

ORDINANCE NO. 015-68

ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE SUPPLEMENTAL INDENTURES UNDER WHICH THE CHICAGO TRANSIT AUTHORITY MAY ISSUE ONE OR MORE SERIES OF OBLIGATIONS SECURED BY THE PLEDGE OF 49 U.S.C. SECTION 5307 URBANIZED AREA FORMULA FUNDS AND THE ISSUANCE OF NOT TO EXCEED \$160,000,000 CAPITAL GRANT RECEIPTS REVENUE BONDS (FEDERAL TRANSIT ADMINISTRATION SECTION 5307 URBANIZED AREA FORMULA FUNDS) THEREUNDER FOR REFUNDING PURPOSES; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE SUPPLEMENTAL INDENTURES UNDER WHICH THE AUTHORITY MAY ISSUE ONE OR MORE SERIES OF OBLIGATIONS SECURED BY THE PLEDGE OF 49 U.S.C. SECTION 5337 STATE OF GOOD REPAIR FORMULA FUNDS AND THE ISSUANCE OF NOT TO EXCEED \$60,000,000 CAPITAL GRANT RECEIPTS REVENUE BONDS (FEDERAL TRANSIT ADMINISTRATION SECTION 5337 STATE OF GOOD REPAIR FORMULA FUNDS) OF THE AUTHORITY THEREUNDER FOR REFUNDING PURPOSES; MAKING OTHER PROVISIONS WITH RESPECT TO SAID BONDS; AND AUTHORIZING THE PURCHASE OF DEBT SERVICE RESERVE POLICIES WITH RESPECT TO OTHER OUTSTANDING BONDS OF THE AUTHORITY

WHEREAS, The Chicago Transit Authority is a political subdivision, body politic and municipal corporation of the State of Illinois (the "*Authority*") organized and existing under the Metropolitan Transit Authority Act, 70 ILCS 3605 et seq. (the "*Act*"); and

WHEREAS, The Authority has received and expects to receive Section 5307 Urbanized Area Formula Funds from the United States of America, acting through the Department of Transportation Federal Transit Administration ("*5307 Grant Receipts*"); and

WHEREAS, The Authority has received previously Section 5309 Fixed Guideway Modernization Formula Funds from the United States of America, acting through the Department of Transportation Federal Transit Administration ("*5309 Grant Receipts*"); and

WHEREAS, Public Law 112-141 (effective October 1, 2012) known as the "Moving Ahead for Progress in the 21st Century Act" or "MAP-21," Chapter 23 of Title 49 of the United States Code, replaced the "Fixed Guideway Modernization" formula funds grant program with the "State of Good Repair" formula funds grant program as set forth in Title 49 United States Code Section 5337; and

WHEREAS, The Authority expects to receive Section 5337 State of Good Repair Formula Funds from the United States of America, acting through the Department of Transportation Federal Transit Administration ("*5337 Grant Receipts*," and together with the 5309 Grant Funds, the "*5309/5337 Grant Funds*"); and

WHEREAS, The Authority intends to issue bonds for the purposes of: (i) refunding certain bonds at maturity, or prior to maturity, pursuant to the redemption provisions pertaining to such bonds, and (ii) payment of costs of issuance related thereto; and

WHEREAS, Pursuant to Section 12 of the Act, the Authority has the continuing power to borrow money for the purpose of refunding its bonds at maturity, or prior to maturity pursuant to the redemption provisions pertaining to said bonds and to evidence its obligation to repay any money borrowed by issuing its revenue bonds payable solely from the revenues or income or other funds, which the Authority may receive; and

WHEREAS, Pursuant to Section 13 of the Local Government Debt Reform Act, 30 ILCS 350 et seq. (the "*Local Government Debt Reform Act*"), the Authority may pledge grants expected to be received from the federal government as security for the payment of its bonds and any other instruments evidencing the obligation to pay money authorized or issued by or on behalf of the Authority under applicable law; and

WHEREAS, Pursuant to and in accordance with the provisions of the Act and the Local Government Debt Reform Act, the Authority previously authorized the execution and delivery of a Trust Indenture dated as of November 1, 2004 (the "*5307 Master Indenture*") between the Authority and Amalgamated Bank of Chicago, Chicago, Illinois, as trustee (the "*5307 Trustee*"), to provide for the issuance from time to time of the 5307 Bonds (as hereinafter defined) and to permit the issuance from time to time, after obtaining all necessary Board approvals, of other 5307 Parity Obligations (as hereinafter defined) secured by a pledge of the 5307 Grant Receipts as provided in the 5307 Master Indenture; and

WHEREAS, Pursuant to the 5307 Master Indenture, the Authority previously issued its (i) Capital Grant Receipts Revenue Bonds, Series 2004A (Federal Transit Administration Section 5307 Formula Funds) (the "*Series 2004A 5307 Bonds*") in the aggregate principal amount of \$150,000,000, of which \$17,310,000 principal amount

