

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Certificate"), dated as of March 1, 2007, is executed and delivered by City of San Diego (the "City") in connection with the issuance of the \$156,560,000 Public Facilities Financing Authority of the City of San Diego Lease Revenue Refunding Bonds, Series 2007 (Ballpark Refunding) (the "Bonds"). The Bonds are being issued pursuant to an Indenture, dated as of March 1, 2007 (the "Indenture"), between the Public Facilities Financing Authority of the City of San Diego (the "Authority"), a public entity and agency duly organized and existing pursuant to a joint exercise of powers agreement between the City and the Redevelopment Agency of the City of San Diego, and Wells Fargo Bank, National Association, as trustee (the "Trustee"). The Bonds will be payable from base rental payments to be made by the City pursuant to an Amended and Restated Ballpark Facility Lease, dated as of March 1, 2007 (the "Facility Lease"), between the Authority and the City. Capitalized terms used in this Certificate which are not otherwise defined in the Indenture shall have the respective meanings specified above or in Article IV hereof. Pursuant to Section 6.14 of the Indenture and Section 4.03 of the Facility Lease, the City hereby covenants and agrees as follows:

ARTICLE I The Undertaking

Section 1.1. Purpose. This Certificate is being executed and delivered by the City for the benefit of the holders of the Bonds. The terms of this Certificate set forth in Sections 1.3, 1.4, 1.5, and 3.3 hereof shall not be effective and the City shall have no obligations hereunder with respect to such matters until such date as the City files information for its most recently ended fiscal year with the NRMSIRs (the "Effective Date") pursuant to any continuing disclosure undertaking for obligations payable from the City's General Fund. On the Effective Date, all provisions of this Certificate shall be effective.

Section 1.2. Appointment of Dissemination Agent. The City will serve as Dissemination Agent under this Certificate. The City and the Trustee acknowledge that the Authority has undertaken no responsibility with respect to any reports, notices or disclosures, provided or required under this Certificate and has no liability to any person, including any owner or beneficial owner of the Bonds with respect to the Rule.

Section 1.3. Annual Financial Information. (a) The City shall provide to the Dissemination Agent Annual Financial Information with respect to each fiscal year of the City no later than 285 days after the end of such fiscal year. The Dissemination Agent shall disseminate the Annual Financial Information, to each NRMSIR and the SID, within 15 days of receiving such information. The Dissemination Agent shall have no duty or obligation to review such Annual Financial Information. If by 15 days after the end of such fiscal year, the Dissemination Agent has not received a copy of the Annual Financial Information, the Dissemination Agent shall notify the City of such failure to receive such information.

(b) The City shall provide to the Dissemination Agent, in a timely manner, notice of any failure of the City to provide the Annual Financial Information by the date

specified in subsection (a) above which Dissemination Agent shall then provide notice to (i) each NRMSIR and (ii) the SID.

Section 1.4. Audited Financial Statements. If not provided as part of Annual Financial Information by the date required by Section 1.3(a) hereof because not available, the City shall provide Audited Financial Statements, when and if available, to the Dissemination Agent. The Dissemination Agent shall provide any such Audited Financial Statements to each NRMSIR and the SID.

Section 1.5. Notices of Material Events. (a) If a Material Event occurs, the City shall provide, or cause to be provided, to the Dissemination Agent, in a timely manner, a Material Event Notice to be delivered promptly by the Dissemination Agent to (i) each NRMSIR, (ii) the SID, and (iii) the Trustee.

(b) The Trustee shall promptly advise the City whenever, in the course of performing its duties as Trustee under the Indenture, the Trustee has actual notice of an occurrence listed as a Material Event; *provided, however*, that the failure of the Trustee so to advise the City shall not constitute a breach by the Trustee of any of its duties and responsibilities under this Certificate or the Indenture.

Section 1.6. Additional Disclosure Obligations. The City acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended, may apply to the City and that, under some circumstances, compliance with this Certificate without additional disclosures or other action may not fully discharge all duties and obligations of the City under such laws.

Section 1.7. Additional Information. Nothing in this Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Financial Information or notice of Material Event hereunder, in addition to that which is required by this Certificate. If the City chooses to include any information in any Annual Financial Information or Material Event Notice in addition to that which is specifically required by this Certificate, the City shall have no obligation under this Certificate to update such additional information or include it in any future Annual Financial Information or notice of a Material Event hereunder.

ARTICLE II Operating Rules

Section 2.1. Reference to Other Documents. It shall be sufficient for purposes of Section 1.3 hereof if the City shall provide to the Dissemination Agent Annual Financial Information by specific reference to documents (i) either (1) provided to each NRMSIR existing at the time of such reference and the SID, or (2) filed with the SEC; or (ii) if such document is a "final official statement" as defined in paragraph (f)(3) of the Rule, available from the MSRB.

Section 2.2. Submission of Information. Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

Section 2.3. Material Event Notices. Each Material Event Notice shall indicate that it is a notice of Material Event and shall include the CUSIP number of the City or the CUSIP numbers of the Bonds.

