

**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**

<u>Maturity Date (September 1)</u>	<u>CUSIP</u>
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: 2-26, 2013

CITY OF SAN DIEGO

By: _____



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**

<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>
2013	4.250%	\$ 80,000.00	3/1/2013	103%	79727QAL2
2014	4.400	80,000.00	3/1/2013	103	79727QAM0
2015	4.550	85,000.00	3/1/2013	103	79727QAN8
2016	4.700	90,000.00	3/1/2013	103	79727QAP3
2017	4.875	95,000.00	3/1/2013	103	79727QAQ1
2018	5.000	100,000.00	3/1/2013	103	79727QAR9
2019	5.000	105,000.00	3/1/2013	103	79727QAS7
2020	5.125	110,000.00	3/1/2013	103	79727QAT5
2021	5.250	115,000.00	3/1/2013	103	79727QAU2
2022	5.375	120,000.00	3/1/2013	103	79727QAV0
2023	5.500	125,000.00	3/1/2013	103	79727QAW8
2024	5.500	135,000.00	3/1/2013	103	79727QAZ1
2025	5.625	140,000.00	3/1/2013	103	79727QBA5
2026	5.750	150,000.00	3/1/2013	103	79727QBB3
2027	5.850	160,000.00	3/1/2013	103	79727QBC1
2028	5.875	165,000.00	3/1/2013	103	79727QAX6
2029	5.875	175,000.00	3/1/2013	103	79727QBD9
2030	6.000	185,000.00	3/1/2013	103	79727QBE7
2036	6.000	1,380,000.00	3/1/2013	103	79727QAY4

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