thereof is outstanding, and (ii) Capital Grant Receipts Revenue Bonds, Series 2004B (Federal Transit Administration Section 5307 Formula Funds) (the "*Series 2004B 5307 Bonds*") in the aggregate principal amount of \$100,000,000, of which \$6,760,000 principal amount thereof is outstanding (the Series 2004A 5307 Bonds and the Series 2004B 5307 Bonds, collectively the "*Series 2004 5307 Bonds*"), and pursuant to the First Supplemental Indenture dated as of November 1, 2006, supplementing the 5307 Master Indenture, the Authority previously issued its Capital Grant Receipts Revenue Bonds, Series 2006A (Federal Transit Administration Section 5307 Formula Funds) (the "*Series 2006A 5307 Bonds*") in the aggregate principal amount of \$275,000,000, of which \$155,990,000 principal amount is outstanding, and pursuant to the Second Supplemental Indenture dated as of April 1, 2008, supplementing the 5307 Master Indenture, the Authority previously issued its Capital Grant Receipts Revenue Bonds, Series 2008A (Federal Transit Administration Section 5307 Urbanized Area Formula Funds) (the "*Series 2008A 5307 Bonds*") in the aggregate principal amount of \$100,000,000, of which \$100,000,000 principal amount thereof is outstanding, and pursuant to the Third Supplemental Indenture dated as of May 1, 2010, supplementing the 5307 Master Indenture, the Authority previously issued its Capital Grant Receipts Revenue Bonds, Refunding Series 2010 (Federal Transit Administration Section 5307 Formula Funds) (the "*Series 2010 5307 Bonds*") in the aggregate principal amount of \$63,895,000, of which \$63,895,000 principal amount thereof is outstanding, and pursuant to the Fourth Supplemental Indenture dated as of November 1, 2011, supplementing the 5307 Master Indenture, the Authority previously issued its Capital Grant Receipts Revenue Bonds, Refunding Series 2011 (Federal Transit Administration Section 5307 Formula Funds) (the "*Series 2011 5307 Bonds*") in the aggregate principal amount of \$56,525,000, of which \$56,525,000 principal amount thereof is outstanding (the Series 2004 5307 Bonds, Series 2006A 5307 Bonds, the Series 2008A 5307 Bonds, the Series 2010 5307 Bonds and the Series 2011 5307 Bonds collectively, the "*Outstanding 5307 Bonds*"); and

WHEREAS, The 5307 Master Indenture permits the Authority to issue additional bonds from time to time after obtaining all necessary Board approvals and provides for the ability of the Authority to enter into agreements to provide credit support and/or liquidity support for such additional bonds, the payments of the principal of, premium, if any, and interest on such additional bonds and certain payments under such support agreements to be payable from and secured by the 5307 Grant Receipts on a parity with the Outstanding 5307 Bonds (the Outstanding 5307 Bonds, the Series 2015 5307 Bonds (as defined below), any such additional bonds and any such agreements collectively, the "*5307 Parity Obligations*") to the extent provided in the 5307 Master Indenture; and

WHEREAS, Pursuant to and in accordance with the provisions of the Act, the Local Government Debt Reform Act, and the 5307 Master Indenture, the Authority now desires to authorize the execution and delivery of one or more supplemental indentures (collectively, the "*Fifth Supplemental Indenture*," and together with the 5307 Master Indenture as previously supplemented, the "*5307 Indenture*") between the Authority and the 5307 Trustee, to provide for the issuance of one or more series of its "Chicago Transit Authority Capital Grant Receipts Revenue Bonds, Refunding Series 2015

(Federal Transit Administration Section 5307 Urbanized Area Formula Funds)” (the “*Series 2015 5307 Bonds*,” and together with the Outstanding 5307 Bonds and any additional 5307 Parity Obligations, the “*5307 Bonds*”), not to exceed \$160,000,000 aggregate principal amount, as additional bonds under the 5307 Master Indenture, which Series 2015 5307 Bonds may be issued at one time or from time to time and in one or more series, and shall be secured by the 5307 Grant Receipts and income from the temporary investment thereof, as provided in the 5307 Indenture, and shall be used primarily to refund all or a portion of the outstanding Series 2004A 5307 Bonds, the Series 2004B 5307 Bonds and/or the Series 2006A 5307 Bonds (the “*Refunded 5307 Bonds*”); and

WHEREAS, Pursuant to and in accordance with the provisions of the Act and the Local Government Debt Reform Act, the Authority previously authorized the execution and delivery of a Trust Indenture dated as of April 1, 2008 (the “*5309/5337 Master Indenture*”) between the Authority and Amalgamated Bank of Chicago, Chicago, Illinois, as trustee (the “*5309/5337 Trustee*,” and together with the 5307 Trustee, the “*Trustees*”) to provide for the issuance from time to time of the 5309/5337 Bonds (as hereinafter defined) and to permit the issuance from time to time, after obtaining all necessary board approvals, of other 5309/5337 Parity Obligations (as hereinafter defined) secured by a pledge of the 5309/5337 Grant Receipts as provided in the 5309/5337 Indenture; and

WHEREAS, Pursuant to the 5309/5337 Master Indenture, the Authority previously issued its Capital Grant Receipts Revenue Bonds, Series 2008 (Federal Transit Administration Section 5309 Fixed Guideway Modernization Formula Funds) (the “*Series 2008 5309 Bonds*”) in the aggregate principal amount of \$150,000,000, of which \$110,135,000 principal amount thereof is outstanding, and pursuant to the First Supplemental Indenture dated as of November 26, 2008, supplementing the 5309/5337 Master Indenture, the Authority previously issued its Capital Grant Receipts Revenue Bonds, Series 2008A (Federal Transit Administration Section 5309 Fixed Guideway Modernization Formula Funds) (the “*Series 2008A 5309 Bonds*”) in the aggregate principal amount of \$175,000,000, of which \$129,385,000 principal amount thereof is outstanding, and pursuant to the Second Supplemental Indenture dated as of May 19, 2010, supplementing the 5309/5337 Master Indenture, the Authority previously issued its Capital Grant Receipts Revenue Bonds, Refunding Series 2010 (Federal Transit Administration Section 5309 Fixed Guideway Modernization Formula Funds) (the “*Series 2010 5309 Bonds*”) in the aggregate principal amount of \$26,820,000, of which \$26,820,000 principal amount thereof is outstanding (the Series 2008 5309 Bonds, the Series 2008A 5309 Bonds and the Series 2010 5309 Bonds collectively, the “*Outstanding 5309/5337 Bonds*”); and

