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PRESS RELEASE
Date: November 29, 2006

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Thomas P. Friery, Sacramento City Treasurer, announced the successful sale of \$218 million of the 2006 Capital Improvement Revenue Bonds, Series C, D & E. The Series C & D Bonds (Richards Boulevard), issued to acquire a real property, including a building and adjacent vacant land. The Series E Bonds (Refunding) were issued for a portion of previously issued Capital Improvement Revenue Bonds that had been issued between 2001 and 2003 at higher interest costs for the City of Sacramento and Sacramento Housing and Redevelopment Agency (Agency) projects. Mr. Friery reported that the Refunding Bonds will produce net present value savings of \$15.5 million, which equates to savings in interest costs of 7.1% when compared to the portions of the previous bonds that were issued.

Janelle Gray, Public Finance & Banking Manager advised that the City's underwriting team served as the underwriting syndicate. The team members were comprised of Goldman, Sachs & Co., who served as Senior Manager and book runner, Stone & Youngberg, Co-manager, Merrill Lynch & Co., Siebert Brandford Shank & Co., and E Wagner & Associates. Legal opinions and review for the City were provided by the City's bond counsel firm, Orrick, Herrington & Sutcliffe, LLP. The Bank of New York Trust Company, N.A. will serve as Trustee and Escrow Agent for the issue.

Ms. Gray concluded on the bond structure by stating, "The bonds are insured by the municipal bond insurer Ambac and as such were rated "AAA" by both Moody's Investors Service (Moody's) and Standard and Poor's Rating Services (Standard & Poor's). The underlying credit rating of the "City's General Fund Lease" was reaffirmed to Aa3 by Moody's and AA- by Standard and Poor's."

Sacramento City Mayor Heather Fargo commented "This issue allows the City to purchase real property in accordance with our strategic plan. The savings to the City shows our strong commitment to running our City Government."

Sacramento City Manager Ray Kerridge commented, "I am pleased with the market's continued recognition and acceptance of the City's credit. It is gratifying to see the investor support and competitive pricing the City receives."

Mr. Friery extended appreciation to the syndicate team, City and Agency staff, and all the consultants. "All were committed to completing a prudent and successful financing and we accomplished our mission."

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