



Sound Transit 1999 Bonds Material Event Notice - FGIC downgrade

The Central Puget Sound Regional Transit Authority ("Sound Transit") furnishes this notice with respect to its outstanding Sales Tax and Motor Vehicle Excise Tax Bonds, Series 1999 (the "1999 Bonds"). Sound Transit entered into a continuing disclosure undertaking with respect to the 1999 Bonds that requires Sound Transit to provide notices of certain events, if material.

Payment of the principal of and interest on the 1999 Bonds when due is insured by a municipal bond insurance policy (the "Policy") issued by Financial Guaranty Insurance Company ("FGIC"). Upon issuance of the 1999 Bonds, Standard & Poor's Ratings Services ("Standard & Poor's") assigned the 1999 Bonds a rating of "AAA" and Moody's Investors Service, Inc. ("Moody's") assigned the 1999 Bonds a rating of "Aaa," in each case based on the delivery of the Policy. Standard & Poor's also assigned an underlying rating to the 1999 Bonds that has subsequently been upgraded to "AAA." Moody's also assigned an underlying rating to the 1999 Bonds that has subsequently been upgraded to "Aa3."

On January 30, 2008, Standard & Poor's downgraded the claims-paying ability of FGIC to "AA" and as a consequence, downgraded the insured rating on the 1999 Bonds to "AA." On February 25, 2008, Standard & Poor's downgraded the claims-paying ability of FGIC to "A" and as a consequence, downgraded the insured rating on the 1999 Bonds to "A." On March 28, 2008, Standard & Poor's downgraded the claims-paying ability of FGIC to "BB" and as a consequence, downgraded the insured rating on the 1999 Bonds to "BB."

On February 14, 2008, Moody's downgraded the claims-paying ability of FGIC to "A3" and as a consequence, downgraded the insured rating on the 1999 Bonds to "A3." On March 31, 2008, Moody's downgraded the claims-paying ability of FGIC to "Baa3" and as a consequence, downgraded the insured rating on the 1999 Bonds to "Baa3."

Such ratings reflect only the views of Standard & Poor's or Moody's at the time such ratings were changed, and Sound Transit makes no representation about the appropriateness of the rating changes. Standard & Poor's and Moody's have not revised their underlying ratings of "AAA" and "Aa3," respectively, on the 1999 Bonds. An explanation of the significance of such ratings may be obtained only from Standard & Poor's or Moody's. There is no assurance that the current ratings assigned to the 1999 Bonds will continue for any given time or that such ratings will not be revised or withdrawn entirely by Standard & Poor's or Moody's if, in the judgment of Standard & Poor's or Moody's, circumstances so warrant. Any such further revision or withdrawal of a rating of the 1999 Bonds may have an adverse effect on the market price of the 1999 Bonds.

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