

Edgar Filing: Spirit Realty Capital, Inc. - Form 10-Q

Spirit Realty Capital, Inc.
Form 10-Q
November 05, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended September 30, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the transition period from _____ to _____
Commission file number 001-36004

SPIRIT REALTY CAPITAL, INC.
(Exact name of registrant as specified in its charter)

Maryland 20-1676382
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification Number)

16767 North Perimeter Drive, Suite 210, Scottsdale, (480) 606-0820
Arizona 85260
(Address of principal executive offices; zip code) (Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

As of November 3, 2014, there were 398,566,183 shares of common stock, par value \$0.01, of Spirit Realty Capital, Inc. outstanding.

Table of Contents

SPIRIT REALTY CAPITAL, INC.

INDEX

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

Condensed Consolidated Balance Sheets as of September 30, 2014 (Unaudited) and December 31, 2013 3

Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2014 and 2013 (Unaudited) 4

Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2014 and 2013 (Unaudited) 5

Condensed Consolidated Statement of Stockholders' Equity for the nine months ended September 30, 2014 (Unaudited) 6

Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2014 and 2013 (Unaudited) 7

Notes to Condensed Consolidated Financial Statements (Unaudited) 8

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations 30

Item 3. Quantitative and Qualitative Disclosures About Market Risk 58

Item 4. Controls and Procedures 59

PART II — OTHER INFORMATION

Item 1. Legal Proceedings 59

Item 1A. Risk Factors 60

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds 60

Item 3. Defaults Upon Senior Securities 60

Item 4. Mine Safety Disclosures 60

Item 5. Other Information 60

Item 6. Exhibits 61

Signatures 64

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

SPIRIT REALTY CAPITAL, INC.

Condensed Consolidated Balance Sheets

(In Thousands, Except Share and Per Share Data)

	September 30, 2014 (Unaudited)	December 31, 2013
Assets		
Investments:		
Real estate investments:		
Land and improvements	\$2,503,857	\$2,330,510
Buildings and improvements	4,447,082	4,188,783
Total real estate investments	6,950,939	6,519,293
Less: accumulated depreciation	(723,777)	(590,067)
	6,227,162	5,929,226
Loans receivable, net	111,409	117,721
Intangible lease assets, net	599,875	618,121
Real estate assets under direct financing leases, net	56,654	58,760
Real estate assets held for sale, net	54,120	19,611
Net investments	7,049,220	6,743,439
Cash and cash equivalents	50,130	66,588
Deferred costs and other assets, net	156,485	129,597
Goodwill	291,421	291,421
Total assets	\$7,547,256	\$7,231,045
Liabilities and stockholders' equity		
Liabilities:		
Revolving credit facilities	\$125,436	\$35,120
Mortgages and notes payable, net	3,188,547	3,743,098
Convertible senior notes, net	693,845	—
Intangible lease liabilities, net	219,626	220,114
Accounts payable, accrued expenses and other liabilities	115,564	114,679
Total liabilities	4,343,018	4,113,011
Commitments and contingencies (see Note 8)		
Stockholders' equity:		
Common stock, \$0.01 par value; 399,039,782 shares issued; 398,566,183 outstanding shares at September 30, 2014 and 370,570,565 shares issued; 370,363,803 outstanding shares at December 31, 2013	3,990	3,706
Capital in excess of par value	4,211,235	3,859,823
Accumulated deficit	(1,005,434)	(742,915)
Accumulated other comprehensive loss	(691)	(638)
Treasury stock, at cost	(4,862)	(1,942)
Total stockholders' equity	3,204,238	3,118,034
Total liabilities and stockholders' equity	\$7,547,256	\$7,231,045
See accompanying notes.		

SPIRIT REALTY CAPITAL, INC.
Condensed Consolidated Statements of Operations
(In Thousands, Except Share and Per Share Data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenues:				
Rentals	\$145,591	\$131,526	\$426,212	\$271,352
Interest income on loans receivable	1,805	1,796	5,463	4,037
Earned income from direct financing leases	837	708	2,521	708
Tenant reimbursement income	3,308	2,316	9,548	2,316
Interest income and other	754	501	4,312	1,816
Total revenues	152,295	136,847	448,056	280,229
Expenses:				
General and administrative	11,995	9,946	33,496	26,064
Finance restructuring costs	(11	) —	13,022	—
Merger costs	—	45,071	—	56,629
Property costs	5,357	5,067	17,215	6,334
Real estate acquisition costs	865	470	2,372	688
Interest	53,535	50,386	163,926	126,376
Depreciation and amortization	62,069	48,243	184,586	104,882
Impairments (recoveries)	12,727	—	42,061	(185
Total expenses	146,537	159,183	456,678	320,788
Income (loss) from continuing operations before other income (expense) and income tax expense	5,758	(22,336	) (8,622	) (40,559
Other income (expense):				
Gain (loss) on debt extinguishment	212	—	(64,496) —
Total other income (expense)	212	—	(64,496) —
Income (loss) from continuing operations before income tax expense	5,970	(22,336	) (73,118	) (40,559
Income tax expense	242	803	586	946
Income (loss) from continuing operations	5,728	(23,139	) (73,704	) (41,505
Discontinued operations:				
Income (loss) from discontinued operations	288	(6	) 3,621	(1,630
Gain on dispositions of assets	403	1,237	488	1,226
Income (loss) from discontinued operations	691	1,231	4,109	(404
Income (loss) before dispositions of assets	6,419	(21,908	) (69,595	) (41,909
Gain on dispositions of assets	1,251	—	1,683	—
Net income (loss)	\$7,670	\$(21,908	) \$(67,912	) \$(41,909
Net income (loss) per share of common stock—basic and diluted:				
Continuing operations	\$0.02	\$(0.07	) \$(0.19	) \$(0.19
Discontinued operations	—	—	0.01	—
Net income (loss) per share	\$0.02	\$(0.07	) \$(0.18	) \$(0.19
Weighted average common shares outstanding:				
Basic	396,807,656	329,527,874	382,525,614	216,749,378
Diluted	397,613,583	329,527,874	382,525,614	216,749,378

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Dividends declared per common share issued	\$0.16625	\$0.16410	\$0.49875	\$0.49220
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See accompanying notes.

4

SPIRIT REALTY CAPITAL, INC.

Condensed Consolidated Statements of Comprehensive Income (Loss)

(In Thousands)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net income (loss)	\$7,670	\$(21,908)	) \$(67,912	) \$(41,909)
Other comprehensive income (loss):				
Change in net unrealized gains or (losses) on cash flow hedges	237	(320)	) (1,040	) 149
Net cash flow hedge losses reclassified to operations	333	120	987	331
Total comprehensive income (loss)	\$8,240	\$(22,108)	) \$(67,965	) \$(41,429)

See accompanying notes.

SPIRIT REALTY CAPITAL, INC.

Condensed Consolidated Statement of Stockholders' Equity

(In Thousands, Except Share Data)

(Unaudited)

	Common Stock			Accumulated Deficit	Treasury Stock			Total Stockholders' Equity
	Shares	Par Value	Capital in Excess of Par Value		Accumulated Other Comprehensive Loss	Shares	Value	
Balances, December 31, 2013	370,570,565	\$ 3,706	\$ 3,859,823	\$(742,915)	\$(638)	(206,762)	\$(1,942)	\$3,118,034
Net loss	—	—	—	(67,912)	—	—	—	(67,912)
Other comprehensive loss	—	—	—	—	(53)	—	—	(53)
Dividends declared on common stock	—	—	—	(194,187)	—	—	—	(194,187)
Repurchase of common shares	—	—	—	—	—	(266,837)	(2,920)	(2,920)
Issuance of common shares	28,024,320	280	287,174	—	—	—	—	287,454
Embedded conversion premium of convertible notes	—	—	55,131	—	—	—	—	55,131
Exercise of stock options	20,000	—	183	—	—	—	—	183
Stock-based compensation, net	424,897	4	8,924	(420)	—	—	—	8,508
Balances, September 30, 2014	399,039,782	\$ 3,990	\$ 4,211,235	\$(1,005,434)	\$(691)	(473,599)	\$(4,862)	\$3,204,238

See accompanying notes.

