable at Maturity. Borrower may select a Maturity of either February 1, 2013 (3 years) or February 1, 2015 (5 years), subject to the interest rates set forth above.
SECURITY:	<p>Borrower to pledge the following security for repayment of all outstanding principal, interest and fees due on the Credit Facility:</p> <ul style="list-style-type: none"> • Pledge of Borrower's full faith and credit, not subject to appropriation. • Pledge of proceeds of refunding bonds to be issued to repay the Credit Facility.
SECURITY:	Additional debt with a lien on the proceeds of such refunding bonds will not be permitted without the prior written consent of Bank of America.
PREPAYMENTS:	The Borrower may prepay any variable rate loan under the Credit Facility in whole or in part at any time without fee, except for reimbursement of Bank of America's breakage and redeployment costs in the case of prepayment of LIBOR based borrowings (does not apply to the BBA LIBOR Daily Floating Rate).
REPRESENTATIONS AND WARRANTIES:	Usual and customary for transactions of this type.

COVENANTS:

Usual and customary for transactions of this type, to include without limitation:

- On or before the Maturity date, Borrower agrees to issue debt obligations in an amount sufficient to generate net proceeds, together with other available resources of Borrower, to payoff the Credit Facility in full.

LEGAL OPINION:

Borrower to provide a legal opinion of nationally recognized bond counsel, in form and substance acceptable to Bank and its legal counsel, that (i) the resolution and all documents related to the Credit Facility have been properly adopted, authorized and executed; (ii) the resolution and all documents related to the Credit Facility constitute a legally binding obligation of the Borrower, payable from the Security and enforceable according to their terms (subject to standard exceptions).

REPORTING REQUIREMENTS:

Financial Information from Borrower. Borrower to provide financial information and statements in form and content acceptable to Bank of America indicated below:

- Within 210 days of fiscal year end, the Borrower's CPA audited annual financial statement.
- Within 45 days of adoption, the Borrower's annual budget.
- Such other financial information as may be reasonably requested by Bank of America from time to time.

EVENTS OF DEFAULT:

Usual and customary in transactions of this type.

In addition to other legal remedies, if an event of default occurs due to nonpayment of principal, interest, fees or other amounts when due, then Bank of America may increase the interest rate spread by three percent (3.0%).

GOVERNING LAW/ARBITRATION:

State of Oregon. Any dispute arising out of or related to this letter or the final loan documentation shall be determined by binding arbitration in accordance with the Federal Arbitration Act. All arbitration proceedings shall be conducted through the American Arbitration Association (an independent, alternative dispute resolution service).

EXPENSES:

Borrower will pay all reasonable costs and expenses associated with the preparation, due diligence, administration and enforcement of all documentation executed in connection with the Credit Facility, including Bank of America's attorneys' fees. Bank of America's attorneys' fees for initial review and approval of documentation are subject to a cap of \$1,200.

EXPIRATION OF PROPOSAL:

The terms proposed herein lapse if Bank of America is not selected as the Lender by February 26, 2010, or if the subject transaction is not closed by April 30, 2010, unless extended by mutual agreement.

CREDIT APPROVAL/CLOSING:

Bank of America has in its possession all materials necessary to undertake a full credit analysis; no additional financial or credit information is required. Bank of America expects that it will be ready to close and fund by the requested date of February 5, 2010.

Bank of America is familiar with the standard form of documentation prepared by K&L Gates for similar transactions, and we expect that such documentation will be acceptable.

CREDIT**APPROVAL/CLOSING:**

Bank of America is an FDIC-insured financial institution with total assets in excess of \$500 million.

This Term Sheet Proposal contains confidential and proprietary loan structuring and pricing information. Except for disclosure on a confidential basis to your accountants, attorneys and other professional advisors retained by you in connection with the credit facilities contained in this Term Sheet Proposal or as may be required by law, the contents of the Term Sheet Proposal may not be disclosed in whole or in part to any other person or entity without our prior written consent, provided that nothing herein shall restrict disclosure of information relating to the tax structure or tax treatment of the proposed credit facilities.

Under Oregon law, most agreements, promises and commitments made by Lender concerning loans and other credit extensions which are not for personal, family or household purposes or secured solely by the borrower's residence must be in writing, express consideration and be signed by us to be enforceable.

1. The first part of the document is a letter from the President of the United States to the Congress, dated January 3, 1862.

2. The second part is a report from the Secretary of the Treasury, dated January 3, 1862, on the state of the Treasury.

3. The third part is a report from the Secretary of the Interior, dated January 3, 1862, on the state of the Interior.