

**NOTICE FROM PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN
DIEGO REGARDING THE EFFECTIVENESS OF CERTAIN AMENDMENTS TO THE
INDENTURE**

**Public Facilities Financing Authority of the City of San Diego
Senior Sewer Revenue Refunding Bonds, Series 2009A
(Payable Solely From Subordinated Installment Payments Secured By
Net System Revenues of the Wastewater Utility Fund)**

**Public Facilities Financing Authority of the City of San Diego
Senior Sewer Revenue Refunding Bonds, Series 2009B
(Payable Solely From Subordinated Installment Payments Secured By
Net System Revenues of the Wastewater Utility Fund)**

**Public Facilities Financing Authority of the City of San Diego
Senior Sewer Revenue Refunding Bonds, Series 2015
(Payable Solely From Subordinated Installment Payments Secured By
Net System Revenues of the Wastewater Utility Fund)**

This notice is being filed by the City of San Diego, on behalf of the Public Facilities Financing Authority of the City of San Diego, in satisfaction of Section 9.01 of the Indenture related to each of the above-captioned bonds.

Dated: March 30, 2016

CITY OF SAN DIEGO

By: 
Mary Lewis
Chief Financial Officer

**NOTICE FROM
PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO
REGARDING THE EFFECTIVENESS OF CERTAIN AMENDMENTS TO THE INDENTURE**

NOTICE IS HEREBY GIVEN to the Owners of the following bonds of the Public Facilities Financing Authority of the City of San Diego (the “Authority”):

- Public Facilities Financing Authority of the City of San Diego Senior Sewer Revenue Bonds, Series 2009A (Payable Solely From Installment Payments Secured by Wastewater System Net Revenues) (the “2009A Bonds”)¹
- 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 “2009B Bonds”)¹
- Public Facilities Financing Authority of the City of San Diego Senior Sewer Revenue Refunding Bonds, Series 2015 (Payable Solely From Installment Payments Secured by Wastewater System Net Revenues) (the “2015 Bonds”)¹

that the amendments to the Indenture, dated as of May 1, 2009, as amended and supplemented (the “Indenture”), by and between the Public Facilities Financing Authority of the City of San Diego (the “Authority”) and U.S. Bank National Association, as successor trustee (the “Trustee”), set forth in Article VI of the Third Supplemental Indenture, dated as of September 1, 2015 (the “Third Supplemental Indenture”), by and between the Authority and the Trustee (collectively, the “Effective Amendments”) are now effective. A description of the Effective Amendments is included in Exhibit B attached hereto.

Additionally, on and after the date hereof, the outstanding 2009A Bonds and 2009B Bonds will continue to be secured by the Reserve Fund and the Reserve Fund will be funded in an amount equal to the Reserve Requirement.

The City of San Diego, on behalf of the Authority, also has elected that, on and after the date hereof, the 2015 Bonds shall no longer be included as Reserve Fund Participating Bonds and shall no longer be secured by or have a lien on the Reserve Fund or any other Debt Service Reserve Fund.

**Public Facilities Financing Authority of the
City of San Diego**

March 30, 2016

¹ For a list of CUSIP Numbers assigned to the specific Bonds see Exhibit A attached hereto.

EXHIBIT B

EFFECTIVE AMENDMENTS TO THE INDENTURE

Additions to the Indenture are shown in **bold and double underline** and deletions are shown in ~~strikethrough~~.

Section 1.02 – Definitions.

The following definitions are to be amended or added to read as follows:

- (a) The definition of “Reserve Requirement”:

The term “Reserve Requirement” means, as of any date of calculation, the least of (i) ten percent (10%) of the proceeds (within the meaning of Section 148 of the Code) of the Reserve Fund Participating Bonds; (ii) 125% of average annual debt service on the then-Outstanding Reserve Fund Participating Bonds, determined on a Fiscal Year basis; and (iii) Maximum Annual Debt Service with respect to the Reserve Fund Participating Bonds for that and any subsequent Fiscal Year. Upon early redemption of any of the Reserve Fund Participating Bonds, the Authority, at the request of the City, may request the Trustee to recalculate and reduce the Reserve Requirement, whereupon any excess in the Reserve Fund over and above the Reserve Requirement shall be transferred to the Payment Fund or such other fund or account as directed by the City. **Notwithstanding anything to the contrary in this definition of Reserve Requirement, upon maturity or early defeasance of all of the Outstanding 2009A Bonds, 2009B Bonds and 2010A Bonds, the amount of the Reserve Requirement may be decreased at the direction of the City, including, but not limited, to an amount equal to \$0. Any such reduction shall be subject to the provisions of Section 6.11 hereof. At the time of any such reduction, the Authority shall provide notice to the Owners of the Reserve Fund Participating Bonds and the Rating Agencies then rating the Reserve Fund Participating Bonds.**

- (b) The definition of “Surety Bond”:

The term “Surety Bond” means a reserve surety bond, insurance policy, letter of credit or other similar instrument providing, by its terms, a stated amount as a credit towards or in satisfaction of all or a part of the Reserve Requirement **with respect to the Reserve Fund or the reserve requirement with respect to any other Debt Service Reserve Fund**, which shall be held **in trust** by the Trustee ~~in trust~~, pursuant to Section 4.04(d) hereof.

- (c) The definition of “Debt Service Reserve Fund”:

The term “Debt Service Reserve Fund” means any special trust fund created by the Authority pursuant to this Indenture or a Supplemental Indenture in connection with the issuance of any series of Bonds and that is required to be funded for the purpose of providing additional security for such series of Bonds and under certain circumstances to provide additional security for such other designated series of Bonds issued pursuant to the terms of this Indenture and as specified in any Supplemental Indenture. Each Debt Service Reserve Fund shall be a “Reserve Fund” as defined in the Agreement. The Reserve Fund established pursuant to Section 4.01 hereof shall be a Debt Service Reserve Fund.

Section 12.01

The first sentence of Section 12.01(b) is to be amended to read as follows:

(b) The Bonds shall be limited obligations of the Authority and shall be payable solely from the Revenues and amounts on deposit in the funds and accounts established hereunder (other than amounts on deposit in the Rebate Fund created pursuant to Section 6.02 **hereof, and except as otherwise provided in the last sentence of Section 5.01(a) hereof**).