

**CHART K-5
CALIFORNIA MUNICIPAL BONDS
RATING HISTORY**

RATING DEFINITIONS:

AAA/ Aaa	Bonds rated AAA have the <u>highest</u> ratings assigned by rating agencies. They carry the smallest degree of investment risk. Issuer's capacity to pay interest and principal is extremely strong.
AA/ Aa	Bonds rated AA are judged to be of <u>high</u> quality by all standards. They differ from the highest rated (AAA) bonds only in small degree. Issuer's capacity to pay interest and principal is very strong.
A	Bonds rated A possess many favorable investment attributes and are considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present that suggest a susceptibility to impairment in the future.
BBB/ Baa	Bonds rated BBB are considered medium grade obligations. They are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or unreliable over any length of time. These bonds lack outstanding important characteristics and have speculative characteristics as well.
+ / -; 1-3	Relative standing within a rated category. For example, AA+ is better than AA or AA- and Aa1 is better than Aa2 or Aa3.

STANDARD & POOR'S CORPORATION:

5/68	AAA
1/80	AA+
1/83	AA
2/85	AA+
7/86	AAA
12/91	AA
7/92	A+
7/94	A
7/96	A+
8/99	AA-
9/00	AA
4/01	A+
12/02	A
7/03	BBB
8/04	A

FITCH INVESTORS SERVICE INC.:

< 1982	AAA
10/82	AA
7/86	AAA
2/92	AA+
9/92	AA
7/94	A
3/96	A+
10/97	AA-
2/00	AA

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FITCH INVESTORS SERVICE INC. (Cont.):

12/02	A
12/03	BBB
9/04	A-
7/05	A

MOODY'S INVESTOR SERVICE:

1938	A
11/40	Aa
9/72	Aaa
4/80	Aa
10/89	Aaa
2/92	Aa1
7/92	Aa
7/94	A1
10/98	Aa3
9/00	Aa2
5/01	Aa3
11/01	A1
2/03	A2
8/03	A3
12/03	Baa1
5/04	A3
7/05	A2