SPIRIT REALTY CAPITAL, INC.
 Condensed Consolidated Statements of Cash Flows
 (In Thousands)
 (Unaudited)

	Nine Months Ended September 30,	
	2014	2013
Operating activities		
Net loss	\$(67,912	) \$(41,909
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	184,586	108,336
Impairments	42,061	5,668
Amortization of deferred financing costs	4,084	12,457
Amortization of interest rate hedge losses and derivative net settlements	(83	) (101
Amortization of debt (premiums) discounts	(821	) 5,588
Stock-based compensation expense	8,503	6,901
Loss (gain) on debt extinguishment	64,496	(1,028
Debt extinguishment costs	(59,069) —
Gains on dispositions of real estate and other assets, net	(2,171	) (1,467
Non-cash revenue	(12,877	) (15,191
Other	274	(41
Changes in operating assets and liabilities:		
Deferred costs and other assets	(3,111	) (8,262
Accounts payable, accrued expenses and other liabilities	(3,248	) (1,826
Net cash provided by operating activities	154,712	69,125
Investing activities		
Acquisitions/investments in real estate	(546,373	) (176,080
Collections of principal on loans receivable and real estate assets under direct financing leases	4,641	13,878
Proceeds from dispositions of real estate and other assets	31,993	135,270
Cash acquired in connection with merger	—	9,400
Transfers of sale proceeds and loan principal collections (to) from restricted account	(20,240	) 7,018
Net cash used in investing activities	(529,979	) (10,514
Financing activities		
Borrowings under lines of credit	515,535	266,705
Repayments under lines of credit	(425,219	) (115,197
Repayment of line of credit previously belonging to Cole II	—	(324,111
Borrowings under Convertible Notes and mortgages and notes payable	757,500	238,140
Repayments under mortgages and notes payable	(562,104	) (33,339
Deferred financing costs	(20,011	) (20,041
Proceeds from issuance of common stock, net of offering costs	287,454	(518
Proceeds from exercise of stock options	183	—
Offering costs paid on equity component of convertible debt	(1,609) —
Purchase of treasury stock	(2,920	) (1,942
Consent fees paid to lenders	—	(5,449
Dividends paid to stockholders	(189,510	) (85,897
Transfers to escrow deposits with lenders	(490	) (8,155
Net cash provided by (used in) financing activities	358,809	(89,804
Net decrease in cash and cash equivalents	(16,458	) (31,193
Cash and cash equivalents, beginning of period	66,588	73,568

Cash and cash equivalents, end of period	\$50,130	\$42,375
See accompanying notes.		

7

SPIRIT REALTY CAPITAL, INC.

Notes to Condensed Consolidated Financial Statements

September 30, 2014

(Unaudited)

Note 1. Organization

Company Organization and Operations

Spirit Realty Capital, Inc. (the "Company") is a Maryland corporation and operates as a self-administered and self-managed REIT that seeks to generate and deliver sustainable and attractive returns for stockholders by investing primarily in and managing a portfolio of single-tenant, operationally essential real estate throughout the United States that is generally leased on a long-term, triple-net basis predominately to tenants engaged in retail, service and distribution industries. Single tenant, operationally essential real estate generally refers to free-standing, commercial real estate facilities where tenants conduct activities that are essential to the generation of their sales and profits. On July 17, 2013, the Company merged with and into Cole Credit Property Trust II, Inc. ("Cole II"), a Maryland Corporation, pursuant to the Merger Agreement between parties dated January 22, 2013 ("Merger").

The Company's operations are carried out through its operating partnership, Spirit Realty, L.P. (the "Operating Partnership"). Spirit General OP Holdings, LLC ("OP Holdings"), one of the Company's wholly owned subsidiaries, is the sole general partner and owns 1.0% of the Operating Partnership. The Company and a wholly-owned subsidiary are the only limited partners and together own the remaining 99.0% of the Operating Partnership.

As of September 30, 2014, our undepreciated gross investment in real estate and loans totaled approximately \$7.71 billion, representing investments in 2,408 properties, including properties securing our mortgage loans. Of this amount, 98.6% consisted of our gross investment in real estate, representing ownership of 2,263 properties, and the remaining 1.4% consisted of commercial mortgage loans receivable secured by the remaining 145 properties or other related assets.

Recent Developments

Common Stock and Convertible Notes Offerings

On May 20, 2014, the Company completed a registered offering of 26,450,000 shares of the Company's common stock, par value \$0.01 per share, pursuant to an underwriting agreement dated May 14, 2014 (the "Common Stock Offering"). The shares sold in the offering included 3,450,000 shares sold to the underwriters pursuant to their 30-day option to purchase additional shares, which was exercised in full on May 16, 2014.

Concurrent with the Common Stock Offering, on May 20, 2014, the Company registered offerings of \$402.5 million aggregate principal amount of 2.875% Convertible Senior Notes due 2019 (the "2019 Notes") and \$345.0 million aggregate principal amount 3.75% Convertible Senior Notes due 2021 (the "2021 Notes" and, together with the 2019 Notes, the "Convertible Notes"), pursuant to an underwriting agreement dated May 14, 2014 (the "Convertible Notes Offering"). The Convertible Notes sold in the offering include \$52.5 million of the 2019 Notes and \$45.0 million of the 2021 Notes sold to the underwriters pursuant to their 30-day option to purchase additional Convertible Notes, which was exercised in full on May 16, 2014.

The resulting net proceeds to the Company from the Common Stock Offering and Convertible Notes Offering were approximately \$271.2 million and \$726.2 million, respectively, after deducting the underwriting discount and other transaction costs paid by the Company. Net proceeds raised from the concurrent public offerings were partially used to extinguish senior mortgage notes payable with an aggregate principal balance of \$509.8 million, redeem \$18.0 million of net-lease mortgage notes which were not tendered in connection with the Exchange Offer (defined below), repay all amounts drawn against the Credit Facility as of May 20, 2014 and to fund future acquisitions and for general

corporate purposes.

8

SPIRIT REALTY CAPITAL, INC.

Notes to Condensed Consolidated Financial Statements - (continued)

September 30, 2014

(Unaudited)

Spirit Master Funding Notes Exchange Offer

On May 20, 2014 (the "Settlement Date"), the Company completed its offer to exchange (the "Exchange Offer") any and all of certain net-lease mortgage notes, (the "Old Notes") issued by indirectly-owned special purpose, bankruptcy remote subsidiaries of the Company, for new notes under an amended trust indenture and property management agreement (the "New Master Funding Notes" or "Master Funding Notes"). The Exchange Offer was subject to a minimum tender condition of at least 98% of the outstanding principal of Old Notes. Of the \$912.4 million of Old Notes outstanding on the Settlement Date, \$894.4 million or 98% elected to exchange their Old Notes for New Master Funding Notes and \$18.0 million of the Old Notes not tendered were redeemed.

The New Master Funding Notes will maintain generally similar structural terms as the Old Notes. The New Master Funding Notes bear interest at the same rate, amortize at a slower rate and have a 17 year extension of the legal final payment date (although the anticipated repayment date remains the same). The New Master Funding Notes are not insured by third party financial guaranty insurance as the Old Notes were, and the associated insurance premium was eliminated. The New Master Funding Notes are secured by substantially all of the assets owned by the issuer entities.

Debt Defeasance

On June 5, 2014, two indirectly owned subsidiaries of the Company defeased the loans outstanding under a master loan agreement. The original amount under the loan agreement was \$545.7 million bearing interest at a fixed rate of 6.59% with a maturity date of June 5, 2016. On the defeasance date, the principal balance outstanding under the loan agreement was approximately \$488.7 million. Prior to the defeasance date, the obligations under the loan agreement had been secured by 112 properties and rents therefrom leased to a significant tenant, which collateral had an aggregate gross book value of approximately \$917.7 million. The Company funded the defeasance using a portion of the proceeds from the Convertible Notes Offering.

At the Market Common Stock Offering Program

On April 15, 2014, in connection with the commencement of a continuous equity offering, the Company filed with the Securities and Exchange Commission ("SEC") a prospectus supplement under which the Company may sell up to an aggregate of \$350.0 million of shares of its common stock from time to time in "at the market" offerings (the "ATM Program"). The Company may sell the shares in amounts and at times to be determined by the Company, but has no obligation to sell any of the shares in the ATM Program. The ATM Program will operate pursuant to an equity distribution agreement entered into by the Company and the Operating Partnership with a number of sales agents for the offer and sale of the shares. During the second quarter of 2014, the Company sold 1,574,320 shares under the program, raising net proceeds of approximately \$16.3 million. No shares were sold under the ATM Program during the third quarter of 2014.

Acquisitions and dispositions

During the nine months ended September 30, 2014, the Company purchased 241 properties, representing an aggregate gross investment in real estate properties of \$572.2 million, which includes \$2.4 million in revenue producing follow on investments in existing properties. During the same period, the Company sold 19 properties for \$44.9 million in gross sales proceeds. See Note 3 for additional discussion of the Company's investments.

SPIRIT REALTY CAPITAL, INC.

Notes to Condensed Consolidated Financial Statements - (continued)

September 30, 2014

(Unaudited)

Note 2. Summary of Significant Accounting Policies

Basis of Accounting and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements of Spirit Realty Capital, Inc. and its consolidated subsidiaries have been prepared pursuant to the rules and regulations of the SEC. In the opinion of management, the unaudited condensed consolidated financial statements include the normal, recurring adjustments necessary for a fair statement of the information required to be set forth therein. The results for interim periods are not necessarily indicative of the results for the entire year. Certain information and note disclosures, normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States (“GAAP”), have been condensed or omitted from these statements pursuant to SEC rules and regulations and, accordingly, these financial statements should be read in conjunction with the Company’s audited consolidated financial statements as filed with the SEC in its Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

The unaudited condensed consolidated financial statements include the accounts of Spirit Realty Capital, Inc. and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

The Company has formed numerous special purpose entities to acquire and hold real estate subject to mortgage notes payable (see Note 5). As a result, the vast majority of the Company’s consolidated assets are held in these wholly owned special purpose entities, and are subject to debt. Each special purpose entity is a separate legal entity, and is the sole owner of its assets and responsible for its liabilities. The assets of these special purpose entities are not available to pay, or otherwise satisfy obligations to, the creditors of any owner or affiliate of the special purpose entity. At September 30, 2014 and December 31, 2013, assets totaling \$5.5 billion and \$6.1 billion, respectively, were held, and liabilities totaling \$3.3 billion and \$3.8 billion, respectively, were owed by these special purpose entities and are included in the accompanying condensed consolidated balance sheets.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although management believes its estimates are reasonable, actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to prior period balances to conform to the current period presentation (see Note 11).

