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Invested in America

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SIFMA Model Risk Disclosures Pursuant to MSRB Rule G-17

[Floating Rate Notes[1]]

The following is a general description of the financial characteristics of Floating Rate Notes (FRNs), as well as a general description of certain financial risks that are known to us and reasonably foreseeable at this time and that you should consider before deciding whether to issue FRNs. If you have any questions or concerns about these disclosures, please make those questions or concerns known immediately to us. In addition, you should consult with your financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate. DELETE THE FOLLOWING SENTENCE IF THE ISSUER HAS DETERMINED THE STRUCTURE OF THE FINANCING: [If you decide that you would like to pursue this financing alternative, we may provide you with additional information more specific to your particular FRN issue.]

IF A CONDUIT ISSUE, ADD THE FOLLOWING (MODIFY AS NECESSARY TO REFLECT THE TERMS OF THE TRANSACTION): [As the issuer of the FRNs, you will be a party to the bond purchase agreement and certain other legal documents to be entered into in connection with the issuance of the FRNs, but the material financial risks described below will be borne by the obligor, as set forth in those legal documents. A copy of our disclosure letter is also being sent to the obligor.] [IF NOT A CONDUIT ISSUE, DELETE REFERENCES BELOW TO "THE OBLIGOR".]

Financial Characteristics

Maturity and Interest. FRNs are debt securities either with short-term maturities (generally one to five years) or with nominal long-term maturities coupled with a mandatory tender for purchase after a stated period (in either case, the Floating Rate Note Period) that also generally is one to five years in length. The purchase price of the FRNs subject to mandatory tender at the end of the Floating Rate Note Period is 100% of the principal amount (par). FRNs may be issued as part of a multi-modal issue or as a separate issue of securities. If the FRNs are not retired at maturity or at the end of the Floating Rate Note Period, as the case may be, the FRNs may be remarketed into or refinanced by a new Floating Rate Note Period, new FRNs, variable rate demand obligations (VRDOs), fixed rate bonds or other obligations. FRNs may be offered to investors in authorized denominations of $5,000 or any integral multiple. FRNs typically are sold without third-party credit or liquidity support.

The interest rate on the FRNs floats, generally weekly, and is based on a spread to an index (typically, either the SIFMA Index or LIBOR, each briefly described below), subject to any

[1] Under MSRB Rule G-17, the underwriters must provide an issuer with disclosures about complex municipal securities financings that they recommend to the issuer for a negotiated offering. Floating Rate Notes generally will be treated as a complex municipal securities financing.

applicable maximum interest rate. The spread will be fixed for the duration of the Floating Rate Note Period and will be determined at the time of pricing of the FRNs, based on your credit ratings, if any, your financial condition, general market conditions, the duration of the Floating Rate Note Period and whether interest is intended to be taxable or tax-exempt. The maximum interest rate for the FRNs generally will range between 9% per annum and 15% per annum. Interest on the FRNs typically is paid monthly or semiannually.

"*SIFMA Index*" is the Municipal Swap Index compiled from weekly interest rate resets of tax-exempt variable rate issues reported to Municipal Market Data that meet specific criteria established from time to time by SIFMA. The SIFMA Index is generally determined on Wednesday of each week and published and effective for the one-week period beginning on Thursday. In our capacity as a remarketing agent, we may remarket bonds that are included in calculating the SIFMA Index.

"*LIBOR*" is the London-Interbank Offered Rate, which is an interest rate for a specified period for US Dollar investments that is managed by the British Bankers Association. LIBOR is determined each day at 11am (London time) and is the average rate (with some adjustments) derived from the quotations provided by certain reference banks that are determined by the British Bankers' Association. IF APPLICABLE, ADD THE FOLLOWING: [We or an affiliate may be a reference bank for purposes of setting LIBOR.]

In most cases, the authorizing documents for the FRNs include an alternate mechanism for determining the interest rate on the FRNs in the event that the SIFMA Index or LIBOR, as applicable, is not calculated.

