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**PRESS RELEASE**

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Sacramento City Treasurer, Thomas P. Friery, announced today the successful sale of \$3,790,000 par value of City of Sacramento, North Natomas Basin 8C CFD No. 99-04 Series B Special Tax Bonds. The bonds were structured as serial and term bonds maturing between 2005 and 2034 and sold with a net original issue discount of \$22,521. The true interest cost for the Bonds, which is equivalent to the "APR" on a home loan, was 5.545%. Mr. Friery stated "The bonds were oversubscribed permitting us to minimize interest cost and demonstrate the strong market recognition of the City of Sacramento's name in the marketplace and the vitality of the North Natomas area."

Friery further explained that, "although the City of Sacramento issued the bonds, they are not obligations of the City. The bonds are secured by a special tax levied and collected against the taxable property within the District. The bonds represent the second series of bonds for Community Facilities District No. 99-04. The first issue was completed in 1999. According to Friery, the average value to lien ratio for this issue of the District's Bonds is approximately 17-to-1."

Proceeds of the bonds will be used to construct storm water conveyance facilities and to pay related storm water control and habitat conservation costs. "These projects represent the basic, but vital, infrastructure needs of the area" said Mayor Heather Fargo.

Deputy City Treasurer, Lydia Abreu stated, "Community Facilities District No. 99-04 is located in the western North Natomas area of north Sacramento. The triangular-shaped district is bounded by Interstate 5 on the northeast, El Centro Road on the west, and Arena Boulevard on the south. The District is 270 gross acres planned for a mixed use of 783 residential units, along with commercial, retail and office properties. This series brings to \$6.6 million in CFD bonds sold for this district which was originally authorized to issue up to \$12.5 million in bonds."

The bonds were structured and underwritten by Stone & Youngberg LLC of San Francisco with legal representation from Nossaman, Guthner, Knox & Elliot. The City's bond counsel firm, Orrick, Herrington & Sutcliffe LLP, provided legal opinion and review for the City of Sacramento. U.S. Bank National Association shall serve as the Trustee for the issue.