TRANSFER OF THIS NOTE IS RESTRICTED AS DESCRIBED BELOW REGISTERED

**CALIFORNIA SCHOOL FINANCE AUTHORITY ([BORROWER]) SERIES 20 PROMISSORY NOTE**

**Issue Date**:

**Owner**:

For value received, the California School Finance Authority (the “Authority”), a California public instrumentality, promises to pay to the Owner of this note, the principal sum of

$ , together with interest on the unpaid principal from and after the Issue Date.

Capitalized terms have the meanings given in the Authority Loan Agreement, dated

, 20 (the “Authority Loan Agreement”), between the Authority and [BORROWER].

The Authority certifies that this note is issued pursuant to the Act, the Bank Loan Agreement, dated , 20 (the “Bank Loan Agreement”), between the Authority and [BANK], and Resolution No. - of the Authority adopted on , 20 , authorizing this note (the “Resolution”). By this reference, this note incorporates the provisions of the Bank Loan Agreement.

**This note shall not be deemed to constitute a debt or liability of the State of California or of any of its political subdivisions other than the Authority or a pledge of the faith and credit of the State of California or of any political subdivision thereof, but shall be payable solely from the Payment Fund. Neither the State of California nor the Authority is obligated to pay the principal of this note or the premium, if any, or the interest on it except from assets assigned under the Bank Loan Agreement. Neither the faith ~~and~~ or credit nor the taxing power of the State of California or of any of its political subdivisions is pledged to the payment of the principal of or the premium, if any, or the interest on this note. The issuance of this note shall not directly or indirectly or contingently obligate the State of California or any political subdivision thereof to levy or to pledge any form of taxation whatever for the note or to make any appropriation for any note payment. The Authority has no taxing power.**

By this reference, this note incorporates exhibit A.

The principal of, and premium, if any, and interest on this note are payable in lawful money of the United States of America by wire transfer to the Owner account stated in exhibit A or otherwise as the Owner designates in writing to the Authority and the Depository. All payments made to that account discharge the liability upon this note to the extent of the sum or sums paid.

1

To transfer this note, (1) the Owner must complete and sign the attached assignment form and surrender this note to the Depository and (2) the Depository must receive a signed Owner Letter from the assignee indicated on the assignment form. Subject to those conditions, the Depository shall cancel the surrendered note and shall issue a new note (1) in the then-unpaid principal amount, (2) naming as Owner the listed assignee, and (3) otherwise containing the same terms as this note. This note may not be owned by or registered in the name of more than one Owner. The Depository shall not effect, permit or recognize any sale, offer for sale, exchange, transfer, assignment, pledge or hypothecation of this note except as stated in this paragraph.

If any payment date under this note falls on a day that is not a Business Day, then that payment may be made on the next Business Day.

The Authority certifies and recites (1) that any and all conditions to the issuance of this note required by the Constitution and laws of the State of California have been timely satisfied, and (2) that the amount of this note (a) does not violate any limit on indebtedness amount prescribed by the Constitution and laws of the State of California and (b) does not exceed the note amount permitted under the Resolution.

For this note to be valid or obligatory for any purpose, an authorized representative of the Depository must manually sign the attached certificate of authentication.

2

**CERTIFICATE OF AUTHENTICATION**

This is the note described in the Resolution.

Date of Authentication: ,

20

[DEPOSITORY],

as Depository

By Authorized Representative

**ASSIGNMENT**

For value received, the undersigned Owner hereby sells, assigns, and transfers to

(name, address and social security number or other identifying number of assignee)

the California School Finance Authority ([Borrower]) Series 20 Promissory Note and hereby irrevocably constitutes and appoints

attorney to transfer the note on the Depository’s registration books, with full power of substitution in the premises.

Dated:

Owner

NOTE: The signature above must correspond with the Owner’s name as it appears on the front of this note in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed: NOTE: Signature must be guaranteed by an eligible guarantor.

**EXHIBIT A**

**to**

**CALIFORNIA SCHOOL FINANCE AUTHORITY ([BORROWER]) SERIES 20 PROMISSORY NOTE**

[Insert loan terms negotiated by Borrower and Bank and coordinate with terms in the Borrower Note.]

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