

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

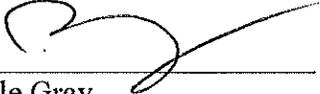
Dated: May 5, 2011

NOTICE IS HEREBY GIVEN that on April 7, 2011 Moody's Rating Services downgraded Ambac Assurance Corporation from Caa2 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



Janelle Gray
Debt Manager