

**MATERIAL EVENT NOTICE PURSUANT TO S.E.C. RULE 15c2-12(b)(5)  
BOND INSURER RATING CHANGE**

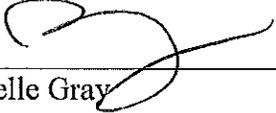
Dated: May 5, 2011

NOTICE IS HEREBY GIVEN that on November 30, 2010 Standard & Poor's Rating Services downgraded Ambac Assurance Corporation from R to not rated.

Ambac Assurance Corporation is the bond insurance provider for the following bond issues:

- 1993 Lease Revenue Refunding Bonds
- 1999 Capital Improvement Revenue Bonds
- 2002 Certificate of Participation
- 2003 Capital Improvement Revenue Bonds
- 2006 Capital Improvement Revenue Bonds, Series A and B
- 2006 Capital Improvement Revenue Bonds, Series C, D, and E

City of Sacramento

  
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Janelle Gray  
Debt Manager