

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

Dated: September 22, 2009

NOTICE IS HEREBY GIVEN that on August 5, 2009, Standard & Poor's Rating Services corrected and lowered its rating for Sacramento City Financing Authority 1993 Lease Revenue Refunding Bonds, Series B from AA- to A. The rating was also placed on CreditWatch with negative implications.

August 5, 2009

## S&P Corrects Rating On Sacramento Finchg Auth, CA's Series 1993B Lease Rev Ref Bonds To 'A'; Rating On Watch Negative

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SAN FRANCISCO (Standard & Poor's) Aug. 5, 2009--Standard & Poor's Ratings Services corrected and lowered its rating to 'A' from 'AA-' on Sacramento Financing Authority, Calif.'s \$95.48 million lease revenue refunding bonds, series 1993B. The rating was also placed on CreditWatch with negative implications. On June 22, 2009, the rating and underlying rating (SPUR) on the city's outstanding lease revenue bonds, issued by the authority, were lowered to 'A/Stable' from 'AA-/Stable', and the rating on the series 1993B lease revenue refunding bonds was inadvertently omitted from this rating action.

The rating was placed on CreditWatch with negative implications following a review of the 1993B lease agreement, which provides for 12 months of rental interruption insurance. Standard & Poor's current lease rating criteria require 24 months of coverage. However, we understand that the city intends, through the authority, to modify the lease provisions to include an additional 12 months of rental interruption insurance. Modification of the lease agreement requires city council approval, which the city expects will occur on or around Aug. 11. If there is any change in insurance coverage requirement under the lease, we will review the documentation to see if it meets our criteria. If it does, the rating will likely be removed from CreditWatch and the outlook changed to stable. Should the revised lease provisions not meet our criteria, the rating on the bonds will be withdrawn.

Complete ratings information is available to RatingsDirect subscribers at [www.ratingsdirect.com](http://www.ratingsdirect.com). All ratings affected by this rating action can be found on Standard & Poor's public Web site at [www.standardandpoors.com](http://www.standardandpoors.com); select your preferred country or region, then Ratings in the left navigation bar, followed by Find a Rating.

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