Segment Reporting

Accounting Standards Codification Topic (“ASC”) 280, Segment Reporting, established standards for the manner in which public enterprises report information about operating segments. The Company views its operations as one segment, which consists of net leasing operations. The Company has no other reportable segments.

Real Estate Investments

Purchase Accounting and Acquisition of Real Estate - When acquiring a property for investment purposes, the Company allocates the purchase price (including acquisition and closing costs) to land, building, improvements, and equipment based on their relative fair values. For properties acquired with in-place leases, the Company allocates the purchase price of real estate to the tangible and intangible assets and liabilities acquired based on their estimated fair values, and acquisition costs are expensed as incurred. In making estimates of fair values for this purpose, the Company uses a number of sources, including independent appraisals and information obtained about each property as a result of its pre-acquisition due diligence and its marketing and leasing activities.

Lease Intangibles - Lease intangibles, if any, acquired in conjunction with the purchase of real estate represent the value of in-place leases and above- or below-market leases. For real estate acquired subject to existing lease

agreements, in-place lease intangibles are valued based on the Company's estimates of costs related to tenant

10

SPIRIT REALTY CAPITAL, INC.

Notes to Condensed Consolidated Financial Statements - (continued)

September 30, 2014

(Unaudited)

acquisition and the carrying costs that would be incurred during the time it would take to locate a tenant if the property were vacant, considering current market conditions and costs to execute similar leases at the time of the acquisition, and are amortized on a straight-line basis over the remaining initial term of the related lease. Above- and below-market lease intangibles are recorded based on the present value of the difference between the contractual amounts to be paid pursuant to the leases at the time of acquisition of the real estate and the Company's estimate of current market lease rates for the property, measured over a period equal to the remaining initial term of the lease. Capitalized above-market lease intangibles are amortized over the remaining initial terms of the respective leases as a decrease to rental revenue. Below-market lease intangibles are amortized as an increase in rental revenue over the remaining initial terms of the respective leases plus any fixed-rate renewal periods on those leases. Should a lease terminate early, the unamortized portion of any related lease intangible is immediately recognized in the Company's condensed consolidated statements of operations.

Allowance for Doubtful Accounts

The Company reviews its rent and other tenant receivables for collectability on a regular basis, taking into consideration changes in factors such as the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates, and economic conditions in the area where the property is located. In the event that the collectability of a receivable with respect to any tenant is in doubt, a provision for uncollectible amounts will be established or a direct write-off of the specific receivable will be made. The Company provided for reserves for uncollectible amounts totaling \$9.0 million and \$7.9 million at September 30, 2014 and December 31, 2013, respectively, against accounts receivable balances of \$20.1 million and \$17.6 million, respectively; receivables are recorded within deferred costs and other assets, net in the accompanying condensed consolidated balance sheets. For deferred rental revenues related to the straight-line method of reporting rental revenue, the Company performs a periodic review of receivable balances and established a provision for losses of \$11.3 million and \$9.6 million at September 30, 2014 and December 31, 2013, respectively, against deferred rental revenue receivables of \$45.9 million and \$35.3 million, respectively. The Company's periodic review includes management's estimates of amounts that will not be realized and an assessment of the risks inherent in the portfolio, giving consideration to historical experience and industry default rates for long-term receivables.

Loans Receivable

Impairment and Allowance for Loan Losses - The Company periodically evaluates the collectability of its loans receivable, including accrued interest, by analyzing the underlying property-level economics and trends, collateral value and quality, and other relevant factors in determining the adequacy of its allowance for loan losses. A loan is determined to be impaired when, in management's judgment based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. Specific allowances for loan losses are provided for impaired loans on an individual loan basis in the amount by which the carrying value exceeds the estimated fair value of the underlying collateral less disposition costs. Delinquent loans receivable are written off against the allowance when all possible means of collection have been exhausted. There was no allowance for loan losses at September 30, 2014 or December 31, 2013.

A loan is placed on nonaccrual status when the loan has become 60 days past due, or earlier if management determines that full recovery of the contractually specified payments of principal and interest is doubtful. While on nonaccrual status, interest income is recognized only when received. As of September 30, 2014 and December 31, 2013, there were no mortgages or notes on nonaccrual status.

SPIRIT REALTY CAPITAL, INC.

Notes to Condensed Consolidated Financial Statements - (continued)

September 30, 2014

(Unaudited)

Restricted Cash and Escrow Deposits

Restricted cash and deposits in escrow, classified within deferred costs and other assets, net in the accompanying condensed consolidated balance sheets consisted of the following at September 30, 2014 and December 31, 2013:

	September 30, 2014	December 31, 2013
Collateral deposits ⁽¹⁾	\$21,597	\$21,816
Tenant improvements, repairs, and leasing commissions ⁽²⁾	13,176	10,297
Master trust release / title company escrow ⁽³⁾	21,350	21,893
Loan impounds ⁽⁴⁾	1,114	2,018
Other ⁽⁵⁾	1,400	2,667
	\$58,637	\$58,691

⁽¹⁾ Funds held in reserve by lenders which, at their sole discretion, can be applied to the repayment of debt. Any funds remaining on deposit after the debt is paid in full are released to the borrower. Included in this total is \$8.2 million of lender controlled restricted cash held on the four defaulted CMBS loans (see Note 5).

⁽²⁾ Deposits held by lenders that are reserved to fund tenant improvements/repairs on collateral properties or when leasing commissions are incurred to secure a new tenant. Included in this total is \$5.3 million in restricted cash held on the four defaulted CMBS loans (see Note 5).

⁽³⁾ Includes net sales proceeds from property dispositions held as collateral that can be released upon qualified re-investment.

⁽⁴⁾ Funds held in lender controlled accounts generally used to meet future debt service or certain property operating expenses.

⁽⁵⁾ Funds held in lender controlled accounts released within the following month after debt service requirements are met. Included in this total is \$0.2 million in restricted cash held on the four defaulted CMBS loans (see Note 5).

A significant amount of these reserves were established in connection with obtaining lender consents relating to our initial public offering during 2012 and Merger during 2013.

Income Taxes

The Company has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended. As a REIT, the Company generally will not be subject to federal income tax provided it continues to satisfy certain tests concerning the Company's sources of income, the nature of its assets, the amounts distributed to its stockholders, and the ownership of Company stock. Management believes the Company has qualified and will continue to qualify as a REIT and therefore, no provision has been made for federal income taxes in the accompanying condensed consolidated financial statements. Even if the Company qualifies for taxation as a REIT, it may be subject to state and local income and franchise taxes, and to federal income tax and excise tax on its undistributed income.

Franchise taxes are included in general and administrative expenses on the accompanying condensed consolidated statements of operations. Taxable income from non-REIT activities managed through the Company's taxable REIT subsidiary is subject to federal, state, and local taxes, which are not material.

New Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") or the SEC that are adopted by the Company as of the specified effective date. Unless otherwise discussed, these new accounting pronouncements entail technical corrections to existing guidance or affect guidance related to specialized industries or entities and therefore will have minimal, if any, impact on the Company's financial position or results of operations upon adoption.

In April 2014, the FASB issued Accounting Standards Update (ASU) 2014-08, Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360), Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity, which amends the requirements for reporting discontinued operations. Under ASU 2014-08, a disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity's

SPIRIT REALTY CAPITAL, INC.

Notes to Condensed Consolidated Financial Statements - (continued)

September 30, 2014

(Unaudited)

operations and financial results when the component or group of components meets the criteria to be classified as held for sale or when the component or group of components is disposed of by sale or other than by sale. In addition, this ASU requires additional disclosures about both discontinued operations and the disposal of an individually significant component of an entity that does not qualify for discontinued operations presentation in the financial statements. The Company has early adopted the provisions of ASU 2014-08 beginning with the period ended March 31, 2014, and has applied the provisions prospectively.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers: Topic 606. This new guidance establishes a principles-based approach for accounting for revenue from contracts with customers. Lease contracts covered by Topic 840, Leases, are excluded from the scope of this new guidance. This new standard is effective for annual reporting periods beginning after December 15, 2016 and early adoption is not permitted. The Company is currently evaluating the impact of this new standard on its financial statements.

In June 2014, the FASB issued ASU No. 2014-12, Compensation-Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period. This standard requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. ASU 2014-12 is effective for fiscal years beginning after December 15, 2015. The Company does not anticipate this standard will have a material impact on its financial statements upon adoption.

SPIRIT REALTY CAPITAL, INC.

Notes to Condensed Consolidated Financial Statements - (continued)

September 30, 2014

(Unaudited)

Note 3. Investments

Real Estate Investments

At September 30, 2014 and December 31, 2013, the Company's gross investment in real estate properties and loans, including real estate assets held for sale, totaled approximately \$7.71 billion and \$7.24 billion, respectively. These investments are comprised of 2,408 and 2,186, respectively, owned or financed properties that are geographically dispersed throughout 49 states. Only one state, Texas, with a 12.9% investment, accounted for more than 10% of the total dollar amount of the Company's investment portfolio. At September 30, 2014 and December 31, 2013, respectively, the Company's gross investment portfolio was comprised of 2,263 and 2,041 owned properties. The Company also held mortgage loans receivable secured by 145 properties with aggregate carrying amounts of \$111.0 million and \$117.3 million as of September 30, 2014 and December 31, 2013, respectively. Other unsecured loans receivable with aggregate carrying amounts of \$0.4 million were also held as of September 30, 2014 and December 31, 2013.

