

**Resolution No. STA-09-\_\_\_\_\_**

**RESOLUTION OF THE GOVERNING BOARD OF THE SACRAMENTO TRANSPORTATION AUTHORITY AUTHORIZING (1) THE ISSUANCE AND SALE OF NOT TO EXCEED \$350,000,000 AGGREGATE PRINCIPAL AMOUNT OF SACRAMENTO TRANSPORTATION AUTHORITY MEASURE A SALES TAX REVENUE BONDS (LIMITED TAX BONDS) IN ONE OR MORE SERIES, (2) THE EXECUTION AND DELIVERY OF AN INDENTURE AND ONE OR MORE SUPPLEMENTAL INDENTURES, PURCHASE CONTRACTS, OFFICIAL STATEMENTS, REMARKETING AGREEMENTS AND LIQUIDITY FACILITIES, AND (3) THE TAKING OF ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH**

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**WHEREAS**, the Sacramento Transportation Authority (the “Issuer”) is duly organized and existing under the provisions of the Local Transportation Authority and Improvement Act, being Division 19 of the Public Utilities Code of the State of California, Sections 180000 *et seq.* (the “Act”);

**WHEREAS**, the Issuer adopted Ordinance No. STA-04-01, on July 29, 2004 (the “Ordinance”), pursuant to the provisions of Chapter 5 of the Act (Sections 180200 through 180207, inclusive), which Ordinance provides for the imposition of a retail transactions and use tax (the “2004 Measure A Sales Tax”) applicable in the incorporated and unincorporated territory of the County of Sacramento (the “County”) in accordance with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code of the State of California, at the rate of one-half of one percent (1/2%) for a period of thirty (30) years beginning April 1, 2009;

**WHEREAS**, the 2004 Measure A Sales Tax was approved by more than two-thirds of the electors voting on a ballot measure (“2004 Measure A”) to authorize such 2004 Measure A Sales Tax at the general election held in the County on November 2, 2004;

**WHEREAS**, pursuant to the Ordinance, the collection of the 2004 Measure A Sales Tax began on April 1, 2009 and will expire on March 31, 2039;

**WHEREAS**, the Issuer is authorized by Chapter 6 of the Act and the Ordinance to issue from time to time bonds or notes and to incur from time to time other obligations payable in whole or in part from revenues of the 2004 Measure A Sales Tax (the “Sales Tax Revenues”) for capital outlay expenditures for the purposes set forth in Section VI of the Ordinance, including the carrying out of transportation projects (the “Project”) described in the Expenditure Plan (attached as Exhibit A to the Ordinance), including any future amendments thereto;

**WHEREAS**, in order to finance a portion of the Project, the Issuer has heretofore issued its (i) Sacramento Transportation Authority Measure A Sales Tax Revenue Notes, Series 2006A (Limited Tax Bonds) in the principal amount of \$95,615,000 (the “Series 2006A Notes”) pursuant to an Indenture, dated as of October 1, 2006 (the “Prior Master Indenture”) and a First Supplemental Indenture, dated as of October 1, 2006, each between the Issuer and Deutsche Bank National Trust Company, as trustee (the “Trustee”), (ii) Sacramento Transportation

Authority Measure A Sales Tax Revenue Notes, Series 2006B (Limited Tax Bonds) in the principal amount of \$4,475,000 (the “Series 2006B Notes” and together with the Series 2006A Notes, the “Series 2006 Notes”) pursuant to the Prior Master Indenture and a Second Supplemental Indenture, dated as of October 1, 2006, between the Issuer and the Trustee, and (iii) Sacramento Transportation Authority Measure A Sales Tax Revenue Notes (Limited Tax Bonds), Series 2007A in the principal amount of \$82,230,000 (the “Series 2007 Notes” and together with the Series 2006 Notes, the “Prior Notes”) pursuant to the Prior Master Indenture and a Third Supplemental Indenture, dated as of October 1, 2007, between the Issuer and the Trustee;

**WHEREAS**, the Prior Notes mature on October 1, 2009 and the Series 2009 Bonds (defined below) are intended to be issued by the Issuer prior to that maturity date to pay the principal of and interest on the Prior Notes at maturity;

**WHEREAS**, in anticipation of the Series 2009 Bonds, the Issuer has previously executed and delivered and there are currently outstanding three interest rate swap agreements in an aggregate notional amount of \$318,300,000 (the “Existing Swaps”), which Existing Swaps have an effective date of October 1, 2009;

