

May 21, 2026

To: CSAC Board of Directors

From: Graham Knaus, Chief Executive Officer
Chastity Benson, Chief Operating Officer

SUBJECT: Authorization to Execute Quitclaim Deed for Transfer of Real Property Located at 1100 K Street, Sacramento, California

Recommendation

Authorize the Chief Executive Officer and/or designee to execute a Quitclaim Deed and any ancillary documents necessary to transfer title of the property located at 1100 K Street, Sacramento, California 95814, from the California State Association of Counties to the California Counties Capital Building and Museum.

Background

Pursuant to previous actions and authorizations by the Executive Committee and Board of Directors, CSAC expects to finance certain portions of its administrative office rehabilitation project through the California Counties Capital Building and Museum (CCCBM), a 501(c)(3) corporation, making it eligible for tax-exempt municipal bond financing.

The property located at 1100 K Street in Sacramento, California serves as the longstanding headquarters and principal operational location of California State Association of Counties (CSAC). The property has historically functioned as an important center for county government advocacy, collaboration, education, and preservation of California county history and institutional legacy. The CCCBM was established to support and preserve the long-term stewardship, historical significance, and operational continuity of the building and related assets for the benefit of California counties and the public while also allowing CCCBM the opportunity for tax-exempt municipal bonds to finance improvements to the building and property.

In furtherance of these purposes, CSAC proposes to transfer ownership interest in the property, including the land and improvements located at 1100 K Street, Sacramento, California 95814, through execution of a Quitclaim Deed to CCCBM.

The proposed transfer is intended to formally align ownership of the property with the organizational mission and stewardship responsibilities of CSAC and the CCCBM. The transfer is administrative and organizational in nature and is not anticipated to disrupt ongoing operations, occupancy, or use of the property by CSAC or affiliated entities.

CSAC Officers

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Execution of the Quitclaim Deed will facilitate clear title ownership under CCCBM and support long-term governance, maintenance, preservation, and strategic planning efforts associated with the property. The transfer documents will be reviewed by legal counsel and executed in accordance with all applicable laws and organizational requirements.

Attachment:

1. Sacramento County Quitclaim Deed Form

Recording requested by (name):

When recorded mail to
and mail tax statements to:

Recorder's Use Only

QUITCLAIM DEED

Documentary Transfer Tax: \$ _____

City Transfer Tax: \$ _____

☐ Computed on full value of property conveyed

☐ Computed on full value less liens and
encumbrances assumed

City of _____ ☐ Unincorporated

If exempt, enter R&T code: _____

Explanation _____

Signature of Declarant or Agent determining tax

Declaration of Exemption From Gov't Code § 27388.1 Fee

☐ Transfer is exempt from fee per GC § 27388.1(a)(2):

☐ recorded concurrently "in connection with" transfer
subject to Documentary Transfer Tax

☐ recorded concurrently "in connection with" a transfer of
residential dwelling to an owner-occupier

☐ Transfer is exempt from fee per GC 27388.1(a)(1):

☐ Fee cap of \$225.00 reached ☐ Not related to real
property

Assessor's Parcel No. (APN): _____

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

(Disclaiming Part(ies))

hereby REMISE, RELEASE AND FOREVER QUITCLAIM(S) to

(Receiving Part(ies))

the following real property in the City of _____, County of _____, California.

(insert legal description)

Date: _____

(Signature of declarant)

(Print name)

Date: _____

(Signature of declarant)

(Print name)

ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Seal)

Signature _____

May 21, 2026

To: CSAC Board of Directors

From: Graham Knaus, Chief Executive Officer
Chastity Benson, Chief Operating Officer
Rob Pierce, Chief Executive Officer, CSAC Finance Corporation

SUBJECT: Resolution Approving the Issuance of Tax-Exempt Bonds and Associated Transaction Documents

Recommendation

Consider the attached Resolution approving the issuance of tax-exempt bonds and associated transaction documents “Authorization Resolution” in order to use the bond proceeds to fund the CSAC headquarters building renovation project.

Background

Pursuant to previous actions and authorizations by the Board of Directors, CSAC expects to finance certain portions of its administrative office rehabilitation project from tax-exempt obligations.