During the nine months ended September 30, 2014, the Company had the following gross real estate and loan activity:

	Number of Properties Owned or Financed	Dollar Amount of Investments (1)
		(In Thousands)
Balance, December 31, 2013	2,186	\$7,235,732
Acquisitions/improvements	241	573,050
Dispositions of real estate ⁽²⁾ (Note 11)	(19	) (46,744)
Principal payments and payoffs	—	(4,416)
Impairments	—	(41,539)
Write off of gross lease intangibles	—	(8,472)
Loan premium amortization and other	—	(2,121)
Balance, September 30, 2014	2,408	\$7,705,490

The dollar amount of investments includes the gross investment in land, buildings and lease intangibles, as

(1) adjusted for any impairment, related to properties owned and the carrying amount of loans receivable and real estate assets held under direct financing leases.

(2) The total accumulated depreciation and amortization associated with dispositions of real estate was \$6.7 million for the nine months ended September 30, 2014.

The properties that the Company owns are leased to tenants under long-term operating leases that typically include one or more renewal options. The leases are generally triple-net, which provides that the lessee is responsible for the payment of all property operating expenses, including property taxes, maintenance and repairs, and insurance costs; therefore, the Company is generally not responsible for repairs or other capital expenditures related to its properties, unless the property is not subject to a lease agreement. At September 30, 2014, 40 of the Company's properties were vacant, not subject to a lease and in the Company's possession; seven of these properties were held for sale. At December 31, 2013, 21 properties were vacant, not subject to a lease and in the Company's possession; six of these properties were held for sale.

Scheduled minimum future contractual rent to be received under the remaining non-cancelable term of operating leases at September 30, 2014 (in thousands):

SPIRIT REALTY CAPITAL, INC.

Notes to Condensed Consolidated Financial Statements - (continued)

September 30, 2014

(Unaudited)

Scheduled Future Rental Payments	September 30, 2014
Remainder of 2014	\$143,982
2015	570,225
2016	553,461
2017	538,290
2018	523,022
Thereafter	3,820,618
Total future minimum rentals	\$6,149,598

Because lease renewal periods are exercisable at the option of the lessee, the preceding table presents future minimum lease payments due during the initial lease term only. In addition, the future minimum rentals do not include any contingent rentals based on a percentage of the lessees' gross sales or lease escalations based on future changes in the consumer price index ("CPI").

Certain of the Company's leases contain tenant purchase options. Most of these options are at or above fair market value at the time the option is exercisable, and none of these purchase options represent bargain purchase options under GAAP.

Loans Receivable

The following table details loans receivable, net of premium, as of September 30, 2014 and December 31, 2013 (in thousands):

	September 30, 2014	December 31, 2013
Mortgage - principal	\$97,935	\$102,315
Mortgage - premium	13,081	14,976
Mortgages, net	111,016	117,291
Other notes - principal	393	430
Total loans receivable, net	\$111,409	\$117,721

Real Estate Assets Under Direct Financing Leases

The components of investment assets held under direct financing leases as of September 30, 2014 and December 31, 2013 were as follows (in thousands):

	September 30, 2014	December 31, 2013
Minimum lease payments receivable	\$16,809	\$19,555
Estimated residual value of leased assets	55,858	57,739
Unearned income	(16,013	) (18,534
Total	\$56,654	\$58,760

SPIRIT REALTY CAPITAL, INC.

Notes to Condensed Consolidated Financial Statements - (continued)

September 30, 2014

(Unaudited)

Real Estate Assets Held for Sale

The following table shows the activity in real estate assets held for sale for the nine months ended September 30, 2014:

	Number of Properties	Carrying Value (In Thousands)
Balance, December 31, 2013	11	\$19,611
Transfers from real estate investments	19	59,372
Sales (Note 11)	(10	) (24,863
Balance, September 30, 2014 ^(a)	20	\$54,120

^(a) Includes 15 properties with a net carrying amount of \$44.6 million in which its operating results are reported in continuing operations.

The following table is a reconciliation of the major classes of assets and liabilities from discontinued operations included in real estate assets held for sale on the condensed consolidated balance sheets as of September 30, 2014 and December 31, 2013 (in thousands):

	September 30, 2014	December 31, 2013
Assets		
Land and improvements	\$5,557	\$10,003
Buildings and improvements	6,009	14,178
Total real estate investments	11,566	24,181
Less: Accumulated depreciation	(2,167	) (4,819
Intangible lease assets, net	460	697
Other	86	—
Total assets	\$9,945	\$20,059
Liabilities		
Intangible lease liabilities, net	\$448	\$448
Total liabilities	\$448	\$448

Impairments

The following table summarizes total impairment losses recognized for the three and nine months ended September 30, 2014 and 2013 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Real estate and intangible asset impairment	\$10,783	\$1,963	\$37,030	\$5,547
Write-off of lease intangibles due to lease terminations	1,910	—	4,509	488
Loans receivable recovery	—	—	—	(367
Other impairment	34	—	522	—
Total impairment loss	\$12,727	\$1,963	\$42,061	\$5,668
continuing and discontinued operations				

SPIRIT REALTY CAPITAL, INC.

Notes to Condensed Consolidated Financial Statements - (continued)

September 30, 2014

(Unaudited)

Note 4. Lease Intangibles, net

The following table details lease intangible assets and liabilities, net of accumulated amortization, as of September 30, 2014 and December 31, 2013 (in thousands):

	September 30, 2014		December 31, 2013	
In-place leases	\$	675,926		\$663,027
Above-market leases		100,112		95,118
Less: accumulated amortization		(176,163	)	(140,024)
Intangible lease assets, net	\$	599,875		\$618,121
Below-market leases	\$	254,034		\$243,237
Less: accumulated amortization		(34,408	)	(23,123)
Intangible lease liabilities, net	\$	219,626		\$220,114

enhanced ability of the Affected Municipal Funds to generate attractive levels of tax-exempt income, while retaining the Affected Municipal Funds orientation on investment grade quality municipal securities;

increased flexibility in diversifying portfolio risks and managing duration (the sensitivity of bond prices to interest rate

changes) to pursue the preservation and possible growth of capital, which, if successful, will help to sustain and build common shareholder net asset value and asset coverage levels for preferred shares; and

improved secondary market competitiveness which may benefit common shareholders through higher relative market price and/or stronger premium/discount performance.

In order to implement the New Investment Policies, each Affected Municipal Fund must make certain changes to its existing policies, including certain fundamental policies that require your vote of approval. In some cases, this may require your separate votes to approve the elimination of a Current Fundamental Policy as well as the implementation of a new, replacement fundamental policy (together, the New Fundamental Policies and each, a New Fundamental Policy). Because each Affected Municipal Fund tends to be situated somewhat differently, the specific changes required to implement the New Investment Policies often vary from fund to fund.

The primary purposes of these changes are to provide the Affected Municipal Funds with increased investment flexibility and to create consistent investment policies for all Nuveen municipal bond funds to promote operational efficiencies. Implementation of the New Fundamental Policies is contingent on shareholder approval of the elimination of the Current Fundamental Policies.

The Board has unanimously approved, and unanimously recommends the approval by shareholders of each Affected Municipal Fund, the elimination of the Current Fundamental Policies of the Affected Municipal Funds. In connection with eliminating the Current Fundamental Policies, the Board unanimously approved, and unanimously recommends the approval by shareholders of each Affected Municipal Fund of, the New Fundamental Policies, described

below. In addition, the Board has approved certain new non-fundamental policies, described below (the New Non-Fundamental Policies).

(a) Elimination of Fundamental Policies Relating to Investments in Municipal Securities and Below Investment Grade Securities (All Affected Municipal Funds except Michigan Premium Income)

The Current Fundamental Policies with respect to each Affected Municipal Fund's investments in municipal securities and the ability to invest in below investment grade securities that are proposed to be eliminated are as follows:

Arizona Dividend Advantage, Arizona Dividend Advantage 2, Connecticut Dividend Advantage, Maryland Dividend Advantage, Maryland Dividend Advantage 2, Massachusetts Dividend Advantage, Michigan Dividend Advantage, New Jersey Dividend Advantage, North Carolina Dividend Advantage, North Carolina Dividend Advantage 2, Ohio Dividend Advantage, Ohio Dividend Advantage 2 and Pennsylvania Dividend Advantage

(i) Under normal [circumstances/market conditions], the Fund will invest its net assets in a portfolio of municipal bonds that are exempt from regular federal and [State] income taxes. Under normal market conditions, the Fund expects to be fully invested (at least 95% of its assets) in such tax-exempt municipal bonds.

Arizona Dividend Advantage 3, Connecticut Dividend Advantage 2, Connecticut Dividend Advantage 3, Georgia Dividend Advantage 2, Maryland Dividend Advantage 3, New Jersey Dividend Advantage 2, Ohio Dividend Advantage 3 and Pennsylvania Dividend Advantage 2

(i) The Fund [as a fundamental policy] may not, under normal circumstances, invest less than 80% of the Fund's net assets (plus any borrowings for investment purposes) in investments the income from which is exempt from both regular federal and [State] income tax.

