

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

Dated: July 9, 2010

NOTICE IS HEREBY GIVEN that on April 17, 2010, Moody's Investor Services recalibrated its issuer-credit rating for the City of Sacramento from Aa3 with a negative outlook to Aa2 with a stable outlook.

Moody's Investor Services also affirmed the a change in the issue rating for the Sacramento City Financing Authority lease-revenue bonds of the city's Master Lease Program from A1 to Aa3.

The following issues are affected:

- Sacramento City Financing Authority 2003 Capital Improvement Revenue Bonds (911Call 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) related

Moody's Rating Services also affirmed the underlying rating of A1 for the following revenue bonds:

- 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 affirmed an A1 rating for the 785846BN5 CUSIP of the city's 1993 Series A Lease Revenue Bonds.