WHEREAS, Pursuant to the Third Supplemental Indenture dated as of January 1, 2013 supplementing the 5309/5337 Master Indenture, the Authority amended the 5309/5337 Master Indenture (i) to address Public Law 112-141 (effective October 1, 2012) known as the “Moving Ahead for Progress in the 21st Century Act” or “MAP-21,” Chapter 23 of Title 49 of the United States Code, which replaced the “Fixed Guideway Modernization” formula funds grant program with the “State of Good Repair”

formula funds grant program as set forth in Title 49 United States Code Section 5337, and (ii) to confirm, as further assurance, the pledge of or lien upon the 5337 Grant Receipts; and

WHEREAS, The 5309/5337 Master Indenture permits the Authority to issue additional bonds from time to time after obtaining all necessary board approvals and provides for the ability of the Authority to enter into agreements to provide credit support and/or liquidity support for such additional bonds, the payments of the principal of, premium, if any, and interest on such additional bonds and certain payments under such support agreements to be payable from and secured by the 5309/5337 Grant Receipts on a parity with the Outstanding 5309/5337 Bonds (the Outstanding 5309/5337 Bonds, the Series 2015 5309/5337 Bonds (as defined below), any such additional bonds and any such agreements collectively the “5309/5337 Parity Obligations”) to the extent provided in the 5309/5337 Indenture; and

WHEREAS, Pursuant to and in accordance with the provisions of the Act, the Local Government Debt Reform Act, and the 5309/5337 Master Indenture, the Authority now desires to authorize the execution and delivery of one or more supplemental indentures (collectively, the “*Fourth Supplemental Indenture*,” and together with the 5309/5337 Master Indenture as previously supplemented, the “5309/5337 Indenture”) between the Authority and the 5309/5337 Trustee, to provide for the issuance of one or more series of its “Chicago Transit Authority Capital Grant Receipts Revenue Bonds, Refunding Series 2015 (Federal Transit Administration Section 5337 State of Good Repair Formula Funds)” (the “*Series 2015 5309/5337 Bonds*,” and together with the Outstanding 5309/5337 Bonds and any additional 5309/5337 Parity Obligations, the “5309/5337 Bonds”), not to exceed \$60,000,000 aggregate principal amount, as additional bonds under the 5309/5337 Master Indenture, which Series 2015 5309/5337 Bonds may be issued at one time or from time to time and in one or more series, and shall be secured by the 5309/5337 Grant Receipts and income from the temporary investment thereof, as provided in the 5309/5337 Master Indenture, and shall be used primarily to refund all or a portion of the outstanding Series 2008A 5309 Bonds (the “Refunded 5309/5337 Bonds”); and

WHEREAS, The Series 2015 5307 Bonds will be limited obligations of the Authority payable solely from the 5307 Grant Receipts and the moneys, securities and funds pledged to the payment of the 5307 Bonds under the 5307 Indenture; and the Series 2015 5307 Bonds shall not be or become an indebtedness obligation of the State or any political subdivision of the State (other than the Authority) or of any municipality within the State, nor shall any Series 2015 5307 Bonds be or become an indebtedness of the Authority within the purview of any constitutional limitation or provision; and

WHEREAS, The Series 2015 5309/5337 Bonds will be limited obligations of the Authority payable solely from the 5309/5337 Grant Receipts and the moneys, securities and funds pledged to the payment of the 5309/5337 Bonds under the 5309/5337 Indenture; and the Series 2015 5309/5337 Bonds are not, and shall not be or become, an indebtedness or obligation of the State or any political subdivision of the State (other than the Authority) or of any municipality within the State, nor shall any Series 2015

5309/5337 Bonds be or become an indebtedness of the Authority within the purview of any constitutional limitation or provision; and

WHEREAS, In anticipation of the issuance of the Series 2015 5307 Bonds and the Series 2015 5309/5337 Bonds (collectively, the "*2015 Bonds*") in one or more series, the Board desires to authorize and direct any of the Authorized Officers (as defined in Section 1 hereof) to act on behalf of the Board and the Authority to take certain actions necessary to permit the Authority to offer the proposed 2015 Bonds for sale pursuant to the Preliminary Official Statement, as defined herein, and take all other necessary actions relating to the offer, sale and delivery of the 2015 Bonds; and

WHEREAS, The Authority has satisfied all conditions stated in the Act, the Local Government Debt Reform Act, and the 5307 Indenture and the 5309/5337 Indenture (the 5307 Indenture and the 5309/5337 Indenture collectively, the "*Indentures*") as prerequisites to the issuance of the 2015 Bonds; and

WHEREAS, The Authority has caused to be prepared and presented to this meeting certain documents relating to the offer, sale, issuance and delivery of the 2015 Bonds; and

WHEREAS, The Authority desires to authorize the procurement of one or more policies of bond insurance with respect to all or a portion of 2015 Bonds if determined to be desirable in connection with the sale of the 2015 Bonds; and

WHEREAS, Pursuant to and in accordance with the provisions of the Act and the Local Government Debt Reform Act, the Authority previously authorized the execution and delivery of a Trust Indenture dated as of March 1, 2010 (the "*Sales Tax Indenture*") between the Authority and U.S. Bank National Association, as trustee, to provide for the issuance from time to time of the Corporate Purpose Debt Obligations (as defined in the that certain Trust Indenture dated as of July 1, 2008 by and between the Authority and U.S. Bank National Association, as Trustee, securing Chicago Transit Authority Sales and Transfer Tax Receipts Revenue Bonds, as supplemented); and