Section 2.4. Transmission of Information and Notices. Unless otherwise required by law and, in the City's sole determination, subject to technical and economic feasibility, the City shall employ such methods of information and notice transmission as shall be requested or recommended by the recipients of the City's information and notices.

Section 2.5. Fiscal Year. (a) The City's fiscal year currently begins July 1 and ends on June 30, and the City shall promptly notify the Dissemination Agent which shall then notify (i) each NRMSIR, (ii) the SID and (iii) the Trustee of each change in its fiscal year.

(b) Annual Financial Information shall be provided at least annually notwithstanding any fiscal year longer than 12 calendar months.

ARTICLE III Termination, Amendment and Enforcement

Section 3.1. Termination. (a) The City's obligations under this Certificate shall terminate upon a legal defeasance, prior redemption or payment in full of all of the Bonds. In addition, the Trustee's obligations hereunder shall terminate upon its resignation or removal as Trustee in accordance herewith.

(b) This Certificate, or any provision hereof, shall be null and void in the event that the City (1) delivers to the Trustee an opinion of Counsel, addressed to the City and Trustee, to the effect that those portions of the Rule which require this Certificate, or any of the provisions hereof, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the Dissemination Agent for delivery to each NRMSIR and the SID.

Section 3.2. Amendment. (a) This Certificate may be amended, by the City, without the consent of the holders of the Bonds (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the City or the type of business conducted thereby; (2) this Certificate as so amended would have complied with the requirements of the Rule as of the date of this Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; (3) the City shall have delivered to the Trustee an opinion of Counsel, addressed to the City and the Trustee, to the same effect as set forth in clause (2) above; (4) either (i) the City shall have delivered to the Trustee an opinion of Counsel, addressed to the City and the Trustee, to the effect that the amendment does not materially impair the interests of the holders of the Bonds or (ii) the holders of the Bonds consent to the amendment to this Certificate pursuant to the same procedures as are required for amendments to the Indenture with consent of holders of the Bonds pursuant to the terms of the

Indenture as in effect on the date of this Certificate; and (5) the City shall have delivered copies of such opinion and amendment to the Dissemination Agent for delivery to each NRMSIR and the SID.

(b) This Certificate may be amended and any provision of this Certificate may be waived, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Certificate which is applicable to this Certificate, (2) the City shall have delivered to the Trustee an opinion of Counsel, addressed to the City and the Trustee, to the effect that performance by the City and Trustee under this Certificate as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule and (3) the City shall have delivered copies of such opinion and amendment to the Dissemination Agent for delivery to each NRMSIR and the SID.

(c) To the extent any amendment to this Certificate results in a change in the type of financial information or operating data provided pursuant to this Certificate, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of financial information or operating data being provided and provided no amendment may affect the duties and responsibilities of the Dissemination Agent without consent.

(d) If an amendment is made pursuant to Section 3.2(a) hereof to the accounting principles to be followed by the City in preparing its financial statements, the Annual Financial Information for the fiscal year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. Notice of such change shall be provided by the City to the Dissemination Agent for delivery to (i) each NRMSIR and (ii) the SID.

Section 3.3. Benefit; Enforcement. (a) This Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Purchaser and holders and beneficial owners from time to time of the Bonds. The provisions of this Certificate shall create no rights in any person or entity except as provided in this subsection (a) and subsection (b) of this Section.

(b) Except as provided in this subsection (b), the provisions of this Certificate shall create no rights in any person or entity. The obligations of the City to comply with the provisions of this Certificate shall be enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data and notices, by any holder of Outstanding Bonds, or by the Trustee on behalf of the holders of Outstanding Bonds, or (ii), in the case of challenges to the adequacy of the financial statements, financial information and operating data so provided, by the Trustee on behalf of the holders of Outstanding Bonds; *provided, however*, that the Trustee shall not be required to take any enforcement action except at the direction of the holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding who shall have provided the Trustee with adequate security and indemnity. The holders' and Trustee's rights to enforce the provisions of this Certificate shall be

limited solely to a right, by action in mandamus or for specific performance, to compel performance of the City's obligations under this Certificate.

(c) Any failure by the City or the Dissemination Agent to perform in accordance with this Certificate shall not constitute a default or an Event of Default under the Indenture, and the rights and remedies provided by the Indenture upon the occurrence of a default or an Event of Default shall not apply to any such failure.

(d) This Certificate shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Certificate shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

ARTICLE IV Definitions

Section 4.1. Definitions. The following terms used in this Certificate shall have the following respective meanings:

(1) "Annual Financial Information" means (i) Audited Financial Statements, if available, or Unaudited Financial Statements, and (ii) the following information for the most recently completed fiscal year:

- (i) A table presenting Transient Occupancy Tax collections.
- (ii) A table presenting a summary of the City's operating budget for the latest available fiscal year.
- (iii) A table presenting assessed valuation of property in the City.
- (iv) A table presenting secured tax levies and collections.
- (v) A table presenting top 20 taxpayers in the City.
- (vi) A brief description of labor relations with City employees.
- (vii) A brief description of the San Diego City Employees' Retirement System, including but not limited to its funded status.
- (viii) A table presenting the City's liability claims and insurance premiums.
- (ix) A table presenting the City's Pooled Operating Investment Fund's holdings and information on the pool's liquidity.
- (x) A table presenting the City's general obligation and general fund lease obligations and any short-term borrowings.