CSAC’s bond counsel, Kutak Rock LLP, has prepared the attached Authorization Resolution and the associated *Primary Transaction Documents* which are necessary before tax-exempt obligations are issued. The resolution includes consent to the undertaking of the project and the issuance of tax-exempt bonds not to exceed \$40,000,000 in proceeds for the project. It is important to note that the CSAC Board of Directors previously voted in unanimous favor of this plan and financing on December 4, 2025, however the Authorization Resolution and associated Transaction Documents are a formality necessary for the bond market, investors, and rating agencies. The following documents are referenced in the attached resolution (collectively, the “Primary Transaction Documents”):

- a. Indenture;
- b. Loan Agreement;
- c. Bond Purchase Agreement;
- d. Lease Agreement;
- e. Guaranty;
- f. Environmental Indemnity Agreement;
- g. Security Agreement;
- h. Deed of Trust;
- i. Preliminary Official Statement;
- j. Continuing Disclosure Agreement; and
- k. Assignment.

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The following summarizes each of the Primary Transaction Documents, which can be reviewed by [clicking here](#). Additionally, hard copies are available for review during the Board meeting.

Indenture of Trust: The Indenture of Trust sets forth the terms and conditions under which the Bonds will be issued by the California Enterprise Development Authority, including maturity dates, redemption provisions, the establishment of a reserve fund and bond transferability provisions. The Indenture of Trust also establishes funds to be held by the bond trustee in order to hold moneys received from CSAC to repay the Bonds and deliver such moneys to Bondholders. Finally, the Indenture of Trust establishes the Project Fund, in which Bond proceeds will be held until applied to fund the building project.

Loan Agreement: Under the Loan Agreement, the California Enterprise Development Authority (the issuer of the Bonds) will loan the proceeds of the Bonds to California Counties Capitol Building & Museum in order to finance the Project. The Loan Agreement includes a pledge of California Counties Capitol Building & Museum's revenues (primarily consisting of moneys received from CSAC under the Lease Agreement described below) to repay the loan. The Loan Agreement also establishes the procedures by which moneys held in the Project Fund can be requisitioned by CSAC to fund project components. In the Loan Agreement, California Counties Capitol Building & Museum makes several covenants for the benefit of Bondholders, including a covenant not to enter into additional indebtedness except to prepay the Loan Agreement and a covenant to maintain insurance on the building.

Bond Purchase Agreement: The Bond Purchase Agreement (BPA) is structured as a three-party agreement among Stifel, Nicolaus & Company, Incorporated, the Bond underwriter, CEDA, and the 501c3 borrower (California Counties Capitol Building & Museum). Concurrently with execution of the BPA on the pricing day, CSAC and CSAC Finance Corporation will sign Letters of Representation (in the form attached to the BPA) providing representations, warranties, and covenants relating to the financing, which generally track the representations, warranties and covenants of the Borrower under the BPA, to the extent applicable.

Lease Agreement: Under the Lease Agreement, California Counties Capitol Building & Museum will lease the building to CSAC for a term that extends through the maturity of the bonds in consideration for lease payments that will match the loan repayments under the Loan Agreement (and the debt service on the Bonds). The Lease Agreement includes important covenants for the benefit of Bondholders, including a covenant to budget to make the lease payments each year, a covenant to maintain at least \$4,000,000 in liquid assets (to be measured as of each June 30 and December 31), a covenant to maintain the 2015 agreement with CSAC Finance Corporation and a covenant to continue to enter into extensions of the agreement with CSCDA while the Bonds are outstanding, allowing for modifications so long as they are not adversely material.

Guaranty: Under the Guaranty, CSAC Finance Corporation will guarantee the obligation of California Counties Capitol Building & Museum to repay the loan under the Loan Agreement. The Guaranty includes a pledge of CSAC Finance Corporation's revenues to such repayments. The Guaranty also includes important covenants for the benefit of Bondholders, including a covenant to maintain at least \$10,000,000 in liquid assets (to be measured as of each June 30 and December 31), a covenant to maintain the 2015 agreement with CSAC and a covenant to cause CSAC to continue to enter into

extensions of the agreement with CSCDA while the Bonds are outstanding, allowing for modifications so long as they are not adversely material. Finally, the Guaranty establishes the conditions under which CSAC Finance Corporation can enter into additional indebtedness.

Environmental Indemnity Agreement: Under the Environmental Indemnity Agreement, California Counties Capitol Building & Museum, CSAC and CSAC Finance Corporation covenant to maintain and operate the building in compliance with environmental laws and agree to indemnify the bond trustee and the California Enterprise Development Authority in the event of any environmental liability.

Security Agreement: Under the Security Agreement, California Counties Capitol Building & Museum provides a security interest in its personal property (of which there is currently none) to the bond trustee for the benefit of Bondholders.