**WHEREAS**, the Issuer now desires to enter into an Indenture, dated as of September 1, 2009 (as supplemented and amended, the “Indenture”) with the Trustee in order to provide for the authentication and delivery from time to time of certain bonds or notes (the “Bonds”), to establish and declare the terms and conditions upon which the Bonds and other obligations secured by the Sales Tax Revenues shall be issued and secured and to secure the payment of the principal thereof, premium (if any), and interest on the Bonds and other obligations secured by the Sales Tax Revenues on a parity with the Bonds (“Parity Obligations”) and certain other obligations secured by the Sales Tax Revenues;

**WHEREAS**, the Issuer further desires to issue Bonds designated as Sacramento Transportation Authority Measure A Sales Tax Revenue Bonds, in one or more series and from time to time (collectively, the “Series 2009 Bonds”) in a combined aggregate principal amount not to exceed three hundred fifty million dollars (\$350,000,000) in order to (1) refund the Prior Notes, (2) finance an additional portion of the Project, (3) fund a reserve fund for the Series 2009 Bonds and (4) fund costs of issuance relating thereto (including, without limitation, certain fees related to the Liquidity Facilities (defined below) and swap termination payments relating to the Existing Swaps, if any);

**WHEREAS**, the Series 2009 Bonds shall be secured by a pledge of the Sales Tax Revenues and shall be issued pursuant to one or more Supplemental Indentures (each, a “Supplemental Indenture” and collectively, the “Supplemental Indentures”), to be entered into between the Issuer and the Trustee, which form of Supplemental Indenture has been prepared and presented to the Issuer;

**WHEREAS**, the issuance of the Series 2009 Bonds is required by Section 180252 of the Act to be approved by two-thirds vote of the Governing Board (the “Board”) of the Issuer;

**WHEREAS**, in order to minimize debt service and maximize benefits to the Issuer in connection with the issuance of the Series 2009 Bonds, it may be desirable to issue the Series 2009 Bonds as fixed rate bonds (the “Fixed Rate Bonds”) or as variable rate bonds (the “Variable Rate Bonds”), or any combination of the foregoing, and, if the bonds are issued as Variable Rate Bonds, to enter into remarketing agreements (the “Remarketing Agreements”) with one or more remarketing agents to provide remarketing agent services with respect to the Series 2009 Bonds;

**WHEREAS**, in order to set forth the terms of sale of the Series 2009 Bonds, the Issuer proposes to enter into one or more bond purchase agreements (the “Purchase Contracts”) with Barclays Capital Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities Inc. and/or such other underwriters or purchasers (collectively, the “Purchasers”) as the Executive Director of the Issuer (the “Executive Director”) may select in his sole discretion;

**WHEREAS**, the proposed forms of the Purchase Contracts and the Remarketing Agreements have been prepared and submitted to the Issuer;

**WHEREAS**, in order to provide liquidity support for any Series 2009 Bonds which are Variable Rate Bonds, the Issuer may enter into one or more standby bond purchase agreements or other liquidity support agreements (each, a “Liquidity Facility” and collectively, the “Liquidity Facilities”) pursuant to California Government Code Section 5922(c), containing such terms and conditions as the Executive Director considers appropriate and with a bank or other entity (each a “Liquidity Provider,” and collectively, the “Liquidity Providers”) to be selected by the Executive Director in his sole discretion in the event a Liquidity Facility is determined to be beneficial to the marketing of the Series 2009 Bonds;

**WHEREAS**, the proposed forms of the Liquidity Facilities have been prepared and submitted to the Issuer;

**WHEREAS**, in order to provide information about the Series 2009 Bonds and related matters to purchasers and potential purchasers of the Series 2009 Bonds, the Issuer proposes to execute and deliver one or more official statements (each, an “Official Statement” and collectively, the “Official Statements”);

**WHEREAS**, the Issuer has been presented with proposed forms of the Indenture, the Supplemental Indentures, the Purchase Contracts, the Remarketing Agreements, the Liquidity Facilities and the Official Statements (the “Financing”), and the Issuer has examined and approved each document and desires to authorize and direct the execution of such documents as are specified herein and such other documents as are necessary in connection with the Financing and to authorize and direct the consummation of the Financing; and

**WHEREAS**, all acts, conditions and things required by the Act and the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the issuance of the Series 2009 Bonds and consummation of the Financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Issuer is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize such Financing and to authorize the execution of the Indenture and one or more Supplemental Indentures, Purchase

Contracts, Remarketing Agreements, Liquidity Facilities and Official Statements for the purposes, in the manner and upon the terms provided;

**NOW THEREFORE, THE SACRAMENTO TRANSPORTATION AUTHORITY RESOLVES:**

**Section 1.** The Issuer finds and determines that the foregoing recitals are true and correct.

**Section 2.** The issuance by the Issuer of not to exceed \$350,000,000 aggregate principal amount of Sacramento Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2009, in accordance with the provisions set forth in the Indenture, in one or more series or subseries and from time to time, as Fixed Rate Bonds or Variable Rate Bonds, is hereby authorized and approved.