(xi) A table presenting the City's future minimum rental payments on general fund operating lease commitments.

(xii) A table presenting the City's direct and overlapping bonded debt.

(2) "Audited Financial Statements" means the City's Comprehensive Annual Financial Report, if any, audited by such auditor as shall then be required or permitted by State law or the Indenture. Audited Financial Statements shall be prepared in accordance with GAAP; *provided, however*, pursuant to Section 3.2(a) hereof, the City may from time to time, if required by federal or state legal requirements, modify the accounting principles to be followed in preparing its financial statements. The notice of any such modification required by Section 3.2(a) hereof shall include a reference to the specific federal or state law or regulation describing such accounting principles, or other description thereof.

(3) "Dissemination Agent" means the City, acting in such capacity hereunder, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

(4) "Counsel" means any nationally recognized bond counsel or counsel recognized as an expert in federal securities laws.

(5) "GAAP" means generally accepted accounting principles as prescribed from time to time for governmental units by the Governmental Accounting Standards Board, the Financial Accounting Standards Board, or any successor to the duties and responsibilities of either of them.

(6) "Material Event" means any of the following events with respect to the Bonds, whether relating to the City or otherwise, if material:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions or events affecting the tax-exempt status of the security;
- (vii) modifications to rights of security holders;
- (viii) bond calls;

- (ix) defeasances;
 - (x) release, substitution, or sale of property securing repayment of the securities; and
 - (xi) rating changes.
- (7) “Material Event Notice” means written or electronic notice of a Material Event.
- (8) “MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.
- (9) “NRMSIR” means, at any time, a then-existing nationally recognized municipal securities information repository, as recognized from time to time by the SEC for the purposes referred to in the Rule. The NRMSIRs are identified on the SEC website at <http://www.sec.gov/info/municipal/nrmsir.htm>.
- (10) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, § 240.15c2-12), as in effect on the date of this Certificate and including any official interpretations thereof issued either before or after the effective date of this Certificate which are applicable to this Certificate.
- (11) “SEC” means the United States Securities and Exchange Commission.
- (12) “SID” means, at any time, a then-existing state information depository, if any, as operated or designated as such by or on behalf of the State for the purposes referred to in the Rule. As of the date of this Certificate, there is no SID.
- (13) “Unaudited Financial Statements” means the same as Audited Financial Statements, except that they shall not have been audited.

ARTICLE V
Miscellaneous

Section 5.1. Duties, Immunities and Liabilities of Trustee. The Dissemination Agent and the Trustee shall have only such duties under this Certificate as are specifically set forth herein, and the City agrees to indemnify and save the Dissemination Agent and the Trustee, their officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s or the Trustee’s negligence or willful misconduct in the performance of its duties hereunder. Such indemnity shall be separate from and in addition to that provided to the Trustee under the Indenture. The obligations of the City under this Section shall survive resignation or removal of the Trustee or the Dissemination Agent and payment of the Bonds.

Section 5.2. Removal, Replacement or Resignation of Dissemination Agent.

The City may from time to time, appoint or engage a Dissemination Agent other than the original Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 30 days written notice to the City and the Trustee. The Dissemination Agent shall not be responsible for the content of any report or notice prepared hereunder. The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for the failure to file any report on a timely basis where the failure to meet any deadline is caused by the failure of the City to provide information to the Dissemination Agent on a timely basis.

Section 5.3. Filing with Certain Dissemination Agents or Conduits.

The City may satisfy its obligations hereunder to file any notice, document or information with a NRMSIR or SID by filing the same with any dissemination agent or conduit, including any "central post office" or similar entity, assuming or charged with responsibility for accepting notices, documents or information for transmission to such NRMSIR or SID, to the extent permitted by the SEC or SEC staff or required by the SEC. For this purpose, permission shall be deemed to have been granted by the SEC staff if and to the extent the agent or conduit has received an interpretive letter, which has not been revoked, from the SEC staff to the effect that using the agent or conduit to transmit information to the NRMSIRs and the SID will be treated for purposes of the Rule as if such information were transmitted directly to the NRMSIRs and the SID.

Section 5.4. Choice of Law.

This Certificate shall be governed by and construed in accordance with the laws of the State, *provided* that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

Section 5.5. Notices. Any notices or communications to or among any of the parties to this Certificate may be given as follows:

To the City: City of San Diego
202 "C" Street
Mail Station 7B
San Diego, California 92101
Attention: Ballpark Refunding Analyst - Debt
Management
Fax: (619) 525-8288
Telephone: (619) 235-5840

To the Trustee: Wells Fargo Bank, National Association
707 Wilshire Boulevard, 17th Floor
Los Angeles, California 90017
Attention: Rob Schneider
Fax: (213) 614-3353
Telephone: (213) 614-3355
E-mail: robert.schneider@wellsfargo.com

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

IN WITNESS WHEREOF, the City has caused this Certificate to be executed by a duly authorized representative as of the date first above written.

CITY OF SAN DIEGO

By:  _____
Chief Financial Officer