Deed of Trust: Under the Deed of Trust, California Counties Capitol Building & Museum grants a security interest in and lien on the building to the bond trustee for the benefit of Bondholders. The Deed of Trust gives the bond trustee the power to foreclose upon and sell the building if moneys are not otherwise available to repay the Bonds.

Preliminary Official Statement: The Preliminary Official Statement will be used by Stifel, Nicolaus & Company, Incorporated, the Bond underwriter, in order to market the Bonds. The Preliminary Official Statement includes important information about the above-described legal structure governing the Bonds and the security for the Bonds, as well as financial information about CSAC, CSAC Finance Corporation and its partners.

Continuing Disclosure Agreement: Under the Continuing Disclosure Agreement, CSAC Finance Corporation agrees to provide updates of certain information, including audited financial statements of CSAC and CSAC Finance Corporation and other financial information each year, a calculation of liquid assets of CSAC and CSAC Finance Corporation as of each June 30 and December 31 and notice of certain events (such as a default in bond payments, a change in the bond trustee, a change in the bond rating and other matters) within 10 business days. The Continuing Disclosure Agreement is required by federal securities laws.

Assignment of Contract Obligations and Revenues: The Assignment of Contract Obligations and Revenues formalize CSAC's assignment of CSCDA fees to CSAC Finance Corporation. Although this arrangement has worked well for decades, the bond financing consultant team has indicated that a formal executed assignment document will bolster the credit strength of the bond financing.

Adoption of the resolution will allow for the proceeds of tax-exempt and/or taxable bonds (the "Bonds") to be issued for the benefit of California Counties Capitol Building & Museum (the "501(c)(3) Corporation") by the California Enterprise Development Authority (the "Authority").

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San Luis Obispo County

CEO
Graham Knaus

RESOLUTION NO. 02-2026
RESOLUTION OF THE OF CALIFORNIA STATE ASSOCIATION OF COUNTIES

The Board of Directors of California State Association of Counties, a California nonprofit mutual benefit corporation (the “Corporation”), does hereby adopt and move the following resolutions and declare them to be in full force and effect at this meeting of the Board of Directors of the Corporation on May 21, 2026:

WHEREAS, the Corporation has determined that it is necessary and desirable: (a) to finance, refinance and/or reimburse the Corporation or a related entity for the cost of acquiring, constructing, improving, rehabilitating, renovating, remodeling, equipping and furnishing the real property located at 1100 K Street, Sacramento, California 95814, consisting of an approximately 25,000 square foot commercial building (the “Series 2026 Facility”); (b) to fund a debt service reserve fund and certain interest related to such financing; and (c) to pay certain costs of issuance in connection with such financing, refinancing and/or reimbursement (collectively, the “Project”);

WHEREAS, the Board of Directors has determined to borrow funds from the proceeds of tax-exempt and/or taxable bonds (the “Bonds”) to be issued for the benefit of California Counties Capitol Building & Museum (the “501(c)(3) Corporation”) by the California Enterprise Development Authority (the “Authority”) in a maximum aggregate amount not to exceed \$41,800,000 pursuant to an Indenture of Trust (the “Indenture”), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”) in connection with the Project;

WHEREAS, the Authority proposes to make a loan (the “Loan”) of the proceeds of the Bonds to the 501(c)(3) Corporation, pursuant to the terms of the Indenture and a Loan Agreement (the “Loan Agreement”), by and between the Authority and the 501(c)(3) Corporation, substantially in the form presented to the Board of Directors of the Corporation;

WHEREAS, the 501(c)(3) Corporation proposes to use the proceeds of the Loan to fund the Project;

WHEREAS, Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), proposes to underwrite the Bonds pursuant to a Bond Purchase Agreement (the “Bond Purchase Agreement”), by and among the Underwriter, the Authority, and the 501(c)(3) Corporation, substantially in the form presented to the Board of Directors of the Corporation, and including a Letter of Representations to be signed by the Corporation;

WHEREAS, the 501(c)(3) Corporation will lease the Series 2026 Facility to the Corporation pursuant to a Lease Agreement (the “Lease Agreement”), by and between the 501(c)(3) Corporation and the Corporation, substantially in the form presented to the Board of Directors of the Corporation, the lease payments under which will secure the 501(c)(3) Corporation’s repayment of the Loan;

WHEREAS, CSAC Finance Corporation (“CSAC FC”) will guarantee the 501(c)(3) Corporation’s obligations under the Loan Agreement pursuant to a Continuing Payment Guaranty

