CALIFORNIA SCHOOL FINANCE AUTHORITY
DEBT ISSUANCE GUIDELINES

These guidelines describe what the California School Finance Authority (Authority) would require for debt or bonds issued through the Authority. The Authority acknowledges that each financing must be reviewed individually, and that additional provisions may be considered if those provisions are a necessary part of a prudent borrowing and/or issuance strategy.

RATING*	ISSUANCE PROVISIONS
I. Debt Rated A-/A-/A3 or Better	• Bonds may be publicly offered without transfer restrictions • Bond payments will be made via the intercept mechanism outlined in Section 17199.4 of the Education Code
II. Debt Rated a minimum BBB-/BBB-/Baa3	• Bonds will be in minimum denominations of $25,000 • Bonds may be publicly offered or privately placed • Bonds will be sold initially only to Qualified Institutional Buyers (QIB) and Accredited Investors (AI) • Subsequent transfers of bonds are limited to QIBs and AIs • Sales restrictions conspicuously noted on bond and described in detail in offering materials, if any, as well as in the bond documents • Bond payments will be made via the intercept mechanism outlined in Section 17199.4 of the Education Code
III. Debt Rated less than BBB-/BBB-/Baa3, or unrated	• Bonds will be in minimum denominations of $100,000 • Bonds will be privately placed or publicly offered initially to QIBs and AIs • Initial bond purchasers will be required to execute an Investor Letter • Subsequent transfers of bonds will be limited to QIBs and AIs • Sales restrictions conspicuously noted on bond and described in detail in offering materials, if any, as well as in the bond documents • One or more of the following will be required depending on the transaction, as requested by the financing team and approved by the Authority: o Traveling Investor Letter; or o Higher minimum denominations of $250,000; or o Physical Delivery; or o Limited initial sale to QIBs, with subsequent transfers limited to QIBs as well; or o Other investor protection measures • Bond payments will be made via the intercept mechanism outlined in Section 17199.4 of the Education Code

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<tr><th>RATING*</th><th>ISSUANCE PROVISIONS</th></tr>
<tr><td>IV. For all Debt purchased on behalf of initial investors by a Bondholder Representative</td><td>
The Bondholder Representative must be a QIB or registered investment advisor responsible for managing at least $1 billion in assets.
The Bondholder Representative must have discretionary authority over the investments of its clients who will be the holders of the bonds.
The clients who will be the holders of the bonds must meet the applicable purchase guidelines, as outlined above, including the required minimum denomination and any limitation to QIBs or accredited investors.
Any subsequent transfers by the Bondholder Representative out of the firm's clients or accounts must be limited as required by the sales restrictions applicable to the bonds.
The Bondholder Representative will be required to execute a Bondholder Representative Letter substantially similar to the Investor Letter that would otherwise be required by initial investors and representing that, among other things:

The Bondholder Representative can satisfy all requirements contained in this section IV.
The Bondholder Representative is authorized to act on behalf of the initial investors it represents.
All initial investors it represents are aware of, and agree to comply with, the restrictions associated with the debt, as outlined above, and are aware of the risks associated with such restrictions.

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* Represents ratings by Standard & Poor's, Fitch, and Moody's respectively.