

ORDINANCE NO. 012-159

ORDINANCE AUTHORIZING THE  
EXECUTION AND DELIVERY OF A THIRD  
SUPPLEMENTAL INDENTURE AMENDING  
AN EXISTING MASTER TRUST INDENTURE  
UNDER WHICH THE CHICAGO TRANSIT  
AUTHORITY MAY ISSUE GRANT RECEIPTS  
REVENUE BONDS SECURED BY THE  
PLEDGE OF 49 UNITED STATES CODE  
SECTION 5337 STATE OF GOOD REPAIR  
FORMULA FUNDS

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 Illinois Compiled Statutes 3605 (the "*Act*"); and

WHEREAS, The Authority operates a Transportation System, as defined in the Act; and

WHEREAS, Pursuant to Section 12 of the Act, the Authority has the continuing power to borrow money for the purpose of acquiring, constructing, reconstructing, extending or improving its Transportation System 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 Illinois Compiled Statutes 350 (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 the Trust Indenture dated as of April 1, 2008 (the "*Master Indenture*") between the Authority and Amalgamated Bank of Chicago, Chicago, Illinois, as trustee (the "*Trustee*"), to provide for the issuance from time to time of Parity Obligations (as defined in the Master Indenture) and to permit the issuance from time to time, after obtaining all necessary Board approvals, of Parity Obligations secured by a pledge of and lien on all amounts received by the Authority from the Authority's share of Federal Transit Administration Fixed Guideway Modernization Formula Funds under Title 49 United States Code Section 5309 (the "*Section 5309 Grant Receipts*"); and

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WHEREAS, Pursuant to the Master Indenture, the Authority previously issued its Capital Grant Receipts Revenue Bonds, Series 2008 (Federal Transit Administration Section 5309 Fixed Guideway Modernization Formula Funds); its Capital Grant Receipts Revenue Bonds, Series 2008A (Federal Transit Administration Section 5309 Fixed Guideway Modernization Formula Funds); and its Capital Grant Receipts Revenue Bonds, Refunding Series 2010 (Federal Transit Administration Section 5309 Fixed Guideway Modernization Formula Funds); and

WHEREAS, Pursuant to Public Law 112-141 (effective October 1, 2012) known as the "Moving Ahead for Progress in the 21<sup>st</sup> Century Act" or "MAP-21", Chapter 53 of Title 49 of the United States Code has been amended with the effect that the Fixed Guideway Modernization formula funds grant program has been replaced by the State of Good Repair formula funds grant program as set forth in Title 49 United States Code Section 5337; and

WHEREAS, Pursuant to clause (6) of Section 1001 of the Master Indenture, the Authority and the Trustee may, without additional consents, enter into a Supplemental Indenture to confirm, as further assurance, any pledge of or lien upon the Grant Receipts (as defined in the Master Indenture) or any other moneys, securities or funds; and

WHEREAS, Pursuant to Section 706 of the Master Indenture, the Authority has covenanted that it shall, as far as it may be authorized by law, execute and deliver indentures and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming, all and singular, the rights, Grant Receipts and other moneys, securities and funds hereby pledged or assigned, or which the Authority may become bound to pledge or assign; and

WHEREAS, In conformity with Public Law 112-141, the Authority has determined to pledge and assign, as security for Parity Obligations issued and to be issued under the Master Indenture, all moneys to be received by the Authority from the Authority's share of Federal Transit Administration State of Good Repair Formula Funds under Title 49 United States Code Section 5337 (the "*Section 5337 Grant Receipts*"); and

WHEREAS, The Chicago Transit Board desires to confirm the pledge of the Section 5337 Grant Receipts, to enter into the Third Supplemental Indenture and to authorize and direct any of the Authorized Officers to act on behalf of the Board and the Authority to take certain actions necessary to confirm such pledge; and

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WHEREAS, The Third Supplemental Indenture amending the Master Indenture has been prepared and presented to this meeting; and

WHEREAS, The Authority desires to authorize the execution and delivery of the Third Supplemental Indenture; 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 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) Terms not defined herein shall have the meaning given thereto in the Master Indenture.

**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) The Authority shall enter into the Third Supplemental Indenture for the purpose of amending the Master Indenture to provide for the pledge and assignment of the Section 5337 Grant Receipts as security for the payment of Parity Obligations issued and to be issued under the Master Indenture.

(c) Pursuant to Section 13 of the Local Government Debt Reform Act, the 5337 Grant Receipts, to the extent and in the manner provided herein and in the Master Indenture, shall be and are pledged as security for the payment of the Parity Obligations

that are outstanding under the Master Indenture and the Parity Obligations that may be issued or entered into in the future under the terms of the Master Indenture.

**SECTION 3. Pledge of Grant Receipts to Secure Parity Obligations.**

The Board hereby authorizes the execution of the Third Supplemental Indenture and confirms the pledge by the Authority, as part of the trust estate established by the Master Indenture, of the Section 5337 Grant Receipts as security for the payment of the principal of, redemption premium, if any, and interest on, the Outstanding Parity Obligations and any additional Parity Obligations as the Authority may issue or enter into in the future.

**SECTION 4. Approval of the Third Supplemental Indenture.**

(a) To provide for the amendment of the Master Indenture, the Authorized Officers are each hereby authorized to execute and deliver the Third Supplemental Indenture in the name and on behalf of the Authority in substantially the form attached hereto as Exhibit A, and such appropriate form is hereby approved, with such other or further changes in the Third Supplemental Indenture as may be approved by any Authorized Officer executing the same. The execution of the Third Supplemental Indenture by any Authorized Officer shall constitute conclusive evidence of the approval by such Authorized Officer, the Authority and the Board of any and all such changes from the form of the Third Supplemental Indenture presented to this meeting and approved hereby.

**SECTION 5. Continuing Appropriation of Grant Receipts.** This Ordinance shall constitute a continuing appropriation of all Section 5337 Grant Receipts, which shall be used for the purposes specified in and permitted by the Master Indenture so long as any Parity Obligations remain outstanding thereunder.

**SECTION 6. 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 deposit and application of Section 5337 Grant Receipts are hereby approved, ratified and confirmed.

**SECTION 7. 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 8. 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, the Master Indenture and the Third Supplemental Indenture, and all of the acts of the Authorized Officers 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, are necessary to effectuate the provisions of this Ordinance.

**SECTION 9. Conflicting Ordinances Amended.** All ordinances in conflict herewith are, to the extent of such conflict, hereby amended to conform to this Ordinance.

**SECTION 10. 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 11. Effective Date.** This Ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

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Chairman

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Assistant Secretary

December 18, 2012

December 18, 2012

EXHIBIT A

THIRD SUPPLEMENTAL INDENTURE