Agreement (the “Guaranty”), substantially in the form presented to the Board of Directors of the Corporation;

WHEREAS, the Corporation, CSAC FC and the 501(c)(3) Corporation will enter into an Environmental Indemnity Agreement (the “Environmental Indemnity Agreement”), substantially in the form presented to the Board of Directors of the Corporation, as further security for the Loan;

WHEREAS, the 501(c)(3) Corporation will enter into a Security Agreement (Accounts, General Intangibles, Inventory & Other Collateral) (the “Security Agreement”), substantially in the form presented to the Board of Directors of the Corporation, as further security for the Loan;

WHEREAS, the 501(c)(3) Corporation will enter into a Deed of Trust with Security Agreement, Assignment of Rents and Leases and Fixture Filing (the “Deed of Trust”), substantially in the form presented to the Board of Directors of the Corporation, pursuant to which the 501(c)(3) Corporation will grant a security interest in the Series 2026 Facility to the Trustee for the benefit of Bondholders;

WHEREAS, a Preliminary Official Statement and a final Official Statement, will be prepared to furnish information concerning the offering of the Bonds;

WHEREAS, CSAC FC will enter into a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”), substantially in the form presented to the Board of Directors of the Corporation, in order to provide updates of certain information set forth in the above-described documents for the benefit of Bondholders from time to time;

WHEREAS, under an Intellectual Property License, Royalty, and Administrative Agreement, dated as of January 1, 2025 (the “CSCDA Agreement”), by and among the League of California Cities, the Corporation and California Statewide Communities Development Authority (“CSCDA”), the Corporation is entitled to receive certain fees from CSCDA, which the Corporation has directed CSCDA to pay to CSAC FC; and

WHEREAS, it is desirable for the Corporation to formally assign to CSAC FC the right to receive fees under the CSCDA Agreement pursuant to an Assignment of Contract Obligations and Revenues (the “Assignment”), by and between the Corporation and CSAC FC;

NOW, THEREFORE, BE IT RESOLVED, that:

1. The Corporation approves and consents to the undertaking of the Project and the Loan. The foregoing recitals are true and correct and are a substantive part of this Resolution.

2. The Corporation approves and consents to the execution of the following documents (collectively, the “Primary Transaction Documents”):

- a. the Indenture;
- b. the Loan Agreement;
- c. the Bond Purchase Agreement;
- d. the Lease Agreement;
- e. the Guaranty;

- f. the Environmental Indemnity Agreement;
- g. the Security Agreement;
- h. the Deed of Trust;
- i. the Preliminary Official Statement;
- j. the Continuing Disclosure Agreement; and
- k. the Assignment,

and such additional documents and agreements as reasonably may be required by the Underwriter or the Authority for the making of the Loan and the creation and perfection of security interests related thereto, including but not limited a deposit account control agreement, and ensuring compliance with Internal Revenue Service laws and regulations applicable to the Bonds (collectively with the Primary Transaction Documents, the “Transaction Documents”);

3. Forms of the Primary Transaction Documents have been presented to and are on file with the Board of Directors of the Corporation. In connection with the Project, the officers of Corporation, including but not limited to the President, First Vice President and Treasurer of the Board of Directors and the Chief Executive Officer and Chief Operating Officer of the Corporation, or any officer or member of the Board of Directors designated in writing by any of them (in such capacity, the “Authorized Officers”), each acting alone, for and on behalf of the Corporation, are hereby authorized to execute, deliver and approve the Transaction Documents to which the Corporation is a party, and to evidence the transactions upon terms substantially consistent therewith, but with such changes and insertions therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same may require or approve, acting on the approval of General Counsel or Kutak Rock LLP, as Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

4. Each Authorized Officer is hereby authorized to certify on behalf of the Corporation that the Preliminary Official Statement is deemed final as of its date within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the “Rule”), except for the omission of certain final pricing, rating and related information as permitted by the Rule. The Authorized Officers are each hereby authorized and directed to furnish, or cause to be furnished, to prospective purchasers of the Bonds a reasonable number of copies of the Preliminary Official Statement.

5. The preparation and delivery of the Official Statement, and its use in connection with the offering and sale of the Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the Corporation, to execute the final Official Statement and any amendment or supplement thereto for and in the name and on behalf of the Corporation.

6. The Corporation approves and adopts the Post-Issuance Compliance and Remedial Action Procedures attached hereto as Exhibit A, and hereby designates the Chief Executive Officer of CSAC FC as the Responsible Person in connection with ensuring compliance with such Post-Issuance Compliance and Remedial Action Procedures.