Redemption. FRNs generally will not be subject to optional redemption until six months prior to the maturity date or the end of the Floating Rate Note Period. If optional redemption is permitted, FRNs may be redeemed on any business day during that six-month window at a redemption price of par plus accrued interest. You will be required to send out a notice of optional redemption to the holders of the FRNs.

Mandatory Tender at End of Floating Rate Note Period. Unlike VRDOs, FRNs are not subject to optional or mandatory tender during a Floating Rate Note Period. FRNs (unless maturing) are subject to mandatory tender by the holders at par at the end of the Floating Rate Note Period. If you intend to remarket the FRNs at the end of the Floating Rate Note Period, you will be required to appoint a broker-dealer or a municipal securities dealer as remarketing agent to sell the FRNs at the end of the Floating Rate Note Period. You [or the obligor] will negotiate the terms of the remarketing, including the remarketing fee, at the time of the remarketing. The remarketing agent generally either will agree to underwrite or to use its best efforts to remarket the FRNs into a new Floating Rate Note Period or as VRDOs, fixed rate bonds or other obligations.

Depending on the terms of the FRNs, you [or the obligor] may be obligated to fund the purchase price of the FRNs if the remarketing agent is unable to successfully remarket the FRNs or if you are unable to refinance the FRNs at the end of the Floating Rate Note Period. In that situation (referred to as a "hard put"), if you do not provide sufficient funds, you will be in default. In other instances (referred to as a "soft put"), if the remarketing agent is unable to successfully remarket the FRNs or if you are unable to refinance the FRNs at the end of the Floating Rate Note Period, you will not be obligated to fund the purchase price of the FRNs, but the interest rate that you pay on the FRNs will increase. That adjusted interest rate, after the passage of a specified period of time, could go as high as the maximum interest rate and remain at that level until the FRNs are paid in full. The terms of any hard put or soft put can vary and will be negotiated in connection with the issuance of the FRNs and will be set forth in the authorizing documents for the FRNs.

[IF APPROPRIATE FOR A PARTICULAR ISSUER OR TRANSACTION, PORTIONS OF THE RISK DISCLOSURE FOR FIXED RATE BONDS MAY BE INSERTED, SUCH AS, FOR EXAMPLE, EXCERPTS FROM THE "SECURITY" SECTION TO DESCRIBE THE RELEVANT SECURITY FOR THE FRNs.]

Financial Risk Considerations

Certain risks may arise in connection with your issuance of FRNs, including some or all of the following (generally, the obligor, rather than you, will bear these risks for conduit revenue bonds):

Interest Rate Risk
Interest rate risk is the possibility that the interest rate that you pay on the FRNs during the Floating Rate Note Period may increase, which can be triggered by factors such as a general increase in short-term interest rates or in the index on which the interest rate is based. In addition, at the end of a Floating Rate Note Period, if you decide to roll the FRNs into a new Floating Rate Note Period, the interest rate on the FRNs during the new Floating Rate Note Period also may increase as a result of various factors, including general market conditions, increases in spreads over the index used to set the interest rate and your credit ratings, if any, or your financial condition. In either situation, the debt service costs associated with the FRNs will increase, which may negatively affect your coverage ratios and reduce the amount of your available cash. The interest rate on the FRNs may be capped at a maximum interest rate, which generally will range between 9% per annum and 15% per annum. See "Financial Characteristics – *Maturity and Interest*" above.