WHEREAS, Pursuant to the Sales Tax Indenture, the Authority previously issued its (i) Sales Tax Receipts Revenue Bonds, Series 2010A, of the Authority (the "*Series 2010A Sales Tax Bonds*") in the original aggregate principal amount of \$44,645,000, and (ii) Sales Tax Receipts Revenue Bonds, Taxable Series 2010B (Build America Bonds) of the Authority (the "*Series 2010B Sales Tax Bonds*," and together with the Series 2010A Sales Tax Bonds, the "*2010 Sales Tax Bonds*") in the original aggregate principal amount of \$505,355,000; and

WHEREAS, The Authority desires to authorize obtaining one or more surety or insurance policies with respect to certain debt service reserve accounts relating to the 2010 Sales Tax Bonds, if determined to be desirable; and

WHEREAS, Pursuant to the resolution adopted by the Board of Commissioners of the Public Building Commission of Chicago (the "*PBC*"), on October 3, 2006 (the

"*Bond Resolution*"), the PBC previously issued the Public Building Commission of Chicago, Building Refunding Revenue Bonds, Series 2006 (Chicago Transit Authority) (the "*2006 PBC Bonds*") in the original aggregate principal amount of \$91,340,000; and

WHEREAS, The Authority desires to authorize obtaining one or more qualified letters of credit, surety bonds or insurance policies with respect to the debt service reserve account relating to the 2006 PBC Bonds, if determined to be desirable; and

WHEREAS, It appears that each of the documents or instruments referred to herein is in appropriate form and is an appropriate document or instrument to be executed and delivered for the purposes intended and as provided in this Ordinance; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. Definitions. In this Ordinance, each of the terms defined in the above recitals shall have the meanings ascribed to such terms and the following terms shall have the meanings ascribed to such terms, unless the context otherwise requires:

(a) "*Authorized Officers*" means the Chairman of the Board, the President or the Treasurer or Assistant Treasurer of the Authority, or any other officer or employee of the Authority or member of the Chicago Transit Board authorized to perform specific acts or duties hereunder by ordinance duly adopted by the Authority.

(b) "*Board*" means the Chicago Transit Board.

(c) "*FTA*" means the Federal Transit Administration of the United States Department of Transportation of the United States of America.

(d) "*5307 Grant Receipts*" means all amounts received by the Authority from its share of FTA Section 5307 (49 United States Code Section 5307) Urbanized Area Formula Funds.

(e) "*5309 Grant Receipts*" means all amounts received by the Authority from its share of FTA Section 5309 (49 United States Code Section 5309) Fixed Guideway Modernization Formula Funds.

(f) "*5309/5337 Grant Receipts*" means, collectively, the 5309 Grant Receipts and the 5337 Grant Receipts.

(g) "*5337 Grant Receipts*" means all amounts received by the Authority from its share of FTA Section 5337 (49 United States Code Section 5337) State of Good Repair Formula Funds.

(h) Terms not defined herein shall have the meaning given thereto in the Indentures.

SECTION 2. Findings and Determinations. The Board hereby makes the following findings and determinations:

(a) All of the recitals contained in the preamble to this Ordinance are incorporated in full as part of this Ordinance.

(b) A.C. Advisory, Inc. and Public Financial Management, Inc., acting as financial advisors to the Authority, have prepared and presented to the Authority a plan for the refunding the Refunded 5307 Bonds and the Refunded 5309/5337 Bonds, as described above, and such refunding plan is hereby approved.

(c) The Series 2015 5307 Bonds authorized by this Ordinance are to be issued to refund the Refunded 5307 Bonds in anticipation of the receipt of the 5307 Grant Receipts expected to be received by the Authority pursuant to its share of Section 5307 Urbanized Area Formula Funds.

(d) The Series 2015 5309/5337 Bonds authorized by this Ordinance are to be issued to refund the Refunded 5309/5337 Bonds in anticipation of the receipt of the 5337 Grant Receipts expected to be received by the Authority pursuant to its share of Section 5337 State of Good Repair Formula Funds.

(e) In accordance with this plan for the refunding, portions of the proceeds of sale of the 2015 Bonds may be applied to refund the Refunded 5307 Bonds and the Refunded 5309/5337 Bonds, as applicable, to fund the respective Debt Service Reserve Accounts established and maintained pursuant to the applicable Indenture with respect to the 2015 Bonds, and to fund certain costs of issuance of the 2015 Bonds.

(f) The fee allocation arrangement and level of fees to be paid to the financial advisors, bond insurer, rating agencies, trustees, bond counsel and for cost of issuance shall be as determined by the Chief Financial Officer and Treasurer or Assistant Treasurer of the Authority, provided such fees (exclusive of fees for bond insurance) do not exceed in aggregate two and a half percent (2.5%) of the principal amount of the 2015 Bonds and all such fees (exclusive of fees for bond insurance) shall be paid as part of the costs of issuance of the 2015 Bonds.

(g) Pursuant to Section 13 of the Local Government Debt Reform Act, the 5307 Grant Receipts, to the extent and in the manner provided herein and in the 5307 Indenture, shall be and are pledged as security for the payment of the Outstanding 5307 Bonds as defined in the 5307 Indenture, the Series 2015 5307 Bonds and any additional 5307 Parity Obligations that may be issued or entered into in the future under the terms of the 5307 Indenture.