7. All actions heretofore taken by the officers and agents of the Corporation in connection with the Project are hereby approved, confirmed and ratified as acts and deeds of the Corporation. The Authorized Officers are hereby authorized, empowered and directed, individually, to execute such other documents in addition to those enumerated herein and to take such other actions as each deems necessary or advisable in order to consummate the issuance of the Bonds and the funding of the Project.

CERTIFICATE OF SECRETARY

I, the undersigned Secretary of California State Association of Counties, a California nonprofit mutual benefit corporation (the “Corporation”), hereby certify that the attached is a full, true and correct copy of a resolution duly adopted by the Board of Directors of the Corporation at a regular meeting thereof on May 21, 2026.

Secretary of the Corporation

EXHIBIT A

POST-ISSUANCE COMPLIANCE AND REMEDIAL ACTION PROCEDURES

California State Association of Counties, a California nonprofit mutual benefit corporation (the “Corporation”), hereby adopts the procedures described herein (the “Procedures”) as its written procedures for post-issuance compliance and remedial action applicable to tax-advantaged bonds, notes, leases, certificates of participation or similar (collectively, “Obligations”) heretofore and hereafter issued or executed and delivered by it or on its behalf. These Procedures are intended to supplement any previous post-issuance compliance and remedial action procedures that may have been adopted by the Corporation and any procedures evidenced in writing by any tax document for any Obligations heretofore or hereafter issued, entered into or executed and delivered by it or on its behalf, the related information returns filed in connection with any Obligations and the instructions to such information returns.

1. Responsible Person. The Corporation has designated the Chief Executive Officer of CSAC Finance Corporation as the responsible person (the “Responsible Person”) for ensuring post-issuance and remedial action compliance with the requirements of any tax and financing documents for Obligations. This responsibility is included in the job description for the Responsible Person, and such person has or will review any prior post-issuance compliance and remedial action procedures, these Procedures, any tax documents for any Obligations heretofore or hereafter issued, entered into or executed and delivered by it or on its behalf, the related information returns, if any, filed in connection with any Obligations (such as IRS Forms 8038 or 8038-G) and the instructions to such information returns, and consult with Bond Counsel (Kutak Rock LLP) and other professionals as needed.

2. Succession Planning. The Corporation will ensure that, when the current Responsible Person leaves such person’s current position at the Corporation, the responsibility for financing and tax covenant compliance will be explained in detail to his or her successor, such successor will be provided compliance training (as further described in the following section), and notice of any succession will be given in writing to any applicable issuer of any obligations then outstanding.

3. Training. Compliance training for the Responsible Person should include, among other things, annual meetings with bond counsel to discuss monitoring compliance with applicable tax laws and attendance at post-issuance compliance trainings organized by bond counsel or the Internal Revenue Service or entities such as the Government Finance Officers Association or similar organizations.

4. Procedures for Timely Expenditure of Proceeds. The Corporation acknowledges that, at the time of issuance of the Obligations, it must reasonably expect to spend at least 85% of the net sale proceeds of the new money Obligations to carry out the projects financed with the proceeds of the Obligations within three years of the date such Obligations are originally issued, entered into or executed and delivered. The Corporation will treat as “sale proceeds” any amounts actually or constructively received by the Corporation from issuance or execution and delivery of the Obligations, including amounts used to pay accrued interest other

than pre-issuance accrued interest. “Net sale proceeds” means the sale proceeds less any amounts deposited into reasonably required reserve or replacement or base rental reserve funds. The Corporation has established or will establish reasonable accounting procedures for tracking and reporting to the Responsible Person the expenditure of net sale proceeds.

5. Compliance with Arbitrage Yield Restriction and Rebate Requirements. The Responsible Person will create a system to ensure that for all applicable Obligations, not less than six months prior to each five-year anniversary of the closing date for Obligations, the Corporation will retain an arbitrage rebate consultant to prepare a report determining the yield of the Obligations under the Internal Revenue Code of 1986, as amended (the “Code”), and whether there is any amount owed to the Internal Revenue Service under Section 148 of the Code.

6. Procedures to Comply with Remediation Requirements. The Responsible Person will establish and maintain a system for tracking and monitoring the use of the facilities financed or refinanced with the proceeds of Obligations to ensure that the use of all of such facilities will not violate the private business tests or the private loan financing test under Section 141 of the Code. If, after the issuance or execution and delivery of Obligations, the use of the facilities financed or refinanced with the proceeds of Obligations changes so that the private business tests or the private loan financing test would be met, or if another violation of these procedures occurs which requires correction, the Corporation will, in connection with consulting bond counsel, undertake a closing agreement through the Voluntary Closing Agreement Program of the Internal Revenue Service or take one of the actions permitted by the Code and associated regulations, which are described generally on Attachment I hereto.