Index Risk
Recent reports have identified problems in the way that LIBOR has been set in past years. Although the matter is still under review by relevant regulatory authorities, there is a possibility that the method of establishing LIBOR could change. The Municipal Securities Rulemaking Board also recently announced that it will review indices used by the municipal market to develop educational materials about their use and to ensure that the market operates fairly and transparently. The method of establishing indices used in the municipal market, including the SIFMA Index, may change over time. A change in LIBOR or the SIFMA Index may affect the interest rate that you pay on the FRNs. In addition, there is a risk that, at any point in time, the indices (and therefore the rate of interest that you pay on the FRNs) may be affected by factors that are unrelated to the market for FRNs or for tax-exempt securities generally. The

authorizing documents for your FRNs should include an alternate mechanism to determine the interest rate on the FRNs in the event that the applicable index is not calculated.

Refinancing Risk

If you intend to remarket or refinance the FRNs at the end of a Floating Rate Note Period (whether as new FRNs, VRDOs, fixed rate bonds or other obligations), as a result of changes in market conditions, changes in law or changes in your credit ratings, if any, or your financial condition, you may be unable to remarket or refinance the FRNs at the end of the Floating Rate Note Period or you may pay a higher interest rate during any new Floating Rate Note Period. If the FRNs are structured to include a hard put and you are unable to successfully remarket or refinance the FRNs at the end of the Floating Rate Note Period, you may be obligated to fund the full amount of the purchase price of the tendered FRNs, much sooner than you otherwise may be expecting. If the FRNs are structured with a soft put and you are unable to successfully remarket or refinance the FRNs at the end of the Floating Rate Note Period, you may pay a higher interest rate to the holders of the FRNs, which could be as high as the maximum interest rate and remain at that level until the FRNs are paid in full. See "Financial Characteristics – *Mandatory Tender at End of Floating Rate Note Period*" above.

Issuer Default Risk

You may be in default if the funds pledged to secure your FRNs are not sufficient to pay debt service on the FRNs when due. You also may be in default if the FRNs are subject to a hard put and you are unable to fully fund the purchase price of the FRNs at the end of the Floating Rate Note Period. The consequences of a default may be serious for you and, depending on applicable state law and the terms of the authorizing documents, the holders of the FRNs and the trustee may be able to exercise a range of available remedies against you. For example, if the FRNs are secured by a general obligation pledge, you may be ordered by a court to raise taxes. Other budgetary adjustments also may be necessary to enable you to provide sufficient funds to pay debt service on or, if applicable, purchase price of the FRNs. If the FRNs are revenue bonds, you may be required to take steps to increase the available revenues that are pledged as security for the FRNs. A default may negatively impact your credit ratings. Further, a default may effectively limit your ability to publicly offer bonds or other securities at market interest rate levels. If you are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, it may be necessary for you to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you are unable to comply with covenants or other provisions agreed to in connection with the issuance of the FRNs.

This description is only a brief summary of issues relating to defaults and is not intended as legal advice. You should consult with your bond counsel for further information regarding defaults and remedies.

Reinvestment Risk

You may have proceeds of the FRNs to invest prior to the time that you are able to spend those proceeds for the authorized purpose. Depending on market conditions, you may not be able to invest those proceeds at or near the rate of interest that you are paying on the FRNs, which is referred to as "negative arbitrage".

Tax Compliance Risk

The issuance of tax-exempt bonds is subject to a number of requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS). You must take certain steps and make certain representations prior to the issuance of tax-exempt bonds. You also must covenant to take certain additional actions after issuance of the tax-exempt bonds. A breach of your representations or your failure to comply with certain tax-related covenants may cause the interest on the FRNs (if issued as tax-exempt obligations) to become taxable retroactively to the date of issuance of the FRNs, which may result in an increase in the interest rate that you pay on the FRNs or the mandatory redemption of the FRNs. The IRS also may audit you or your FRNs or other bonds, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. If the FRNs are declared taxable, or if you are subject to audit, you may be unable to remarket or refinance the FRNs at the end of a Floating Rate Note Period or you may pay a higher interest rate during any new Floating Rate Note Period. Further, your ability to issue other tax-exempt bonds also may be limited.

This description of tax compliance risks is not intended as legal advice and you should consult with your bond counsel regarding tax implications of issuing the FRNs.