Arizona Premium Income, California Premium Income, Connecticut Premium Income, Georgia Premium Income, Massachusetts Premium Income, Missouri Premium Income, New Jersey Premium Income, Ohio Quality Income, Pennsylvania Premium Income, Texas Quality Income and Virginia Premium Income

(i) [Except to the extent the Fund invests in temporary investments as described below and more fully in the Statement of Additional Information], the Fund [will, as a fundamental policy,] invest substantially all (in excess of 80%) of its assets in tax-exempt [State] Municipal Obligations rated at the time of purchase within the four highest grades (Baa or BBB or better) by Moody's Investors Services, Inc. (Moody's) or Standard & Poor's Corporation (S&P), or in unrated [State] Municipal Obligations which, in the opinion of the Adviser, have credit characteristics equivalent to, and will be of comparable quality to, [State] Municipal Obligations rated within the four highest grades by Moody's or S&P, provided that the Fund may not invest more than 20% of its assets in such unrated [State] Municipal Obligations.

(ii) The Fund will not invest in any rated [State] Municipal Obligations that are rated lower than Baa by Moody's or BBB by S&P at the time of purchase.

California Dividend Advantage

(i) The Fund will invest its net assets in a diversified portfolio of municipal bonds that are exempt from regular Federal and California income tax. Under normal market conditions, the Fund expects to be fully invested (at least 95% of its assets) in such tax-exempt municipal bonds.

(ii) The Fund will invest at least 80% of its net assets in investment grade quality municipal bonds.

(iii) The Fund may invest up to 20% of its net assets in municipal bonds that are rated, at the time of investment, Ba/BB or B by Moody's, S&P or Fitch or that are unrated but judged to be of comparable quality by Nuveen Advisory.

California Dividend Advantage 2 and California Dividend Advantage 3

(i) The Fund will invest its net assets in a diversified portfolio of municipal bonds that are exempt from regular Federal and California income tax. Under normal market conditions, the Fund expects to be fully invested (at least 95% of its assets) in such tax-exempt municipal bonds.

California Investment Quality, California Market Opportunity, California Performance Plus, New Jersey Investment Quality and Pennsylvania Investment Quality

(i) Except to the extent that the Fund buys temporary investments as described in [the Fund's Statement of Additional Information], the Fund will, as a fundamental policy, invest substantially all of its assets (more than 80%) in tax-exempt [State] municipal bonds that are rated at the time of purchase within the four highest grades (Baa or BBB or better) by Moody's or Standard and Poor's, except that the Fund may invest up to 20% of its assets in unrated [State] municipal bonds which, in Nuveen Advisory's opinion, have credit characteristics equivalent to, and are of comparable quality to, municipal bonds so rated.

California Quality Income and California Select Quality

(i) Except to the extent that the Fund buys temporary investments as described in [the Fund's Statement of Additional Information], the Fund will, as a fundamental policy, invest substantially all of its assets (more than 80%) in tax-exempt California municipal bonds that are rated at the time of purchase within the four highest grades (Baa or BBB or better) by Moody's or Standard and Poor's, except that the Fund may invest up to 20% of its assets in unrated California municipal bonds which, in Nuveen Advisory's opinion, have credit characteristics equivalent to, and are of comparable quality to, California municipal bonds so rated.

(b) Approval of New Fundamental Policy Relating to Investments in Municipal Securities (All Affected Municipal Funds except Michigan Premium Income)

The following New Fundamental Policy will replace each Affected Municipal Fund's Current Fundamental Policy or Policies referenced in 2(a) above. Implementation of the following New Fundamental Policy by each Affected Municipal Fund is contingent on

shareholder approval of the elimination of each Affected Municipal Fund's Current Fundamental Policy or Policies. The proposed New Fundamental Policy with respect to each Fund's investments in municipal securities is as follows:

(i) Under normal circumstances, the Fund will invest at least 80% of its net assets, including assets attributable to any principal amount of any borrowings (including the issuance of commercial paper or notes) or any preferred shares outstanding (Managed Assets) in municipal securities and other related investments, the income from which is exempt from regular federal [and state] income taxes.

In addition, the Board has adopted New Non-Fundamental Policies with respect to investing in investment grade securities for each Affected Municipal Fund, which will be implemented upon the elimination of the Current Fundamental Policies described in 2(a) above. The New Non-Fundamental Policies relating to investing in investment grade securities are as follows:

(i) Under normal circumstances, the Fund will invest at least 80% of its Managed Assets in investment grade securities that, at the time of investment, are rated within the four highest grades (Baa or BBB or better) by at least one nationally recognized statistical rating organization or are unrated but judged to be of comparable quality by the Fund's investment adviser (NAM).

(ii) The Fund may invest up to 20% of its Managed Assets in municipal securities that at the time of investment are rated below investment grade or are unrated but judged to be of comparable quality by NAM.

(iii) No more than 10% of the Fund's Managed Assets may be invested in municipal securities rated below B3/B- or that are unrated but judged to be of comparable quality by NAM.

Related to these changes, the Board of each Affected Municipal Fund has also amended and standardized the description of municipal securities or municipal obligations in which an Affected Municipal Fund may invest to include various types of municipal securities. The new description, tailored as appropriate to each Affected Municipal Fund, generally provides:

The Fund may invest in various municipal securities, including municipal bonds and notes, other securities issued to finance and refinance public projects, and other related securities and derivative instruments creating exposure to municipal bonds, notes and securities that provide for the payment of interest income that is exempt from federal income tax (Municipal Obligations). Municipal Obligations are generally debt obligations issued by state and local governmental entities and may be issued by U.S. territories to finance or refinance public projects such as roads, schools, and water supply systems. Municipal Obligations may also be issued for private activities, such as housing, medical and educational facility construction, or for privately owned transportation, electric utility and pollution control projects. Municipal Obligations may be issued on a long term basis to provide permanent financing. The repayment of such debt may be secured generally by a pledge of the full faith and credit taxing power of the issuer, a limited or special tax, or any other revenue source including project revenues, which may include tolls, fees and other user charges, lease payments, and mortgage payments. Municipal Obligations may also be issued to finance projects on a short term interim basis, anticipating repayment with the proceeds on long term debt. Municipal Obligations may be issued and purchased in

the form of bonds, notes, leases or certificates of participation; structured as callable or noncallable; with payment forms including fixed coupon, variable rate, zero coupon, capital appreciation bonds, tender option bonds, and residual interest bonds or inverse floating rate securities; or acquired through investments in pooled vehicles, partnerships or other investment companies. Inverse floating rate securities are securities that pay interest at rates that vary inversely with changes in prevailing short-term tax-exempt interest rates and represent a leveraged investment in an underlying municipal security, which may increase the effective leverage of the Fund.

(c) Elimination of Fundamental Policies Relating to Commodities (All Premium/Quality Funds)

The Current Fundamental Policies relating to commodities that are proposed to be eliminated are as follow:

Arizona Premium Income, California Investment Quality, California Market Opportunity, California Performance Plus, California Quality Income, California Select Quality, Michigan Premium Income, New Jersey Investment Quality, New Jersey Premium Income, Pennsylvania Investment Quality and Texas Quality Income

(i) The Fund, as a fundamental policy, may not purchase or sell commodities or commodities contracts, except for transactions involving futures contracts within the limits described under Certain Trading Strategies of the Fund Financial Futures and Options Transactions. *

California Premium Income, Connecticut Premium Income, Georgia Premium Income, Massachusetts Premium Income, Missouri Premium Income, Ohio Quality Income, Pennsylvania Premium Income 2 and Virginia Premium Income

(i) The Fund, as a fundamental policy, may not purchase or sell commodities or commodities contracts, except for transactions involving futures contracts that represent no more than 10% of the Fund's total assets and are otherwise within the limits described in Certain Trading Strategies of The Fund Financial Futures and Options Transactions. *

(d) Approval of New Fundamental Policy Relating to Commodities (All Premium/Quality Funds)

It is proposed that each Premium/Quality Fund adopt a New Fundamental Policy with respect to commodities. The adoption of the following New Fundamental Policy for each Premium/Quality Fund is contingent on shareholder approval of the elimination of that Premium/Quality Fund's Current Fundamental Policy with respect to commodities, as reflected in 2(c) above. The proposed New Fundamental Policy is as follows:

(i) The Fund may not purchase or sell physical commodities unless acquired as a result of ownership of securities or other instruments (but this shall not prevent the Fund from purchasing or selling options, futures contracts or derivative instruments

* References are to a Fund's registration statement.

or from investing in securities or other instruments backed by physical commodities).

(e) **Elimination of Fundamental Policies Relating to Derivatives and Short Sales (All Premium/Quality Funds)**

The Current Fundamental Policies relating to derivatives and short sales that are proposed to be eliminated are as follows:

Arizona Premium Income, California Investment Quality, California Market Opportunity, California Performance Plus, California Quality Income, California Select Quality, Michigan Premium Income, New Jersey Investment Quality, New Jersey Premium Income, Pennsylvania Investment Quality and Texas Quality Income

(i) The Fund may not make short sales of securities or purchase any securities on margin (except for such short-term credits as are necessary for the clearance of transactions), or write or purchase put or call options, except to the extent that the purchase of a stand-by commitment may be considered the purchase of a put, and except for transactions involving options within the limits described [in/under] Certain Trading Strategies of The Fund Financial Futures and Options Transactions.