7. Ongoing Procedures. The Responsible Person will review any prior procedures, these Procedures, tax and financing documents relating to Obligations, information returns for obligations and related instructions to such information returns, and the status and use of the obligation-financed or refinanced facilities on at least an annual basis and at the following intervals: (a) six months prior to each five-year anniversary of the issue or execution and delivery date of the Obligations; (b) within 30 days of the date the Obligations are finally retired, defeased, refunded or terminated; (c) when any rebate payment is made; (d) when a facility financed or refinanced with proceeds of Obligations is placed in service; (e) if the Corporation determines that a facility planned to be financed or refinanced with proceeds of Obligations will not be completed; and (f) if any of the representations, statements, circumstances or expectations of the Corporation that are set forth in the tax or financing documents for Obligations are no longer true, have changed or have not come to pass as described in such documents. This review will be made for the purposes of identifying any possible violation of federal tax requirements related to Obligations and to ensure the timely correction of those violations pursuant to the remedial action provisions outlined above or through the Voluntary Closing Agreement Program. If any possible violation is identified, the Responsible Person will notify the Corporation and the Corporation’s counsel or the Corporation’s bond counsel, if any, so that any existing or expected violation can be corrected.

8. Recordkeeping. The Responsible Person will develop and implement a system for maintaining records relating to these Procedures. Such records must be kept and maintained for the life of the related Obligations, and any Obligations that refund or refinance such obligations, plus at least four years (or such longer period as may be required in related tax documents for such obligations). These records may be maintained on paper, by electronic media or by any combination thereof.

**ATTACHMENT I TO
POST-ISSUANCE COMPLIANCE
AND REMEDIAL ACTION PROCEDURES**

REMEDIAL ACTION PROCEDURES

Capitalized terms used herein but not defined have the meaning assigned thereto in Section 5 below and in the Post-Issuance Compliance and Remedial Action Procedures to which these Remedial Action Procedures are attached. This attachment describes written procedures that may be required to be taken by, or on behalf of, an issuer of Obligations.

1. Background. The maintenance of the tax status of the Obligations (e.g., as tax-exempt obligations under federal tax law) depends upon the compliance with the requirements set forth in the Internal Revenue Code of 1986, as amended (the “Code”). *The purpose of this attachment is to set forth written procedures to be used in the event that any deliberate actions are taken that are not in compliance with the tax requirements of the Code (each, a “Deliberate Action”) with respect to the Obligations, the proceeds thereof or the facilities financed or refinanced by the Obligations (the “Facilities”).*

2. Consultation with Bond Counsel. If Deliberate Action is taken with respect to the Obligations and the Facilities subsequent to the issuance or execution and delivery of the Obligations, then the Corporation (and, if applicable, the conduit issuer) must consult with Kutak Rock LLP or other nationally recognized bond counsel (“Bond Counsel”) regarding permissible Remedial Actions that may be taken to remediate the effect of any such Deliberate Action upon the federal tax status of the Obligations. Note that remedial actions or corrective actions other than those described in this attachment may be available with respect to the Obligations and the Facilities, including remedial actions or corrective actions that may be permitted by the Commissioner through the voluntary closing agreement programs (VCAP) provided by the Internal Revenue Service from time to time.

3. Conditions to Availability of Remedial Actions. None of the Remedial Actions described in this attachment are available to remediate the effect of any Deliberate Action with respect to the Obligations and the Facilities unless the following conditions have been satisfied and unless Bond Counsel advises otherwise:

(a) The issuer of the Obligations reasonably expected on the date the Obligations were originally issued or executed and delivered that the Obligations would meet neither the Private Business Tests nor the Private Loan Financing Test of Section 141 of the Code and the Treasury Regulations thereunder for the entire term of the Obligations (such expectations may be based on the representations and expectations of the applicable conduit borrower, if there is one);

(b) The average weighted maturity of the Obligations did not, as of such date, exceed 120% of the Average Economic Life of the Facilities;