(h) Pursuant to Section 13 of the Local Government Debt Reform Act, the 5309/5337 Grant Receipts, to the extent and in the manner provided herein and in the 5309/5337 Indenture, shall be and are pledged as security for the payment of the Outstanding 5309/5337 Bonds, the Series 2015 5309/5337 Bonds and any additional 5309/5337 Parity Obligations that may be issued or entered into in the future under the terms of the 5309/5337 Indenture.

(i) The Authority has been advised by its financial advisors that the 2015 Bonds should be offered to investors by the means of one or more private, negotiated sales to a group of one or more underwriters (collectively, the "Underwriters," with the intended list of such Underwriters set forth on Exhibit A attached hereto, as such list may be modified by an Authorized Officer) and, pursuant to one or more Bond Purchase Agreements between the Authority and the Underwriters (each a "*Bond Purchase Agreement*"), the Underwriters will agree to offer the 2015 Bonds sold pursuant to such Bond Purchase Agreements for sale pursuant to one or more bona fide public offerings. Pursuant to Section 10 of the Local Government Debt Reform Act, the Board determines that the 2015 Bonds shall be sold by means of one or more private, negotiated sales to the Underwriters pursuant to the terms and provisions of each Bond Purchase Agreement and that the manner of sale will accommodate current market practices and will provide an opportunity to sell the 2015 Bonds under the most favorable terms.

(j) Authority is hereby delegated to the Treasurer of the Authority (and if such Treasurer is not available, any other Authorized Officer) to execute and deliver one or more Bond Purchase Agreements to sell the 2015 Bonds at one time or from time to time to the Underwriters pursuant to one or more Bond Purchase Agreements, provided that the underwriting spread of the Underwriters shall not exceed 0.7% of the aggregate principal amount of the 2015 Bonds being sold at such time. The authority delegated to the Authorized Officers pursuant to this Ordinance with respect to the sale of the 2015 Bonds shall terminate on December 31, 2016.

SECTION 3. Authorization of the 2015 Bonds to Refund the Refunded 5307 Bonds and the Refunded 5309/5337 Bonds. Pursuant to Section 12 of the Act and the Local Government Debt Reform Act, the Authority hereby authorizes the issuance of the 2015 Bonds at one time or from time to time and in one or more series, in an aggregate principal amount not to exceed \$220,000,000 for the purchase price or prices as specified in the applicable Bond Purchase Agreement. The proceeds of the Series 2015 5307 Bonds shall be used primarily for the purpose of refunding the Refunded 5307 Bonds, and the proceeds of the Series 2015 5309/5337 Bonds shall be used primarily for the purpose of refunding the Refunded 5309/5337 Bonds.

SECTION 4. Certain Terms of the 2015 Bonds; Execution and Delivery of the 2015 Bonds.

(a) The Chairman of the Board, the President or such other Authorized Officer designated by the Chairman is authorized to execute the 2015 Bonds on behalf of the Authority, and the Secretary or Assistant Secretary shall attest thereto, in each case by manual or facsimile signatures, and the seal (or a facsimile thereof) of the Authority shall be impressed, imprinted, engraved or otherwise reproduced thereon, and the 2015 Bonds shall be delivered to the applicable trustee under the applicable Indenture for authentication and delivery to the Underwriters pursuant to the applicable Bond Purchase Agreement.

(b) The 2015 Bonds shall be in the form and denominations set forth in the Indentures, shall be dated and numbered as provided in the Indentures, shall mature on the dates, shall be issued in the principal amounts and in the designated series, shall bear interest payable at the times and at the rates per annum and shall be subject to redemption prior to maturity upon the terms and conditions to be specified in the applicable Bond Purchase Agreement, the applicable Indenture and the Official Statement (as defined herein), subject to the limitations set forth in subsection (c) hereof.

(c) The Series 2015 5307 Bonds shall be designated "Chicago Transit Authority Capital Grant Receipts Revenue Bonds, Refunding Series 201_ (Federal Transit Administration Section 5307 Urbanized Area Formula Funds)" and include such further appropriate designation as to year of issuance and series as is set forth in the Fifth Supplemental Indenture. The Series 2015 5309/5337 Bonds shall be designated "Chicago Transit Authority Capital Grant Receipts Revenue Bonds, Refunding Series 201_ (Federal Transit Administration Section 5337 State of Good Repair Formula Funds)" and include such further appropriate designation as to year of issuance and series as is set forth in the Fourth Supplemental Indenture. The 2015 Bonds shall bear interest at the rate or rates as provided in the Indentures, but in no event shall such rate or rates exceed 6.0% per annum. Interest on the 2015 Bonds shall be payable on each interest payment date as provided in the Indentures (as executed and delivered by the Authority). The 2015 Bonds shall mature on such dates as provided in the Indentures, but in no event later than June 1, 2026. The 2015 Bonds shall be subject to redemption as provided in the Indentures. The 2015 Bonds may be redeemable prior to maturity at the option of the Authority, in whole or in part, at such times and at such redemption prices not to exceed 100% of the principal amount of 2015 Bonds to be redeemed, as shall be determined by an Authorized Officer at the time of the sale thereof. The 2015 Bonds may be made subject to sinking fund redemption, at par plus accrued interest to the date fixed for redemption, as determined by an Authorized Officer at the time of the sale thereof; provided, that such 2015 Bonds shall mature not later than June 1, 2026. Either or both Indentures may provide for the establishment of a Debt Service Reserve Account if an Authorized Officer determines that the establishment of such a reserve would be advantageous to the Authority in obtaining either bond insurance for the 2015 Bonds or in achieving a higher rating on the 2015 Bonds.

