MATERIAL EVENT NOTICE REPORT OF DEFEASANCE AND OPTIONAL REDEMPTION

Community Facilities District No. 3 (Liberty Station) Special Tax Bonds Series A of 2008

Special Tax Bonds Series A of 2008

Maturity Date	
(September 1)	CUSIP
2013	79727QAL2
2014	79727QAM0
2015	79727QAN8
2016	79727QAP3
2017	79727QAQ1
2018	79727QAR9
2019	79727QAS7
2020	79727QAT5
2021	79727QAU2
2022	79727QAV0
2023	79727QAW8
2024	79727QAZ1
2025	79727QBA5
2026	79727QBB3
2027	79727QBC1
2028	79727QAX6
2029	79727QBD9
2030	79727QBE7
2036	79727QAY4

On February 26, 2013, Community Facilities District No. 3 (Liberty Station) issued its \$15,770,000 Special Tax Refunding Bonds Series 2013, 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. 3 (Liberty Station) Special Tax Bonds Series A of 2008 the "Refunded Bonds") on February 26, 2013.

The Trustee has previously sent a notice of redemption for the Refunded Bonds, which will be redeemed on March 1, 2013.

Attached is the Trustee's Notice of Defeasance issued on February 26, 2013.

DATED: $\lambda - 36$, 2013

CITY OF SAN DIEGO

Jay M. Goldstone

Chief Operating Officer

EXHIBIT A

NOTICE OF DEFEASANCE OF BONDS OF CITY OF SAN DIEGO COMMUNITY FACILITIES DISTRICT NO. 3 (LIBERTY STATION) SPECIAL TAX BONDS, SERIES A OF 2008

Interest				Call	
Rate	P	ar Amount	Call Date	Price	CUSIP
4.250%	\$	80,000.00	3/1/2013	103%	79727QAL2
4.400		80,000.00	3/1/2013	103	79727QAM0
4.550		85,000.00	3/1/2013	103	79727QAN8
4.700		90,000.00	3/1/2013	103	79727QAP3
4.875		95,000.00	3/1/2013	103	79727QAQ1
5.000		100,000.00	3/1/2013	103	79727QAR9
5.000		105,000.00	3/1/2013	103	79727QAS7
5.125		110,000.00	3/1/2013	103	79727QAT5
5.250		115,000.00	3/1/2013	103	79727QAU2
5.375		120,000.00	3/1/2013	103	79727QAV0
5.500		125,000.00	3/1/2013	103	79727QAW8
5.500		135,000.00	3/1/2013	103	79727QAZ1
5.625		140,000.00	3/1/2013	103	79727QBA5
5.750		150,000.00	3/1/2013	103	79727QBB3
5.850		160,000.00	3/1/2013	103	79727QBC1
5.875		165,000.00	3/1/2013	103	79727QAX6
5.875		175,000.00	3/1/2013	103	79727QBD9
6.000		185,000.00	3/1/2013	103	79727QBE7
6.000]	1,380,000.00	3/1/2013	103	79727QAY4
	Rate 4.250% 4.400 4.550 4.700 4.875 5.000 5.125 5.250 5.375 5.500 5.625 5.750 5.875 5.875 6.000	Rate P 4.250% \$ 4.400 4.550 4.700 4.875 5.000 5.000 5.125 5.250 5.375 5.500 5.625 5.750 5.875 5.875 6.000 6.000	Rate Par Amount 4.250% \$ 80,000.00 4.400 80,000.00 4.550 85,000.00 4.700 90,000.00 4.875 95,000.00 5.000 100,000.00 5.125 110,000.00 5.250 115,000.00 5.500 125,000.00 5.500 135,000.00 5.750 150,000.00 5.875 160,000.00 5.875 175,000.00 6.000 185,000.00	Rate Par Amount Call Date 4.250% \$ 80,000.00 3/1/2013 4.400 80,000.00 3/1/2013 4.550 85,000.00 3/1/2013 4.700 90,000.00 3/1/2013 4.875 95,000.00 3/1/2013 5.000 100,000.00 3/1/2013 5.125 110,000.00 3/1/2013 5.250 115,000.00 3/1/2013 5.375 120,000.00 3/1/2013 5.500 125,000.00 3/1/2013 5.625 140,000.00 3/1/2013 5.750 150,000.00 3/1/2013 5.850 160,000.00 3/1/2013 5.875 165,000.00 3/1/2013 5.875 175,000.00 3/1/2013 5.875 175,000.00 3/1/2013 6.000 185,000.00 3/1/2013	Rate Par Amount Call Date Price 4.250% \$ 80,000.00 3/1/2013 103% 4.400 80,000.00 3/1/2013 103 4.550 85,000.00 3/1/2013 103 4.700 90,000.00 3/1/2013 103 4.875 95,000.00 3/1/2013 103 5.000 100,000.00 3/1/2013 103 5.000 105,000.00 3/1/2013 103 5.125 110,000.00 3/1/2013 103 5.250 115,000.00 3/1/2013 103 5.500 125,000.00 3/1/2013 103 5.500 125,000.00 3/1/2013 103 5.625 140,000.00 3/1/2013 103 5.750 150,000.00 3/1/2013 103 5.850 160,000.00 3/1/2013 103 5.875 165,000.00 3/1/2013 103 5.875 175,000.00 3/1/2013 103 5.875 175,000.00

Notice is hereby given to the owners of the outstanding City of San Diego Community Facilities District No. 3 (Liberty Station) Special Tax Bonds, Series A of 2008 listed above (collectively, the "Refunded Bonds") that:

(i) In order to redeem the Refunded Bonds on March 1, 2013, there has been deposited with Wells Fargo Bank, National Association, as Trustee, certain monies as permitted by the Bond Indenture dated as of June 1, 2006 as supplemented by the First Supplemental Bond Indenture dated as of April 1, 2008 (together the "Indenture") pursuant to which the Refunded Bonds are outstanding.

(ii) 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 under the Indenture and certain covenants of the District to comply with provisions of the Internal Revenue Code of 1986, as amended, as set forth in the Indenture.

Dated February 26, 2013

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee