



REVISED NOTICE OF FULL SINKING FUND REDEMPTION

**COMMUNITY FACILITIES DISTRICT NO. 86-2
(RANCHO SANTA MARGARITA) OF THE COUNTY
OF ORANGE**

SERIES A OF 1998 SPECIAL TAX BONDS

NOTICE IS HEREBY GIVEN pursuant to the terms of the governing document dated as of April 22, 1998, between Community Facilities District No. 86-2 (Rancho Santa Margarita) of the County of Orange, as Issuer, and U.S. Bank National Association, as Trustee or Agent, that the bonds listed below have been selected for Full Redemption on August 15, 2014 (the Redemption Date) at the price listed below of the principal amount (the Redemption Price) together with interest accrued to the Redemption Date.

<u>*CUSIP</u>	<u>Maturity</u>	<u>Rate</u>	<u>Amount</u>	<u>Price</u>
684237BY5	08/15/2017	5.55%	\$1,545,000	100.00%

Pursuant to the governing documents, payment of the Redemption Price on the Bonds called for redemption will be paid without presentation of the Bonds if presentment is not required and upon presentation of the Bonds if presentment is required. If presentment is required, surrender thereof can be made in the following manner:

<u>If by Mail:</u> U.S. Bank Corporate Trust Services P.O. Box 64111 St. Paul, MN 55164-0111	<u>If by Hand or Overnight Mail:</u> U.S. Bank Corporate Trust Services 111 Fillmore Ave E St. Paul, MN 55107
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1-800-934-6802

Bondholders presenting their bonds in person for same day payment **must** surrender their bond(s) by 1:00 P.M. CST on the Redemption Date and a check will be available for pick up after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. will be mailed out to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the Redemption Price.

Interest on the principal amount designated to be redeemed shall cease to accrue on and after the Redemption Date.

REQUIREMENT INFORMATION

For a list of redemption requirements please visit our website at www.usbank.com/corporatetrust and click on the "**Bondholder Information**" link.

IMPORTANT NOTICE

Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), 28% will be withheld if tax identification number is not properly certified.

**The Undersigned shall not be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Redemption Notice. It is included solely for the convenience of the Holders.*

By: U.S. Bank National Association
As Trustee or Agent

Dated: July 10, 2014

Code:486596@7/10/2014 2:10:45 PM
(Deleted Job #484287)
SR