

**MATERIAL EVENT NOTICE  
REPORT OF OPTIONAL REDEMPTION**

**Community Facilities District No. 2 (Santaluz)  
Improvement Area No. 4  
Special Tax Bonds Series A of 2004**

<b><u>Maturity Date</u></b> <b><u>(September 1)</u></b>	<b><u>CUSIP</u></b>
2016	802808CJ2
2017	802808CK9
2018	802808CL7
2024	802808CM5
2033	802808CN3

In accordance with Section 5(a)(viii) of the Continuing Disclosure Certificate of the Issuer, dated as of February 1, 2004, notice is hereby given that all outstanding maturities of the above captioned bonds have been called for redemption on September 1, 2015.

Attached is the Trustee's Notice of Optional Redemption issued on July 31, 2015.

Dated: 8-12, 2015

CITY OF SAN DIEGO

By: Mary Lewis  
Mary Lewis  
Chief Financial Officer



NOTICE OF OPTIONAL REDEMPTION

COMMUNITY FACILITIES DISTRICT NO.2 (SANTALUZ)  
IMPROVEMENT AREA NO.4  
SPECIAL TAX BONDS SERIES A OF 2004

Maturity {September 1}	Principal Amount	Redemption Price	CUSIP
2016	\$230,000	100%	802808CJ2
2017	235,000	100%	802808CK9
2018	245,000	100%	802808CL7
2024	1,765,000	100%	802808CM5
2033	3,940,000	100%	802808CN3

NOTICE IS HEREBY GIVEN to the owners of the above captioned bonds (the "Bonds") of the Community Facilities District No. 2 (Santaluz) (the "District") in accordance with that certain Bond Indenture, dated as of February 1, 2004 (the "Indenture"), by and between the District and MUFG Union Bank, N.A. (formerly known as Union Bank of California, N.A.), as trustee (the "Trustee"), pursuant to which such Bonds were issued, that all of the Bonds have been called for redemption on September 1, 2015 (the "Redemption Date"), pursuant to the provisions of the governing documents of the Bonds.

The Bonds will be payable on the Redemption Date at the Redemption Price. Interest with respect to the Bonds to be redeemed will cease to accrue on and after the Redemption Date, and such Bonds shall be surrendered to the Trustee.

Owners of the Bonds should surrender said Bonds on the redemption date at the following address:

By Mail, Hand or Overnight:

MUFG Union Bank, N.A.  
Corporate Trust Department  
Attention: Bond Redemption  
120 South San Pedro Street, Suite 410  
Los Angeles, California 90012

IMPORTANT NOTICE. Under the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (the "Act"), the Trustee may be obligated to withhold 30% of the redemption price from any Bond holder who has failed to furnish the Trustee with a valid taxpayer identification number and a certification that such Bond holder is not subject to backup withholding under the Act. Bond holders who wish to avoid the application of these provisions should submit a completed Form W-9 when presenting their Bonds.

Neither the District nor the Trustee shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in this Notice of Redemption. It is included solely for convenience of the owners of the Bonds.

DATED: July 31, 2015

MUFG UNION BANK, N.A., as  
Trustee