(ii) The Fund may not purchase financial futures and options except within the limits described in Certain Trading Strategies of The Fund Financial Futures and Options Transactions. *

California Premium Income, Connecticut Premium Income, Georgia Premium Income, Massachusetts Premium Income, Missouri Premium Income, Ohio Quality Income, Pennsylvania Premium Income 2 and Virginia Premium Income

(i) The Fund may not make short sales of securities or purchase any securities on margin (except for such short-term credits as are necessary for the clearance of transactions), or write or purchase put or call options, except to the extent that the purchase of a stand-by commitment may be considered the purchase of a put, and except for transactions involving options that represent no more than 10% of the Fund's total assets and are otherwise within the limits described in Certain Trading Strategies of The Fund Financial Futures and Options Transactions. *

(ii) The Fund may not purchase financial futures and options except for futures and options that represent no more than 10% of the Fund's total assets and are otherwise within the limits described in Certain Trading Strategies of The Fund Financial Futures and Options Transactions.

In connection with the elimination of the Current Fundamental Policies relating to derivatives and short sales, as reflected in 2(e) above, the Board has adopted the following New Non-Fundamental Policies for each of the above Premium/Quality Funds. The New Non-Fundamental Policies are contingent on shareholder approval of the

* References are to a Fund's registration statement.

elimination of that Premium/Quality Fund's Current Fundamental Policies with respect to derivatives and short sales. The New Non-Fundamental Policies are as follows:

- (i) The Fund may invest in derivative instruments in pursuit of its investment objectives. Such instruments include financial futures contracts, swap contracts (including interest rate and credit default swaps), options on financial futures, options on swap contracts, or other derivative instruments. NAM uses derivatives to seek to enhance return, to hedge some of the risks of its investments in fixed income securities or as a substitute for a position in the underlying asset.
- (ii) The Fund may not sell securities short, unless the Fund owns or has the right to obtain securities equivalent in kind and amount to the securities sold at no added cost, and provided that transactions in options, futures contracts, options on futures contracts, or other derivative instruments are not deemed to constitute selling securities short.
- (iii) The Fund may not enter into futures contracts or related options or forward contracts, if more than 30% of the Fund's net assets would be represented by futures contracts or more than 5% of the Fund's net assets would be committed to initial margin deposits and premiums on futures contracts and related options.

(f) Elimination of the Fundamental Policy Prohibiting Investment in Other Investment Companies (All Premium/Quality Funds)

The Premium/Quality Funds do not have specific restrictions as to investments in other investment companies. However, each such Premium/Quality Fund has an investment policy which only permits investment in municipal obligations and temporary investments and thereby prohibits investment in other investment companies. The general restriction that only permits investment in municipal obligations and temporary investments is as follows:

- (i) The Fund may not invest in securities other than [state] Municipal Obligations and temporary investments[,] as described [in/under] Investment Objective and Policies [of the Funds] Portfolio Investments. *

In addition, with respect to each Fund's ability to invest in other investment companies, the Board has adopted a New Non-Fundamental Policy to be implemented upon the elimination of that Premium/Quality Fund's Current Fundamental Policy prohibiting investments in other investment companies. The proposed New Non-Fundamental Policy relating to investments in other investment companies is as follows:

- (i) The Fund may invest up to 10% of its Managed Assets in securities of other open- or closed-end investment companies (including exchange-traded funds (often referred to as ETFs)) that invest primarily in municipal securities of the types in which the Fund may invest directly.

Board Recommendation

The Board believes that eliminating the Current Fundamental Policies and adopting the New Investment Policies gives the Adviser flexibility to rapidly respond to continuing developments in the municipal market and would enhance the portfolio managers' ability to meet each Affected Municipal Fund's investment objective. In addition, the Board

* References are to a Fund's registration statement.

believes that the proposed changes will create consistent investment policies for all Nuveen municipal bond funds and will help to promote operational efficiencies.

The Board recommends that shareholders of each Affected Municipal Fund vote to approve the elimination of each Current Fundamental Policy and vote to approve each New Fundamental Policy.

3. Approval of the Elimination of Fundamental Investment Policies and Approval of New Fundamental Policy for Each Insured Fund

The Insured Funds have adopted certain fundamental investment policies, as described below (together, Insured Fundamental Policies, each an Insured Fundamental Policy), that can only be changed by shareholder vote. The Insured Fundamental Policies adopted by the Insured Funds reflected industry conditions present in the municipal bond market at the time of the inception of these Funds.

Since that time, however, deterioration in the credit quality of securities backed by sub-prime residential mortgages has disrupted many markets and companies, including bond insurers, who in addition to insuring municipal bonds, have also provided guarantees on these mortgage-related securities. As a result, the financial strength ratings of certain municipal bond insurers have come under greater scrutiny. The ratings assigned to some municipal bond insurers either have been downgraded or are being reviewed for possible downgrades by certain of the primary ratings agencies.

As a result of these conditions facing the bond insurance market, the Board unanimously approved, and unanimously recommends the approval by each Insured Fund's shareholders of the elimination of certain Insured Fundamental Policies of the Insured Funds that are restricting, or may be expected in the future to restrict, each Insured Fund's ability to effectively make investments. In connection with eliminating the Insured Fundamental Policies, the Board unanimously approved, and unanimously recommends the approval by shareholders of a new fundamental policy, described below (each a New Insured Fundamental Policy). The elimination of each Fundamental Policy described below is contingent on shareholder approval of the New Fundamental Policy. In addition, the Board has approved new non-fundamental policies, described below (the New Insured Non-Fundamental Policies and together with the New Insured Fundamental Policy, the New Insured Policies). The New Insured Policies are designed to provide portfolio managers with important flexibility to respond to ongoing developments in the bond insurance market, while ensuring the Insured Funds continue to invest substantially all (at least 80%) of their municipal investments in insured bonds backed by insurers with solid credit ratings.

(a) Elimination of Insured Fundamental Policies Relating to Investments in Insured Municipal Securities (All Insured Funds)

The Insured Fundamental Policies of each Insured Fund that are proposed to be eliminated are as follows:

Insured California Dividend Advantage

(i) Under normal circumstances, the Fund will invest at least 80% of its net assets in a portfolio of municipal bonds that are exempt from regular federal and California income taxes and that are covered by insurance guaranteeing the timely payment of principal and interest thereon.

Insured California Premium Income and Insured California Premium Income 2

(i) Except to the extent the Fund invests in temporary investments, the Fund will invest all of its assets in tax-exempt [State] Municipal Obligations which are either covered by insurance guaranteeing the timely payment of principal and interest thereon or backed by an escrow or trust account containing sufficient U.S. Government or U.S. Government agency securities to ensure timely payment of principal and interest.

(ii) Each insured [State] Municipal Obligation held by the Fund will either be (1) covered by an insurance policy applicable to a specific security, whether obtained by the issuer of the security or a third party at the time of original issuance (Original Issue Insurance) by the Fund or a third party subsequent to the time of original issuance (Secondary Market Insurance), or (2) covered by a master municipal insurance policy purchased by the Fund (Portfolio Insurance).

(iii) The Fund will only obtain policies of portfolio insurance issued by insurers whose claims-paying ability is rated Aaa by Moody's Investors Services, Inc. (Moody's) or AAA by Standard & Poor's Corporation (Standard & Poor's).

(iv) Municipal obligations backed by an escrow account or trust account will not constitute more than 20% of the Fund's assets.

Insured California Tax-Free Advantage and Insured Massachusetts Tax-Free Advantage

(i) Under normal circumstances, the Fund will invest at least 80% of its average daily net assets, including assets attributable to MuniPreferred shares outstanding (Managed Assets) in a portfolio of municipal bonds that pay interest that is exempt from regular federal and [State] income tax and from the federal alternative minimum tax applicable to individuals.

(ii) Under normal circumstances, the Fund will invest at least 80% of its average daily net assets, including assets attributable to MuniPreferred shares outstanding (Managed Assets) in a portfolio of municipal bonds that are covered by insurance guaranteeing the timely payment of principal and interest thereon.

(b) Approval of the New Insured Fundamental Policy Relating to Investments in Insured Municipal Securities (All Insured Funds)

In connection with eliminating the Insured Fundamental Policies, the Board of each Insured Fund has unanimously approved, and recommends that shareholders of each Insured Fund approve, a New Insured Fundamental Policy relating to each Insured Fund's policy of investing 80% (or greater) of its assets in a portfolio of municipal securities or related investments that pay tax-exempt interest. The New Insured Fundamental Policy will replace each Insured Fund's Insured Fundamental Policy or Insured Fundamental Policies, as described above. Implementation of the New Insured Fundamental Policy is contingent on shareholder approval.

of the elimination of the Insured Fundamental Policy or Insured Fundamental Policies for each Insured Fund, as applicable. The New Insured Fundamental Policy is as follows:

(i) Under normal circumstances, the Fund will invest at least 80% of its net assets, including assets attributable to any principal amount of any borrowings (including the issuance of commercial paper or notes) or preferred shares outstanding (Managed Assets), in municipal securities and other related investments that pay interest exempt from federal and [State] income taxes (municipal securities) and are covered by insurance guaranteeing the timely payment of principal and interest thereon.

