

**MATERIAL EVENT NOTICE  
REPORT OF DEFEASANCE AND OPTIONAL REDEMPTION**

**Community Facilities District No. 1 (Miramar Ranch North)**

**Special Tax Refunding Bonds  
Series 1998**

<u>Maturity Date</u> <u>(September 1)</u>	<u>CUSIP</u>
2012	797316BL9
2012	79316BM7
2013	797316BN5
2020	797316BP0

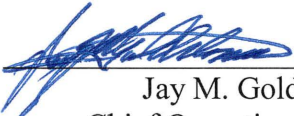
On May 31, 2012, Community Facilities District No. 1 (Miramar Ranch North) sold \$24,795,000 Special Tax Refunding Bonds Series 2012, the proceeds of which, together with certain funds on hand with the District, were used to defease the outstanding maturities of the above captioned Community Facilities District No. 1 (Miramar Ranch North) Special Tax Refunding Bonds Series 1998 (the "Refunded Bonds") on June 21, 2012.

The Trustee has been irrevocably instructed to redeem the Refunded Bonds maturing after September 1, 2012 on September 1, 2012.

Attached is the Trustee's Notice of Defeasance and Optional Redemption issued on June 21, 2012.

DATED: June 21, 2012

CITY OF SAN DIEGO

By:   
Jay M. Goldstone  
Chief Operating Officer



**NOTICE OF DEFEASANCE OF BONDS OF  
CITY OF SAN DIEGO COMMUNITY FACILITIES DISTRICT NO. 1  
(MIRAMAR RANCH NORTH)  
Special Tax Refunding Bonds, Series 1998**

<i>Maturity Date (September 1)</i>	<i>Interest Rate</i>	<i>Par Amount</i>	<i>Call Date</i>	<i>Call Price</i>	<i>CUSIP*</i>
2012	5.250%	\$ 2,050,000	N/A	N/A	797316BL9
2012	4.750	840,000	N/A	N/A	797316BM7
2013	5.375	3,030,000	9/1/12	100%	797316BN5
2020	4.750	25,820,000	9/1/12	100%	797316BP0

Notice is hereby given to the owners of the outstanding City of San Diego Community Facilities District No. 1 (Miramar Ranch North) Special Tax Refunding Bonds, Series 1998 listed above (collectively, the "Refunded Bonds") that:

(i) There has been deposited in an Escrow Fund with U.S. Bank National Association, as Escrow Bank, certain monies and investment securities as permitted by the Indenture dated as of June 1, 1998 (the "Indenture") pursuant to which the Refunded Bonds were issued (the "Indenture") for the purpose of defeasing the Refunded Bonds.

(ii) The Escrow Bank has been irrevocably instructed by Community Facilities District No. 1 (Miramar Ranch North) (the "District") to redeem the Refunded Bonds maturing after September 1, 2012 on September 1, 2012 at the redemption price stated above.

(iii) The Refunded Bonds are deemed to be paid in accordance with the Indenture and all obligations of the District and the Trustee under the Indenture have ceased and terminated except for the obligation of the Trustee to pay the owners of the Refunded Bonds from amounts on deposit in the Escrow Fund and the obligations of the District with respect to the Rebate Fund.

Dated June 21, 2012

**By: U.S. Bank National Association  
as Trustee and Escrow Bank**

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\* Neither the District, Trustee or the Escrow Bank 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 Notice of Defeasance. It is included solely for convenience of the Holders.