(d) The 5307 Bonds are limited obligations of the Authority payable solely from the 5307 Grant Receipts and the moneys, securities and funds pledged to the payment of the 5307 Bonds under the 5307 Indenture; and the 5307 Bonds are not, and shall not be or become, an indebtedness or obligation of the State or any political subdivision of the State (other than the Authority) or of any municipality within the State, nor shall any 5307 Bond be or become an indebtedness of the Authority within the purview of any constitutional limitation or provision. The 5307 Bonds shall not be secured by any lien upon any physical property of the Authority.

(e) The 5309/5337 Bonds are limited obligations of the Authority payable solely from the 5309/5337 Grant Receipts and the moneys, securities and funds pledged to the payment of the 5309/5337 Bonds under the 5309/5337 Indenture; and

the 5309/5337 Bonds are not, and shall not be or become, an indebtedness or obligation of the State or any political subdivision of the State (other than the Authority) or of any municipality within the State, nor shall any 5309/5337 Bond be or become an indebtedness of the Authority within the purview of any constitutional limitation or provision. The 5309/5337 Bonds shall not be secured by any lien upon any physical property of the Authority.

(f) All or any portion of the 2015 Bonds may be issued as (i) bonds on which the interest paid and received is excludable from the gross income of the owners thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "*Code*") (except to the extent that such interest is taken into account on computing an adjustment used in determining the alternative minimum tax for certain corporations); or (ii) bonds on which the interest paid and received is not excludable from the gross income of the owners thereof for federal income tax purposes under the Code ("*Taxable Bonds*"). Nothing contained in this Ordinance shall limit the ability of the Authority to issue all or a portion of the 2015 Bonds as Taxable Bonds if determined by an Authorized Officer to be in the best interest of the Authority.

SECTION 5. Pledge of Grant Receipts to Secure Parity Obligations. The Board hereby authorizes the execution of the Fifth Supplemental Indenture and confirms the pledge by the Authority, as part of the trust estate established by the 5307 Indenture, of the 5307 Grant Receipts as security for the payment of the principal of, redemption premium, if any, and interest on, the Outstanding 5307 Bonds, the Series 2015 5307 Bonds and any additional 5307 Parity Obligations as the Authority may issue or enter into in the future and other than such 5307 Grant Receipts as may, under the terms of the 5307 Indenture, be withdrawn by or paid to the Authority free of the pledge and lien of the 5307 Indenture. The Board hereby authorizes the execution of the Fourth Supplemental Indenture and confirms the pledge by the Authority, as part of the trust estate established by the 5309/5337 Indenture, of the 5309/5337 Grant Receipts as security for the payment of the principal of, redemption premium, if any, and interest on, the Series 2015 5309/5337 Bonds and any additional 5309/5337 Parity Obligations as the Authority may issue or enter into in the future and other than such 5309/5337 Grant Receipts as may, under the terms of the 5309/5337 Indenture, be withdrawn by or paid to the Authority free of the pledge and lien of the 5309/5337 Indenture.

SECTION 6. Approval of Escrow Agreements. The proceeds of the sale of the Series 2015 5307 Bonds and the Series 2015 5309/5337 Bonds may be deposited into one or more escrow accounts pursuant to and in accordance with the terms of one or more Escrow Agreements in substantially the form previously used for similar financings of the Authority with appropriate revisions in text as any Authorized Officer shall determine are necessary or desirable in connection with the sale of the 2015 Bonds. Such deposit shall be in an amount sufficient, together with other available funds, to purchase direct obligations of the United States of America ("*Escrow Investments*") that may not be redeemed at the option of the Authority or any person other than the holder thereof, which Escrow Investments will mature in principal amounts and bear interest in such amounts and become due and payable at such times so that monies will be available from such maturing principal and interest payments as shall, together with any

beginning cash balance, be sufficient to pay, as the same become due, all principal of, interest and redemption premium, if any, on all or a portion of the Outstanding 5307 Bonds and the Outstanding 5309/5337 Bonds being refunded thereby. The Authorized Officers are each hereby authorized to execute and deliver one or more Escrow Agreements in the name and on behalf of the Authority, in substantially the form previously used for similar financings of the Authority, with such changes as may be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of the approval of such Authorized Officer and the Board of any and all changes from the forms of previously used escrow agreements. PFM Asset Management is hereby authorized to solicit bids for the escrow securities on behalf of the Authority.

SECTION 7. Approval of the Supplemental Indentures.

(a) To provide for the details of and to prescribe the terms and conditions upon which the Series 2015 5307 Bonds are to be issued, secured, executed, authenticated and held, the Authorized Officers are each hereby authorized to execute and deliver the Fifth Supplemental Indenture and such other additional supplemental indentures as the Authorized Officers deem necessary or appropriate, in the name and on behalf of the Authority, in each case in the form attached hereto as Exhibit B, and such appropriate form is hereby approved, with such other or further changes in the Fifth Supplemental Indenture and any other supplemental indentures as may be approved by any Authorized Officer executing the same. The execution of the Fifth Supplemental Indenture and any other supplemental indentures by any Authorized Officer shall constitute conclusive evidence of the approval by such Authorized Officer and the Authority of any and all such changes from the form of the Fifth Supplemental Indenture presented to this meeting and approved hereby.