(c) Unless otherwise excepted under the Treasury Regulations, the Corporation (or, if applicable, a conduit issuer) delivers a certificate, instrument or other written records satisfactory to Bond Counsel demonstrating that the terms of the arrangement pursuant to which

the Deliberate Action is taken is bona fide and arm's-length, and that the non-exempt person using either the Facilities or the proceeds of the Obligations as a result of the relevant Deliberate Action will pay fair market value for the use thereof;

(d) Any disposition must be made at fair market value and any Disposition Proceeds actually or constructively received by the Corporation (or, if applicable, by a conduit issuer) as a result of the Deliberate Action must be treated as gross proceeds of the Obligations and may not be invested in obligations bearing a yield in excess of the yield on the Obligations subsequent to the date of the Deliberate Action; and

(e) Proceeds of the Obligations affected by the Remedial Action must have been allocated to expenditures for the Facilities or other allowable governmental purposes before the date on which the Deliberate Action occurs (except to the extent that redemption or defeasance, if permitted, is undertaken, as further described in Section 4(A) below).

4. Types of Remedial Action. Subject to the conditions described above, and only if the Corporation (or, if applicable, a conduit issuer) obtains an opinion of Bond Counsel prior to taking any of the actions below to the effect that such actions will not affect the federal tax status of the Obligations, the following types of Remedial Actions may be available to remediate a Deliberate Action subsequent to the issuance of the Obligations:

(a) Redemption or Defeasance of Obligations.

(i) If the Deliberate Action causing either the Private Business Use Test or the Private Loan Financing Test to be satisfied consists of a fair market value disposition of any portion of the Facilities exclusively for cash, then the Corporation may allocate the Disposition Proceeds to the redemption of Nonqualified Obligations pro rata across all of the then-outstanding maturities of the Obligations at the earliest call date of such maturities of the Obligations after the taking of the Deliberate Action. If any of the maturities of the Obligations outstanding at the time of the taking of the Deliberate Action are not callable within 90 days of the date of the Deliberate Action, the Corporation may (subject generally to the limitations described in (iii) below) allocate the Disposition Proceeds to the establishment of a Defeasance Escrow for any such maturities of the Obligations within 90 days of the taking of such Deliberate Action.

(ii) If the Deliberate Action consists of a fair market value disposition of any portion of the Facilities for other than exclusively cash, then the Corporation (or, if applicable, a conduit issuer) may use any funds (other than proceeds of the Obligations or proceeds of any obligation the interest on which is excludable from the gross income of the registered owners thereof for federal income tax purposes) for the redemption of all Nonqualified Obligations within 90 days of the date that such Deliberate Action was taken. In the event that insufficient maturities of the Obligations are callable by the date which is within 90 days after the date of the Deliberate Action, then such funds may be used for the establishment of a Defeasance Escrow within 90 days of the date of the Deliberate Action for all of the maturities of the Nonqualified Obligations not callable within 90 days of the date of the Deliberate Action.

(iii) If a Defeasance Escrow is established for any maturities of Nonqualified Obligations that are not callable within 90 days of the date of the Deliberate Action,

written notice must be provided to the Commissioner of Internal Revenue Service at the times and places as may be specified by applicable regulations, rulings or other guidance issued by the Department of the Treasury or the Internal Revenue Service. Note that the ability to create a Defeasance Escrow applies only if the Obligations to be defeased and redeemed all mature or are callable within ten and one-half (10.5) years of the date the Obligations are originally issued or executed and delivered. If the Obligations are not callable within ten and one-half years, and none of the other remedial actions described below are applicable, the remainder of this attachment is for general information only, and Bond Counsel must be contacted to discuss other available options.

(b) Alternative Use of Disposition Proceeds. Use of any Disposition Proceeds in accordance with the following requirements may be treated as a Remedial Action with respect to the Obligations:

(i) the Deliberate Action consists of a disposition of all or any portion of the Facilities for not less than the fair market value thereof for cash;

(ii) the Corporation (or, if applicable, a conduit issuer) reasonably expects to expend the Disposition Proceeds resulting from the Deliberate Action within two years of the date of the Deliberate Action;

(iii) the Disposition Proceeds are treated as Proceeds of the Obligations for purposes of Section 141 of the Code and the Regulations thereunder, and the use of the Disposition Proceeds in the manner in which such Disposition Proceeds are in fact so used would not cause the Disposition Proceeds to satisfy the Private Activity Bond Tests;

(iv) no action is taken after the date of the Deliberate Action to cause the Private Activity Bond Tests to be satisfied with respect to the Obligations, the Facilities or the Disposition Proceeds (other than any such use that may be permitted in accordance with the Treasury Regulations);

