



Sound Transit 2005A Bonds Material Event Notice - Ambac Downgrade

The Central Puget Sound Regional Transit Authority (“Sound Transit”) furnishes this notice with respect to its outstanding Sales Tax Bonds, Series 2005A (the “2005A Bonds”). Sound Transit entered into a continuing disclosure undertaking with respect to the 2005A Bonds that requires Sound Transit to provide notices of certain events, if material.

Payment of the principal of and interest on the 2005A Bonds when due is insured by a municipal bond insurance policy (the “Policy”) issued by Ambac Assurance Corporation (“AMBAC”). Upon issuance of the 2005A Bonds, Standard & Poor’s Ratings Services (“Standard & Poor’s”) assigned the 2005A Bonds a rating of “AAA” and Moody’s Investors Service, Inc. (“Moody’s”) assigned the 2005A Bonds a rating of “Aaa,” in each case based on the delivery of the Policy. Moody’s also assigned an underlying rating of “Aa3” to the 2005A Bonds. Standard & Poor’s also assigned an underlying rating to the 2005A Bonds that has subsequently been upgraded to “AAA”.

On June 19, 2008, Moody’s downgraded the claims-paying ability of AMBAC to “Aa3” and as a consequence, downgraded the insured rating on the 2005A Bonds to “Aa3.” On November 5, 2008, Moody’s downgraded the claims-paying ability of AMBAC to “Baa1” and as a consequence, downgraded the insured rating on the 2005A Bonds to “Baa1.”

On June 5, 2008, Standard & Poor’s downgraded the claims-paying ability of AMBAC to “AA” and as a consequence, downgraded the insured rating on the 2005A Bonds to “AA.” On November 19, 2008, Standard & Poor’s downgraded the claims-paying ability of AMBAC to “A” and as a consequence, downgraded the insured rating on the 2005A Bonds to “A.”

Such ratings reflect only the views of Moody’s or Standard & Poor’s at the time such ratings were changed, and Sound Transit makes no representation about the appropriateness of the rating changes. Moody’s has not revised the underlying rating of “Aa3” on the 2005A Bonds. An explanation of the significance of such ratings may be obtained only from Moody’s. There is no assurance that the current ratings assigned to the 2005A Bonds will continue for any given time or that such ratings will not be revised or withdrawn entirely by Moody’s if, in the judgment of Moody’s, circumstances so warrant. Any such further revision or withdrawal of a rating of the 2005A Bonds may have an adverse effect on the market price of the 2005A Bonds.

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