New Insured Non-Fundamental Policies

In connection with eliminating the Insured Fundamental Policies, the Board of each Insured Fund has also adopted New Insured Non-Fundamental Policies, as described below. To the extent that the New Insured Non-Fundamental Policies conflict with the existing Insured Fundamental Policies, implementation of the New Insured Non-Fundamental Policies is contingent on shareholder approval of the elimination of the Insured Fundamental Policies. To the extent such Insured Non-Fundamental Policies do not conflict with the existing Insured Fundamental Policies, the New Insured Non-Fundamental Policies have already been implemented. By eliminating the Insured Fundamental Policies and adopting the New Insured Non-Fundamental Policies, each Insured Fund would be able to change these policies in the future with the approval of the Board, without the need to obtain prior shareholder approval. However, each Insured Fund's New Insured Non-Fundamental Policy that it will invest at least 80% of its Managed Assets in a portfolio of securities that are covered by insurance may only be changed by such Fund's Board following the provision of 60 days' prior written notice to shareholders.

The New Insured Non-Fundamental Policies that the Board of each Insured Fund has adopted are as follows:

(i) Under normal circumstances, the Fund will invest at least 80% of its net assets, including assets attributable to any principal amount of any borrowings (including the issuance of commercial paper or notes) or preferred shares outstanding (Managed Assets), in a portfolio of securities that are covered by insurance guaranteeing the timely payment of principal and interest thereon. Inverse floaters whose underlying bonds are covered by insurance guaranteeing the timely payment of principal and interest thereon are included in the above-referenced 80% test. In addition, for the 80% test above, insurers must have a claims-paying ability rated at least A by a nationally recognized statistical rating organization (NRSRO) at the time of purchase or at the time the bond is insured while in the portfolio.

(ii) Under normal circumstances, the Fund will invest at least 80% of its Managed Assets in municipal securities covered by insurance from insurers with a claims-paying ability rated AA or better by an NRSRO at the time of purchase; municipal securities rated AA or better by an NRSRO, or that are unrated but judged to be of comparable quality by the Fund's investment adviser, at the time of purchase; or municipal bonds backed by an escrow or trust account containing sufficient U.S. Government or U.S. Government agency securities to ensure timely payment of principal and interest.

The above referenced 80% test refers to the New Insured Fundamental Policy proposed in item 3(b).

(iii) Under normal circumstances, the Fund may invest up to 20% of its Managed Assets in municipal securities covered by insurance from insurers with a claims-paying ability rated BBB or better by an NRSRO; or municipal securities rated at least BBB or better by an NRSRO, or that are unrated but judged to be of comparable quality by the Fund's investment adviser, at the time of purchase.

(c) Elimination of Fundamental Policies Relating to Commodities (Insured California Premium Income and Insured California Premium Income 2)

The Current Insured Fundamental Policies relating to commodities that are proposed to be eliminated are as follows:

Insured California Premium Income

(i) The Fund, as a fundamental policy, may not purchase or sell commodities or commodities contracts, except for transactions involving futures contracts within the limits described in Certain Trading Strategies of the Fund Financial Futures and Options Transactions. *

Insured California Premium Income 2

(i) The Fund, as a fundamental policy, may not purchase or sell commodities or commodities contracts, except for transactions involving futures contracts that represent no more than 10% of the Fund's total assets and are otherwise within the limits described in Certain Trading Strategies of The Fund Financial Futures and Options Transactions. *

(d) Approval of New Fundamental Policy Relating to Commodities (Insured California Premium Income and Insured California Premium Income 2)

It is proposed that Insured California Premium Income and Insured California Premium Income 2 adopt a New Insured Fundamental Policy with respect to commodities, the adoption of which is contingent on shareholder approval of the elimination of that Insured Fund's Current Insured Fundamental Policy with respect to commodities, as reflected in 3(c) above. The proposed New Insured Fundamental Policy is as follows:

Insured California Premium Income and Insured California Premium Income 2

(i) The Fund may not purchase or sell physical commodities unless acquired as a result of ownership of securities or other instruments (but this shall not prevent the Fund from purchasing or selling options, futures contracts or derivative instruments or from investing in securities or other instruments backed by physical commodities).

* References are to a Fund's registration statement.

(e) **Elimination of Fundamental Policies Relating to Derivatives and Short Sales (Insured California Premium Income and Insured California Premium Income 2)**

The Current Insured Fundamental Policies relating to derivatives and short sales that are proposed to be eliminated are as follows:

Insured California Premium Income

(i) The Fund, as a fundamental policy, may not make short sales of securities or purchase any securities on margin (except for such short-term credits as are necessary for the clearance of transactions), or write or purchase put or call options, except to the extent that the purchase of a stand-by commitment may be considered the purchase of a put, and except for transactions involving options within the limits described in Certain Trading Strategies of The Fund Financial Futures and Options Transactions. *

(ii) The Fund may not purchase financial futures and options except within the limits described in Certain Trading Strategies of The Fund Financial Futures and Options Transactions. *

Insured California Premium Income 2

(i) The Fund may not make short sales of securities or purchase any securities on margin (except for such short-term credits as are necessary for the clearance of transactions), or write or purchase put or call options, except to the extent that the purchase of a stand-by commitment may be considered the purchase of a put, and except for transactions involving options within the limits described in Certain Trading Strategies of The Fund Financial Futures and Options Transactions.*

(ii) The Fund may not purchase financial futures and options that represent no more than 10% of the Fund's total assets and are otherwise within the limits described in Certain Trading Strategies of The Fund Financial Futures and Options Transactions. *

In connection with the elimination of the Current Insured Fundamental Policies relating to derivatives and short sales, as reflected in 3(e) above, the Board has adopted the following New Insured Non-Fundamental Policies for each of Insured California Premium Income and Insured California Premium Income 2. The New Insured Non-Fundamental Policies are contingent on shareholder approval of the elimination of that Insured Fund's Current Fundamental Policies with respect to derivatives and short sales. The New Insured Non-Fundamental Policies are as follows:

(i) The Fund may invest in derivative instruments in pursuit of its investment objectives. Such instruments include financial futures contracts, swap contracts (including interest rate and credit default swaps), options on financial futures, options on swap contracts, or other derivative instruments. NAM uses derivatives to seek to enhance return, to hedge some of the risks of its investments in fixed income securities or as a substitute for a position in the underlying asset.

* References are to a Fund's registration statement.

(ii) The Fund may not sell securities short, unless the Fund owns or has the right to obtain securities equivalent in kind and amount to the securities sold at no added cost, and provided that transactions in options, futures contracts, options on futures contracts, or other derivative instruments are not deemed to constitute selling securities short.

(iii) The Fund may not enter into futures contracts or related options or forward contracts, if more than 30% of the Fund's net assets would be represented by futures contracts or more than 5% of the Fund's net assets would be committed to initial margin deposits and premiums on futures contracts and related options.

(f) Elimination of the Fundamental Policy Prohibiting Investment in Other Investment Companies (Insured California Premium Income and Insured California Premium Income 2)

Insured California Premium Income and Insured California Premium Income 2 do not have specific restrictions as to investments in other investment companies. However, each such Fund has an investment policy which only permits investment in municipal obligations and temporary investments and thereby prohibits investment in other investment companies. The general restriction that only permits investment in municipal obligations and temporary investments is as follows:

(i) The Fund may not invest in securities other than [state] Municipal Obligations and temporary investments, as described in Investment Objective and Policies Portfolio Investments. *

In addition, with respect to each Fund's ability to invest in other investment companies, the Board has adopted a New Insured Non-Fundamental Policy to be implemented upon the elimination of Insured California Premium Income's and Insured California Premium Income 2's Current Insured Fundamental Policy prohibiting investments in other investment companies. The proposed New Insured Non-Fundamental Policy relating to investments in other investment companies is as follows:

(i) The Fund may invest up to 10% of its Managed Assets in securities of other open- or closed-end investment companies (including exchange-traded funds (often referred to as ETFs)) that invest primarily in municipal securities of the types in which the Fund may invest directly.

Board Recommendation

The Board believes that eliminating the Insured Fundamental Policies and adopting the New Insured Policies gives the Adviser flexibility to rapidly respond to continuing developments in the bond insurance market and would enhance the portfolio managers' ability to meet each Insured Fund's investment objective and keep each Fund fully invested. While the Board believes that the New Insured Policies give the Adviser adequate flexibility under current market conditions, if the market changes in the future, the Insured Funds may desire to refine these parameters further and the Board may change the New Insured Non-Fundamental Policies without shareholder approval.

* References are to a Fund's registration statement.

The Board of Trustees recommends that shareholders of each Insured Fund vote to approve the elimination of each Insured Fundamental Policy and vote to approve each New Insured Fundamental Policy.

Audit Committee Report

The audit committee of each Board is responsible for the oversight and monitoring of (1) the accounting and reporting policies, processes and practices, and the audit of the financial statements, of each Fund, (2) the quality and integrity of the Funds' financial statements and (3) the independent registered public accounting firm's qualifications, performance and independence. In its oversight capacity, the committee reviews each Fund's annual financial statements with both management and the independent registered public accounting firm and the committee meets periodically with the independent registered public accounting firm and internal auditors to consider their evaluation of each Fund's financial and internal controls. The committee also selects, retains, evaluates and may replace each Fund's independent registered public accounting firm. The committee is currently composed of five Independent Board Members and operates under a written charter adopted and approved by each Board. Each committee member meets the independence and experience requirements, as applicable, of the New York Stock Exchange, NYSE Amex, Section 10A of the 1934 Act and the rules and regulations of the SEC.

