

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

Dated: September 3, 2009

NOTICE IS HEREBY GIVEN that on August 10, 2009, Moody's Rating Services lowered its issuer-credit rating for the City of Sacramento from Aa2 to Aa3.

Moody's Rating Services lowered the underlying rating for the lease revenue bonds of the city's Master Lease Program from Aa3 to A1. The following issues are affected:

- Sacramento City Financing Authority 1999 Capital Improvement Revenue Bonds (Solid Waste and Redevelopment Projects)
- Sacramento City Financing Authority 2002 Capital Improvement Revenue Bonds (City Hall and Redevelopment Projects)
- Sacramento City Financing Authority 2003 Capital Improvement Revenue Bonds (911 Call Center and Other Municipal Projects)
- Sacramento City Financing Authority 2006 Capital Improvement Revenue Bonds, Series A (Community Reinvestment Capital Improvement Program)
- Sacramento City Financing Authority 2006 Capital Improvement Revenue Bonds, Series B (Community Reinvestment Capital Improvement Program)
- Sacramento City Financing Authority 2006 Capital Improvement Revenue Bonds, Series C (300 Richards Boulevard Building Acquisition)
- Sacramento City Financing Authority 2006 Capital Improvement Revenue Bonds, Series D (300 Richards Boulevard Building Acquisition)
- Sacramento City Financing Authority 2006 Capital Improvement Revenue Bonds, Series E (Master Lease Program Facilities)

Moody's Rating Services also lowered the underlying rating for the following revenue bonds from A2 to A1:

- Sacramento City Financing Authority 1993 Lease Revenue Refunding Bonds, Series B
- Sacramento City Financing Authority 2002 Refunding Revenue Bonds
- Sacramento City Financing Authority 2005 Refunding Revenue Bonds (Solid Waste, Redevelopment, and Master Lease Program Facilities)

Furthermore, Moody's Rating Services assigned an A2 rating to the 785846BN5 CUSIP of the city's 1993 Series A Lease Revenue Bonds.