(b) To provide for the details of and to prescribe the terms and conditions upon which the Series 2015 5309/5337 Bonds are to be issued, secured, executed, authenticated and held, the Authorized Officers are each hereby authorized to execute and deliver the Fourth Supplemental Indenture and such other additional supplemental indentures as the Authorized Officers deem necessary or appropriate, in the name and on behalf of the Authority, in each case in the form attached hereto as Exhibit C, and such appropriate form is hereby approved, with such other or further changes in the Fourth Supplemental Indenture and any other supplemental indentures as may be approved by any Authorized Officer executing the same. The execution of the Fourth Supplemental Indenture and other supplemental indentures by any Authorized Officer shall constitute conclusive evidence of the approval by such Authorized Officer and the Authority of any and all such changes from the form of the Fourth Supplemental Indenture presented to this meeting and approved hereby.

SECTION 8. Approval of Use and Distribution of the Preliminary Official Statement. The Authorized Officers are each hereby authorized to use and distribute one or more Preliminary Official Statements for the 2015 Bonds (the "*Preliminary Official Statement*") in substantially the form previously used for similar financings of the Authority, which Preliminary Official Statement shall also include such information as shall be deemed necessary or appropriate by any Authorized Officer to approve such Preliminary Official Statement, including information concerning the bonds being

refunded, the bond insurer and bond insurance policy relating to the 2015 Bonds, information conforming to the form of Indentures and such other information as such officer deems necessary or appropriate under the circumstances. Upon the determination of any Authorized Officer that the Preliminary Official Statement is deemed final, the Underwriters are hereby authorized to publish and distribute such Preliminary Official Statement for use, together with the form of the Indentures, in connection with a public offering of the 2015 Bonds in an aggregate original principal amount not to exceed the amount described in Section 3 hereof.

SECTION 9. Approval of One or More Bond Purchase Agreements. The Authorized Officers are each hereby authorized to execute and deliver one or more Bond Purchase Agreements in the name and on behalf of the Authority in substantially the form previously used for similar financings of the Authority with appropriate revisions in text as any Authorized Officer shall determine are necessary or desirable in connection with the sale of the 2015 Bonds, with such execution to constitute conclusive evidence of the approval of such Authorized Officer and the Board of any and all changes from the forms of previously used bond purchase agreements.

SECTION 10. Approval of One or More Continuing Disclosure Undertakings. The Authorized Officers are each hereby authorized to execute and deliver one or more Continuing Disclosure Undertakings (each a "*Continuing Disclosure Undertaking*") in the name and on behalf of the Authority in substantially the form previously used for similar financings of the Authority with appropriate revisions in text as any Authorized Officer shall determine are necessary or desirable in connection with the sale of the 2015 Bonds, with such execution to constitute conclusive evidence of the approval of such Authorized Officer and the Board of any and all changes from the forms of previously used continuing disclosure undertakings.

SECTION 11. Official Statements. The Authorized Officers are each hereby authorized to prepare, execute and distribute one or more final Official Statements (each an "*Official Statement*"), which shall reflect the final terms and conditions of the 2015 Bonds as established by a Bond Purchase Agreement, the Indentures and other documents and instruments approved and authorized hereby. Each such Official Statement shall be in the form of the Preliminary Official Statement deemed final pursuant to Section 8 hereof with such changes therein as shall be necessary to conform to this Ordinance and such other changes therein as shall be approved by any Authorized Officer executing the same, with such execution to constitute conclusive evidence of the approval of such Authorized Officer and the Board of any and all changes from the form of the Preliminary Official Statement approved hereby.

SECTION 12. Authorization of the Purchase of Municipal Bond Insurance Policy. In connection with any sale of any series of the 2015 Bonds, any one of the Authorized Officers is authorized to obtain one or more policies of bond insurance from recognized bond insurers selected by such Authorized Officer if such Authorized Officer determines such bond insurance to be desirable in connection with such sale of such 2015 Bonds. The Authorized Officer may, on behalf of the Authority, make covenants with such bond insurer as are necessary or desirable to obtain such policies, execute and deliver such

documents and agreements and pay such related costs with 2015 Bond proceeds or with the funds of the Authority, as are necessary to carry out the purposes of this Ordinance. Any of the Authorized Officers is further authorized to request one or more of the financial advisors to solicit proposals from recognized bond insurers for one or more policies of bond insurance. The Board hereby determines that competitive bidding for such bond insurance is not required under the Procurement Policies and Procedures of the Chicago Transit Authority inasmuch as the services required are for a professional, technical or artistic skill and, as a result, any of the Authorized Officers is authorized to determine whether under then current market conditions it is most advantageous to the Authority to select one or more policies of insurance pursuant to a competitive process or a private negotiated process. If such Authorized Officer so determines that a negotiated process is most advantageous, any of the Authorized Officers is further authorized to select one or more of such policies of bond insurance based upon a determination of what is in the best interest of the Authority and, regardless of the manner of selection, to negotiate and execute all required agreements and certificates with such selected bond insurer(s), such agreements and certificates to be in a form acceptable to the General Counsel of the Authority.

SECTION 13. Continuing Appropriation of Grant Receipts. This Ordinance shall constitute a continuing appropriation of all 5307 Grant Receipts, which shall be used for the purposes specified in and permitted by the 5307 Indenture so long as any 5307 Parity Obligations remain outstanding thereunder. This Ordinance shall constitute a continuing appropriation of all 5309/5337 Grant Receipts, which shall be used for the purposes specified in and permitted by the 5309/5337 Indenture so long as any 5309/5337 Parity Obligations remain outstanding thereunder.

