



FOR IMMEDIATE RELEASE

June 25, 2008

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Editors: This is a notice to the financial community from the County of San Diego.

County of San Diego

\$505,125,000 Taxable Pension Obligation Bonds

Series 2002B

(Auction Rate Securities)

CUSIPs 797398BS2 (Subseries B-1), 797398BT0 (Subseries B-2),

797398BU7 (Subseries B-3), 797398BV5 (Subseries B-4)

On Tuesday, June 24, 2008, the County of San Diego Board of Supervisors directed County staff to pursue the following actions with respect to the above-referenced bond issue:

- Chief Financial Officer to instruct the Trustee to deliver to bondholders a conditional notice of redemption for the Series 2002B Bonds by July 14, 2008,
- Redemption of the outstanding \$485,125,000 Series 2002B Bonds, in their entirety, on August 15, 2008 with cash and fixed and variable rate taxable bonds.

The Board of Supervisors directed staff to assemble a financing team, which is comprised of:

- Orrick Herrington & Sutcliffe, LLP, Bond Counsel
- Gardner, Underwood & Bacon LLC, Financial Advisor
- Citi, Senior Managing Underwriter
- Morgan Stanley, Co-senior Managing Underwriter
- De La Rosa, Co-managing Underwriter
- Hawkins Delafield & Wood LLP, Underwriters' Counsel

Staff is proceeding to accomplish the Board of Supervisor's objectives. A number of actions (including obtaining additional approval from the County of San Diego Board of Supervisors) must be taken, and a number of conditions (some of which are outside the control of the County) must be satisfied, before the refunding can occur. Therefore, there can be no assurance that such refunding will be implemented in the near future, if at all.

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