

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate, dated as of June 1, 2009 (the "Disclosure Certificate") is executed and delivered by The City of San Diego (the "City") in connection with the issuance of \$634,940,000 Public Facilities Financing Authority of the City of San Diego Senior Sewer Revenue Refunding Bonds, Series 2009B (Payable Solely From Installment Payments Secured By Wastewater System Net Revenues) (the "Series 2009B Bonds"). The Series 2009B Bonds are being issued by the Public Facilities Financing Authority of the City of San Diego (the "Authority") pursuant to the provisions of the Joint Exercise of Powers Act (commencing with Section 6500) of the Government Code of the State of California and an Indenture, dated as of May 1, 2009, as supplemented by a First Supplemental Indenture dated as of June 1, 2009 (collectively, the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The proceeds of the Series 2009B Bonds will be used to refund a portion of the Outstanding Parity Bonds (herein defined), fund the Reserve Fund and pay costs of issuance with respect to the Series 2009B Bonds. In connection therewith, the City, as an "obligated person" with respect to the Series 2009B Bonds (within the meaning of the Rule, as defined herein), covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Series 2009B Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Dissemination Agent" shall mean the City, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the City and which has filed with the City and the Trustee a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently recognized by the Securities and Exchange Commission are currently set forth in the SEC website located at <http://www.sec.gov/info/municipal/nrmsir.htm>. Effective July 1, 2009, National Repository shall mean the MSRB and information to be submitted pursuant to this Disclosure Certificate shall be submitted to the MSRB instead of to one or multiple nationally recognized municipal securities information repositories and state information depositories.

"Official Statement" means the Official Statement, dated May 14, 2009, relating to the Series 2009B Bonds.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements for the most recently completed Fiscal Year prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Financial information and operating data with respect to the City, as such information and data relate to the City's Metropolitan Wastewater Department and the Sewer Revenue Fund, for the most recently completed fiscal year of the type included in the Official Statement, if any, in the following categories (to the extent not included in the City's audited financial statements):

(i) An update of the information contained in the table of the Official Statement entitled "Metropolitan Sub-System City and Participating Agencies Flow and Capacity Rights" of the Official Statement (exclusive of the information contained under the column heading "Estimated Population");

(ii) An update of the information contained in the table of the Official Statement entitled "Wastewater System Total Annual Flow";

(iii) An update of the information contained in the table of the Official Statement entitled "Wastewater System Historical Sources of Sewer Service Charge Revenues";

(iv) An update of the information contained in the table of the Official Statement entitled "Municipal Sub-System Ten Largest Customers";

(v) An update of the information contained in the table of the Official Statement entitled "Approved Rate Increases for Single Family Residential, Multifamily and Commercial and Industrial Customers", including rate(s) approved by the City Council for the most recently completed fiscal year that will become effective in a future fiscal year;

(vi) An update of the information contained in the table of the Official Statement entitled "Sewer Customer Accounts Receivable and Shut-Offs";

(vii) An update of the information contained in the table of the Official Statement entitled "Municipal Sub-System Sewer Revenue Fund Historical Capacity Charge Revenues";

(viii) An update of the information contained in the table of the Official Statement entitled "Rate History for Sewer Capacity Charges";

(ix) Information contained in the table of the Official Statement entitled "Statements of Revenues, Expenses and Changes in Fund Net Assets" will be available in the City's comprehensive annual financial report for the most recently completed fiscal year or updated information will be presented in tabular form comparable to the referenced table;

(x) An update of the information contained in the table of the Official Statement entitled "Sewer Revenue Fund Reserves" for the most recently completed fiscal year;

(x) Release, substitution, or sale of property securing repayment of the Series 2009B Bonds.

(xi) Rating changes.

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the City determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the City shall promptly file a notice of such occurrence with the Repositories. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Indenture.

(d) If the Dissemination Agent has been instructed by the City to report the occurrence of a Listed Event, the Trustee shall file a notice of such occurrence with the Repositories with a copy to the City. Notwithstanding the foregoing notice of Listed Events described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the holders of affected Bonds pursuant to the Indenture.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2009B Bonds. If such termination occurs prior to the final maturity of the Series 2009B Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the City. The Dissemination Agent may resign as Dissemination Agent by providing thirty 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 by the City. The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for filing any report not provided to it by the City in a timely manner and in a form suitable for filing.

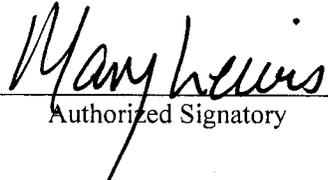
The City may satisfy its obligations hereunder to file any notice, document or information with a National Repository or State Repository by filing the same with any dissemination agent or conduit, including any "central post office" or similar entity, assuming or charged with responsibility for accepting notices, documents or information for transmission to such National Repository or State Repository, 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 dissemination 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 National Repository and State Repository will be treated for purposes of the Rule as if such information were transmitted directly to the National Repository and State Repository.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived (provided no amendment that modifies or increases its duties or obligations of the Dissemination Agent shall be effective without the consent of the Dissemination Agent), provided that the following conditions are satisfied:

and the City agrees to indemnify and save the Dissemination Agent, its 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 negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Authority, the Series 2009B Bondholders, or any other party. Other than in the case of negligence, gross negligence or willful misconduct of the Dissemination Agent, the Dissemination Agent shall not have any liability to the Series 2009B Bondholders or any other party for any monetary damages or financial liability of any kind whatsoever related to or arising from any breach of any obligation of the Dissemination Agent. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2009B Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Series 2009B Bonds, and shall create no rights in any other person or entity.

THE CITY OF SAN DIEGO

By: 
Authorized Signatory

Attest:

City Clerk

APPROVED AS TO FORM:
JAN I. GOLDSMITH, City Attorney

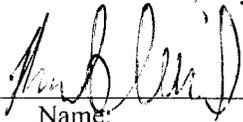
By: 
Name: _____
Deputy City Attorney

EXHIBIT A

FORM OF NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: The City of San Diego
Name of Issue: \$634,940,000 Public Facilities Financing Authority of the City of San Diego Senior Sewer Revenue Refunding Bonds, Series 2009B (Payable Solely From Installment Payments Secured By Wastewater System Net Revenues) (the "Bonds").
Date of Issuance: June 9, 2009

NOTICE IS HEREBY GIVEN that the City of San Diego has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate dated as of June 1, 2009 executed and delivered by the City. The City anticipates that the Annual Report will be filed by _____.

Dated: _____

THE CITY OF SAN DIEGO

By: _____
Title: _____