**Section 3.** The proposed form of Indenture and Supplemental Indenture presented to this meeting and the terms and conditions thereof are hereby approved. The structure, date, maturity date or dates (not to exceed October 1, 2038), fixed or variable interest rate or rates (such rates not to exceed a maximum of 12% per annum except as it relates to Liquidity Facility Bonds (as defined in the Indenture), which shall be governed by the applicable Liquidity Facility) or methods of determining the same, interest payment dates, forms, registration privileges, place or places of payment, terms of redemption, tender, mandatory purchase, additional series designation and number thereof and other terms of the Series 2009 Bonds shall be (subject to the foregoing limitations) as provided in the Indenture and any Supplemental Indenture as finally executed and delivered.

The Executive Director is hereby authorized and directed, for and in the name and on behalf of the Issuer, to execute and deliver the Indenture and any Supplemental Indenture, in substantially said forms, with such changes therein as the officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

The Series 2009 Bonds shall be executed by the manual or facsimile signature of the Chair of the Issuer and the Auditor-Controller of the Issuer and attested by the manual or facsimile signature of the Clerk, and shall be in the form set forth in and otherwise in accordance with the Indenture and each respective Supplemental Indenture; and when so executed, the Series 2009 Bonds shall be delivered to the Trustee for authentication by the Trustee and delivery by the Trustee to the purchasers thereof in accordance with written instructions executed on behalf of the Issuer by the Executive Director or the designee thereof, which instructions such officer is hereby authorized and directed, for and on behalf of the Issuer, to execute and deliver to the Trustee and which instructions shall provide for the delivery of the Series 2009 Bonds to the Purchasers in accordance with the Purchase Contracts (as that term is defined in Section 4 hereof) upon payment of the purchase price of the Series 2009 Bonds.

**Section 4.** The proposed form of the Purchase Contracts presented to this meeting and the terms and conditions thereof are hereby approved. The Executive Director is hereby authorized and directed, for and in the name and on behalf of the Issuer, to sell the Series 2009 Bonds to the Purchasers pursuant to one or more Purchase Contracts with the Purchasers'

compensation not to exceed 0.5% of the principal amount of the Series 2009 Bonds and to execute and deliver one or more Purchase Contracts, in substantially said form, with such changes therein as the officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 5.** The proposed form of the Liquidity Facilities presented to this meeting and the terms and conditions thereof are hereby approved. The Executive Director is hereby authorized to negotiate with Liquidity Providers one or more Liquidity Facilities for the Series 2009 Bonds, and, if the Executive Director, with the advice of Public Financial Management (the “Financial Advisor”), determines that doing so is in the best interests of the Issuer, to enter into such Liquidity Facilities in substantially said form, with such changes therein as the officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 6.** The proposed form of Official Statements presented to this meeting are hereby approved. The Executive Director is hereby authorized and directed to execute and deliver to the Purchasers a certificate deeming the Official Statements, in substantially the form on file with the Clerk and presented to this meeting and with such changes as the Executive Director approves in the interest of the Issuer, final within the meaning of Securities Exchange Commission Rule 15c2-12. The Purchasers are hereby authorized to distribute the Official Statements in the form so deemed final by the Executive Director, including a preliminary form of the Official Statements, if the Executive Director determines such distribution is appropriate for the sale of the Series 2009 Bonds. The Executive Director is hereby authorized and directed, for and in the name and on behalf of the Issuer, to execute and deliver the Official Statements, in final form, in substantially said form, with such changes therein as the officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 7.** The proposed form of Remarketing Agreements presented to this meeting is hereby approved. The Executive Director is hereby authorized and directed, for and in the name and on behalf of the Issuer, to execute and deliver one or more Remarketing Agreements with such remarketing agents as the Executive Director shall designate in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 8.** The Executive Director is hereby authorized to negotiate with financial institutions and/or insurance companies, as applicable, one or more irrevocable letters of credit, or surety bonds, or one or more insurance policies, and, if the Executive Director, with the advice of the Financial Advisor, determines that doing so is in the best interest of the Issuer, to secure any such irrevocable letter of credit, surety bond, or insurance policy on such terms as the Executive Director, with the advice of the Financial Advisor, determines are appropriate, in order to fund any bond reserve fund established pursuant to the Indenture or the Supplemental Indentures.

