



NOTICE OF FULL OPTIONAL REDEMPTION

**CFD NO. 86-2 (RANCHO SANTA MARGARITA)
OF THE COUNTY OF ORANGE
SERIES A OF 2001 SPECIAL TAX BONDS**

NOTICE IS HEREBY GIVEN pursuant to the terms of the governing document dated as of January 12, 2001, between CFD 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 February 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>
684237CQ1	08/15/2014	4.50%	\$215,000	100.00%
684237CR9	08/15/2015	4.60%	\$225,000	100.00%
684237CS7	08/15/2016	4.70%	\$230,000	100.00%
684237CT5	08/15/2017	4.70%	\$230,000	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:

If by Mail:

U.S. Bank
Corporate Trust Services
P.O. Box 64111
St. Paul, MN 55164-0111

If by Hand or Overnight Mail:

U.S. Bank
Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107

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: January 15, 2014