(v) Disposition Proceeds used in a manner that satisfies the Private Activity Bond Tests or which are not expended within two years of the date of the Deliberate Action must be used to redeem or defease Nonqualified Obligations in accordance with the requirements set forth in Section 4(a) hereof; and

(c) Alternative Use of Facilities. The Corporation (and, if applicable, a conduit issuer) may be considered to have taken sufficient Remedial Actions to cause the Obligations to continue their applicable treatment under federal tax law if, subsequent to taking any Deliberate Action with respect to all or any portion of the Facilities:

(i) the portion of the Facilities subject to the Deliberate Action is used for a purpose that would be permitted for qualified tax-exempt obligations;

(ii) the disposition of the portion of the Facilities subject to the Deliberate Action is not financed by a person acquiring the Facilities with proceeds of any obligation the interest on which is exempt from the gross income of the registered owners thereof under Section 103 of the Code for purposes of federal income taxation; and

(iii) any Disposition Proceeds other than those arising from an agreement to provide services (including Disposition Proceeds arising from an installment sale) resulting from the Deliberate Action are used to pay the debt service on the Obligations on the next available payment date or, within 90 days of receipt thereof, are deposited into an escrow that is restricted as to the investment thereof to the yield on the Obligations to pay debt service on the Obligations on the next available payment date;

Absent an opinion of Bond Counsel, no Remedial Actions are available to remediate the satisfaction of the Private Security or Payment Test regarding the same with respect to the Obligations. Nothing herein is intended to prohibit Remedial Actions not described herein that may become available subsequent to the date the Obligations are originally issued or executed and delivered to remediate the effect of a Deliberate Action taken with respect to the Obligations, the proceeds thereof or the Facilities.

5. Additional Defined Terms. For purposes of this attachment, the following terms have the following meanings:

“Commissioner” means the Commissioner of Internal Revenue, including any successor person or body.

“Defeasance Escrow” means an irrevocable escrow established to redeem obligations on their earliest call date in an amount that, together with investment earnings thereon, is sufficient to pay all the principal of, and interest and call premium on, obligations from the date the escrow is established to the earliest call date. A Defeasance Escrow may not be invested in higher yielding investments or in any investment under which the obligor is a user of the proceeds of the obligations.

“Deliberate Action” means any action, occurrence or omission by the Corporation (or, if applicable, by a conduit issuer) that is within the control of the Corporation (or, if applicable, by such conduit issuer) which causes either (1) the Private Business Use Test to be satisfied with respect to the Obligations or the Facilities (without regard to the Private Security or Payment Test), or (2) the Private Loan Financing Test to be satisfied with respect to the Obligations or the proceeds thereof. An action, occurrence or omission is not a Deliberate Action if (1) the action, occurrence or omission would be treated as an involuntary or compulsory conversion under Section 1033 of the Code, or (2) the action, occurrence or omission is in response to a regulatory directive made by the government of the United States.

“Disposition Proceeds” means any amounts (including property, such as an agreement to provide services) derived from the sale, exchange or other disposition of property (other than Investments) financed with the proceeds of the Obligations.

“Nonqualified Obligations” means that portion of the Obligations outstanding at the time of a Deliberate Action in an amount that, if the outstanding Obligations were issued or executed and delivered on the date on which the Deliberate Action occurs, the outstanding Obligations would not satisfy the Private Business Use Test or the Private Loan Financing Test, as applicable. For this purpose, the amount of private business use is the greatest percentage of private business use in any one-year period commencing with the Deliberate Action.

“Private Activity Bond Tests” means, collectively, the Private Business Use Test, the Private Security or Payment Test and the Private Loan Financing Test.

“Private Business Tests” means the Private Business Use Test and the Private Security or Payment Test.

“Private Business Use Test” has the meaning set forth in Section 141(b)(1) of the Code.

“Private Loan Financing Test” has the meaning set forth in Section 141(c) of the Code.

“Private Security or Payment Test” has the meaning set forth in Section 141(b)(2) of the Code.

“Remedial Action” means any of the applicable actions described in Section 4 hereof, or such other actions as may be prescribed from time to time by the Department of the Treasury or the Internal Revenue Service, which generally have the effect of rectifying noncompliance by the Corporation with certain provisions of Section 141 of the Code and the Regulations thereunder and are undertaken by the Corporation to maintain the federal tax status of the Obligations.

6. Change in Law. This attachment is based on law in effect as of this date. Statutory or regulatory changes, including but not limited to clarifying Treasury Regulations, may affect the matters set forth in this attachment.