**Section 9.** The Executive Director is hereby authorized to enter into or to instruct the Trustee to enter into, with the advice of the Financial Advisor, one or more investment agreements, float contracts, swaps, caps or other hedging products or to terminate or revise the

Existing Swaps (hereinafter collectively referred to as “Hedge Agreements”) providing for the hedging of interest rate or the investment of moneys in any of the funds and accounts created under the Indenture or the Supplemental Indentures, on such terms as the Executive Director shall deem appropriate. Pursuant to Section 5922 of the California Government Code, the Issuer hereby finds and determines that the Hedge Agreements will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Hedge Agreements and/or is designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Existing Swaps and the Series 2009 Bonds or enhance the relationship between risk and return with respect to investments.

**Section 10.** If the Executive Director determines that it will be advantageous to the Issuer to issue all or a portion of the Series 2009 Bonds as “Build America Bonds” under the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”), the Executive Director is hereby authorized to approve such changes to the proposed forms of the Indenture, the Supplemental Indentures, the Purchase Contracts, Official Statements, Remarketing Agreements and Liquidity Facilities as may be necessary or appropriate to provide for the issuance of all or a portion of the Series 2009 Bonds as “Build America Bonds” under the Recovery Act, in each case after consultation with General Counsel to the Issuer and Bond Counsel, as appropriate, such approval to be conclusively evidenced by the execution and delivery of such documents.

**Section 11.** All approvals, consents, directions, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution or the Existing Swaps, whether before or after the issuance of the Series 2009 Bonds, (including, without limitation, any amendment of any of the documents authorized by this Resolution or the Existing Swaps or other agreement related thereto, and any of the foregoing that may be necessary or desirable in connection with any Liquidity Facilities or the extension or replacement thereof, or any reserve facility, any investment of proceeds of the Series 2009 Bonds, or in connection with the addition, substitution or replacement of underwriters or remarketing agents, or any agreements with paying agents, escrow agents or verification agents, the removal or replacement of the Trustee) or any similar action may be given or taken by an Authorized Representative (as such term is defined in the Indenture), without further authorization or direction by the Issuer, and each Authorized Representative is hereby authorized and directed to give any such approval, consent, direction, notice, order, request, or other action and to execute such documents and take any such action which such Authorized Representative may deem necessary or desirable to further the purposes of this Resolution.

**Section 12.** All approvals, consents, directions, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, including, without limitation, any of the foregoing that may be necessary or desirable in connection with any investment of the proceeds of the Series 2009 Bonds, any investment or reinvestment of the amounts held on deposit in any of the funds or accounts established under the Indenture or the Supplemental Indentures, any amendment of such documents or the refunding or defeasance of any Series 2009 Bonds, may be given by the Executive Director without further authorization or direction by the Board, and the Executive Director is hereby authorized and directed to give any such approval, consent, direction, notice, order or request and to take any such action that the Executive Director may deem necessary or desirable to further the purposes of this Resolution.

**Section 13.** The Executive Director and each other appropriate officer of the Issuer, are authorized and directed, for and in the name and on behalf of the Issuer, to execute and deliver any and all agreements, certificates, documents and instruments, including, without limitation, signature certificates, no-litigation certificates, disclosure certificates, tax certificates, letters of representation relating to book-entry registration, certificates concerning the representations in the Purchase Contracts, certificates concerning the contents of the Official Statement and contracts for rebate compliance services, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Issuer has approved in this Resolution.

The Executive Director may appoint in writing a designee to perform any of the actions that the Executive Director may take under this Resolution.

**Section 14.** The General Counsel of the Issuer is authorized and directed to provide such opinions, on behalf of the Issuer, as are required to consummate the transactions authorized by this Resolution.

**Section 15.** In the event that the Executive Director is unable to take any of the actions authorized in this Resolution, the Senior Transportation Administrator is hereby authorized to take any and all such action without further authorization or direction from the Board. All actions heretofore taken by the members of the Board, the Executive Director or the Senior Transportation Administrator, the General Counsel of the Issuer or any other officers, agents or employees of the Issuer, with respect to the issuance of the Series 2009 Bonds, and the other transactions contemplated hereby, and by the Official Statement, are hereby ratified, confirmed and approved.

The Senior Transportation Administrator may appoint in writing a designee to perform any of the actions that the Senior Transportation Administrator may take under this Resolution.

**Section 16.** If any section, paragraph clause or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph or clause or provision shall not affect any of the remaining provisions of this Resolution.

**Section 17.** This Resolution shall take effect immediately upon its adoption and approval.

On a motion by Member \_\_\_\_\_, seconded by Member \_\_\_\_\_, the foregoing Resolution is **PASSED AND ADOPTED** by the Governing Board of the Sacramento Transportation Issuer this 27th day of August, 2009, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

By: \_\_\_\_\_  
Chairperson  
Sacramento Transportation Authority

ATTEST:

By: \_\_\_\_\_  
Clerk of the Governing Board

APPROVED AS TO FORM:

By: \_\_\_\_\_  
General Counsel