SECTION 14. Authorization of Debt Service Reserve Policies relating to the 2010 Sales Tax Bonds. Any one of the Authorized Officers is authorized to obtain one or more debt service reserve policies issued by one or more providers qualified in accordance with the Sales Tax Indenture (each a "*Qualified Provider*") for deposit into one or more debt service reserve accounts established under the Sales Tax Indenture. The Authorized Officer may, on behalf of the Authority, make covenants with the Qualified Providers as are necessary or desirable to obtain such policies, execute and deliver such documents and agreements and pay such related costs with the funds of the Authority, as are necessary to carry out the purposes of this Ordinance. The Board hereby determines that competitive bidding for policies is not required under the Procurement Policies and Procedures of the Chicago Transit Authority inasmuch as the services required are for a professional, technical or artistic skill and, as a result, any of the Authorized Officers is authorized to determine whether under then current market conditions it is most advantageous to the Authority to select one or more policies pursuant to a competitive process or a private negotiated process. If such Authorized Officer so determines that a negotiated process is most advantageous, any of the Authorized Officers is further authorized to select one or more of such policies based upon a determination of what is in the best interest of the Authority and, regardless of the manner of selection, to negotiate and execute all required agreements and certificates with the Qualified Provider, such agreements and certificates to be in a form acceptable to the General Counsel of the Authority. In connection with obtaining such

policies for deposit into one or more debt service reserve accounts under the Sales Tax Indenture, any one of the Authorized Officers is authorized to withdraw any funds currently being held in such debt service reserve accounts which are no longer needed to satisfy the reserve requirement thereunder, and in accordance with the provisions of the Sales Tax Indenture, to provide for the disposition by the Authority of such funds (including the use of such funds to pay for premiums and other costs of obtaining such debt service reserve policies).

SECTION 15. Authorization of Debt Service Reserve Policies relating to the 2006 PBC Bonds. Any one of the Authorized Officers is authorized to request the PBC cooperate with the Authority in substituting a debt service reserve policy or policies for the funds then on deposit in the debt service reserve account under the Bond Resolution and obtain one or more debt service reserve policies issued by one or more providers qualified in accordance with the Bond Resolution (each a "*Qualified Provider*") for deposit into the debt service reserve account established under the Bond Resolution. The Authorized Officer may, on behalf of the Authority, make covenants with the Qualified Providers as are necessary or desirable to obtain such policies, execute and deliver such documents and agreements and pay such related costs with the funds of the Authority, as are necessary to carry out the purposes of this Ordinance. The Board hereby determines that competitive bidding for policies is not required under the Procurement Policies and Procedures of the Chicago Transit Authority inasmuch as the services required are for a professional, technical or artistic skill and, as a result, any of the Authorized Officers is authorized to determine whether under then current market conditions it is most advantageous to the Authority to select one or more policies pursuant to a competitive process or a private negotiated process. If such Authorized Officer so determines that a negotiated process is most advantageous, any of the Authorized Officers is further authorized to select one or more of such policies based upon a determination of what is in the best interest of the Authority and, regardless of the manner of selection, to negotiate and execute all required agreements and certificates with the Qualified Provider, the PBC and the Trustee for the 2006 PBC Bonds, such agreements and certificates to be in a form acceptable to the General Counsel of the Authority. In connection with obtaining such policies for deposit into the debt service reserve account under the Bond Resolution, any one of the Authorized Officers is authorized to (i) request the PBC and the Trustee for the 2006 PBC Bonds transfer any funds then held in such debt service reserve account which are not needed to satisfy the reserve requirement thereunder to the sinking fund held under the Bond Resolution and apply such funds to the payment of the PBC Bonds or (ii) upon obtaining the required approvals, withdraw any funds then held in such debt service reserve account which are not needed to satisfy the requirement thereunder, to provide for the disposition by the Authority of such funds (including the use of such funds to pay for premiums and other costs of obtaining such debt service reserve policies), upon receipt of an opinion of nationally recognized bond counsel.

SECTION 16. Prior Actions Ratified and Confirmed. The prior actions of the Authorized Officers and all other authorized officers and agents of the Authority in doing any and all acts necessary in connection with the offer, issuance and sale of the 2015 Bonds are hereby approved, ratified and confirmed.

SECTION 17. Ratification and Continued Effectiveness of Actions of Any Authorized Officer Who, For Any Reason, Ceases to be an Authorized Officer. In the event that any Authorized Officer executes or delivers any document or other instrument approved hereunder and later ceases to be such an Authorized Officer before the delivery or performance of the document or instrument so executed, whether by reason of resignation, death or otherwise, any such document or instrument so executed or delivered and any such other action taken in connection therewith shall be and continue to be authorized by this Ordinance and valid, binding and enforceable against the Authority and the Board.

SECTION 18. Authorization and Ratification of Subsequent Acts. The Authorized Officers are each hereby authorized to do all such acts and to execute or accept all such documents as may be necessary to carry out and comply with the provisions of this Ordinance, and the documents attached hereto as Exhibit B through Exhibit C, inclusive, and all of the acts of the Authorized Officers of the Authority which are in conformity with the intent and purposes of this Ordinance, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved. Without limiting the generality of the foregoing, the Authorized Officers of the Authority are hereby each also authorized to execute, acknowledge and deliver such certificates, agreements and documents which, in the opinion of the Authority's General Counsel and co-bond counsel, Mayer Brown LLP and Charity & Associates, P.C., are necessary to effectuate the provisions of this Ordinance, including the issuance of the 2015 Bonds.

SECTION 19. Conflicting Ordinances Amended. All ordinances in conflict herewith are, to the extent of such conflict, hereby amended to conform to this Ordinance.

SECTION 20. Severability. If any section, paragraph or provisions of this Ordinance shall be held invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any remaining provisions.

SECTION 21. Effective Date. This Ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

Assistant Secretary

July 15, 2015

July 15, 2015

(SEAL)

ATTEST:

(Assistant Secretary)