The committee, in discharging its duties, has met with and held discussions with management and each Fund's independent registered public accounting firm. The committee has also reviewed and discussed the audited financial statements with management. Management has represented to the independent registered public accounting firm that each Fund's financial statements were prepared in accordance with generally accepted accounting principles. The committee has also discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards (SAS) No. 61 (Communication with Audit Committees), as amended by SAS No. 90 (Audit Committee Communications). Each Fund's independent registered public accounting firm provided to the committee the written disclosure required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the committee discussed with representatives of the independent registered public accounting firm their firm's independence. As provided in the Audit Committee Charter, it is not the committee's responsibility to determine, and the considerations and discussions referenced above do not ensure, that each Fund's financial statements are complete and accurate and presented in accordance with generally accepted accounting principles.

Based on the committee's review and discussions with management and the independent registered public accounting firm, the representations of management and the report of the independent registered public accounting firm to the committee, the committee has recommended that the Boards include the audited financial statements in each Fund's Annual Report.

The current members of the committee are:

Robert P. Bremner
Jack B. Evans
David J. Kundert
William J. Schneider
Terence J. Toth

California Investment Company California Market Opportunity	12,998	12,970	0	0	0	0	0	0	0	0	3,300	1,700	0
California Value California Performance Plus	14,840	14,994	0	0	0	0	0	0	0	0	0	0	0
California Premium Income	16,280	16,334	0	0	0	0	0	0	0	0	3,300	1,700	0
California Dividend Income	11,006	11,182	0	0	0	0	0	0	0	0	800	850	0
California Dividend Select Company	23,024	23,119	0	0	0	0	0	0	0	0	3,300	1,700	0
California Preferred Dividend Advantage	23,540	23,133	0	0	0	0	0	0	0	0	3,300	1,700	0
California Preferred Dividend Advantage	17,818	18,156	0	0	0	0	0	0	0	0	800	850	0
California Premium Income	11,604	11,946	0	0	0	0	0	0	0	0	3,300	1,700	0
California Premium Income	15,795	15,647	0	0	0	0	0	0	0	0	3,300	1,700	0

	Audit Fees		Audit Related Fees				Tax Fees				All Other Fees			
	Fund ⁽¹⁾		Fund ⁽²⁾		Adviser and Adviser Entities		Fund ⁽³⁾		Adviser and Adviser Entities		Fund ⁽⁴⁾		Adviser and Adviser Entities	
	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009
nsured														
California														
tax-Free														
Advantage	\$ 11,215	\$ 11,059	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 800	\$ 850	\$ 0	\$ 0
Connecticut														
Dividend														
Advantage	8,952	9,100	0	0	0	0	500	0	0	0	800	850	0	0
Connecticut														
Dividend														
Advantage 2	8,780	8,916	0	0	0	0	500	0	0	0	800	850	0	0
Connecticut														
Dividend														
Advantage 3	10,064	10,292	0	0	0	0	500	0	0	0	800	850	0	0
Connecticut														
Premium														
Income	10,711	10,967	0	0	0	0	500	0	0	0	800	850	0	0
Georgia														
Dividend														
Advantage	8,537	8,643	0	0	0	0	500	0	0	0	800	850	0	0
Georgia														
Dividend														
Advantage 2	10,173	10,345	0	0	0	0	500	0	0	0	800	850	0	0
Georgia														
Premium														
Income	9,723	9,902	0	0	0	0	500	0	0	0	800	850	0	0
Maryland														
Dividend														
Advantage	9,996	10,090	0	0	0	0	500	0	0	0	800	850	0	0
Maryland														
Dividend														
Advantage 2	10,025	10,120	0	0	0	0	500	0	0	0	800	850	0	0
Maryland														
Dividend														
Advantage 3	10,711	10,899	0	0	0	0	500	0	0	0	800	850	0	0
	14,295	14,742	0	0	0	0	500	0	0	0	800	850	0	0

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Maryland Premium Income														
Massachusetts Dividend Advantage	8,530	8,597	0	0	0	0	500	0	0	0	800	850	0	0
Massachusetts Premium Income Insured	10,330	10,495	0	0	0	0	500	0	0	0	800	850	0	0
Massachusetts Tax-Free Advantage	9,032	9,197	0	0	0	0	500	0	0	0	800	850	0	0
Michigan Dividend Advantage	8,603	8,641	0	0	0	0	500	0	0	0	800	850	0	0
Michigan Premium Income	12,343	12,753	0	0	0	0	500	0	0	0	3,300	1,700	0	0
Michigan Quality Income	15,368	15,986	0	0	0	0	500	0	0	0	3,300	1,700	0	0
Missouri Premium Income	8,656	8,718	0	0	0	0	500	0	0	0	800	850	0	0
New Jersey Dividend Advantage	11,592	11,738	0	0	0	0	500	0	0	0	800	850	0	0
New Jersey Dividend Advantage 2	10,274	10,310	0	0	0	0	500	0	0	0	800	850	0	0
New Jersey Investment Quality	21,228	21,756	0	0	0	0	500	0	0	0	3,250	3,400	0	0
New Jersey Premium Income	15,464	16,100	0	0	0	0	500	0	0	0	3,250	3,400	0	0
North Carolina Dividend Advantage	8,727	8,908	0	0	0	0	500	0	0	0	800	850	0	0
North Carolina Dividend Advantage 2	9,723	9,992	0	0	0	0	500	0	0	0	800	850	0	0

	Audit Fees		Audit Related Fees				Tax Fees				All Other Fees			
	Fund ⁽¹⁾		Fund ⁽²⁾		Adviser and Adviser Entities		Fund ⁽³⁾		Adviser and Adviser Entities		Fund ⁽⁴⁾		Adviser and Adviser Entities	
	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009
North Carolina Dividend Advantage 3	\$ 9,767	\$ 10,041	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500	\$ 0	\$ 0	\$ 0	\$ 800	\$ 850	\$ 0	\$ 0
North Carolina Premium Income Ohio Dividend Advantage 2	11,371	11,772	0	0	0	0	500	0	0	0	800	850	0	0
Ohio Dividend Advantage 3	10,057	10,325	0	0	0	0	500	0	0	0	800	850	0	0
Ohio Dividend Advantage 2	9,309	9,452	0	0	0	0	500	0	0	0	800	850	0	0
Ohio Dividend Advantage 3	8,685	8,832	0	0	0	0	500	0	0	0	800	850	0	0
Ohio Quality Income Pennsylvania Dividend Advantage 2	14,208	14,823	0	0	0	0	500	0	0	0	3,300	1,700	0	0
Pennsylvania Dividend Advantage 2	9,462	9,532	0	0	0	0	500	0	0	0	800	850	0	0
Pennsylvania Dividend Advantage 2	9,754	9,886	0	0	0	0	500	0	0	0	800	850	0	0
Pennsylvania Investment Quality Pennsylvania Premium Income 2	18,476	18,743	0	0	0	0	500	0	0	0	800	850	0	0
Texas Quality Income Virginia Dividend	17,550	17,824	0	0	0	0	500	0	0	0	800	850	0	0
	13,557	14,008	0	0	0	0	500	0	0	0	800	850	0	0
	9,306	9,292	0	0	0	0	500	0	0	0	800	850	0	0

Advantage Virginia Dividend														
Advantage 2 Virginia Premium Income	11,022	11,197	0	0	0	0	500	0	0	0	800	850	0	0
	13,122	13,515	0	0	0	0	500	0	0	0	800	850	0	0

- (1) Audit Fees are the aggregate fees billed for professional services for the audit of the Fund's annual financial statements and services provided in connection with statutory and regulatory filings or engagements.
- (2) Audit Related Fees are the aggregate fees billed for assurance and related services reasonably related to the performance of audit or review of financial statements and are not reported under Audit Fees.
- (3) Tax Fees are the aggregate fees billed for professional services for tax advice, tax compliance and tax planning.
- (4) All Other Fees are the aggregate fees billed for products and services for agreed-upon procedures engagements for the leveraged Funds.

Non-Audit Fees. The following tables provide the aggregate non-audit fees billed by each Fund's independent registered accounting firm for services rendered to each Fund, the Adviser and the Adviser Entities during each Fund's last two fiscal years.

Fund	Total Non-Audit Fees Billed to Fund		Total Non-Audit Fees Billed to Adviser and Adviser Entities (Engagements Related Directly to the Operations and Financial Reporting of Fund)		Total Non-Audit Fees Billed to Adviser and Adviser Entities (All Other Engagements)		Total	
	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009
Floating Rate Income	\$ 2,800	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,800	\$ 10,000
Floating Rate Income Opportunity	2,800	10,000	0	0	0	0	2,800	10,000
Senior Income	8,400	16,000	0	0	0	0	8,400	16,000
Tax-Advantaged Floating Rate	2,800	2,000	0	0	0	0	2,800	2,000
Arizona Dividend Advantage	1,300	850	0	0	0	0	1,300	850
Arizona Dividend Advantage 2	1,300	850	0	0	0	0	1,300	850
Arizona Dividend Advantage 3	1,300	850	0	0	0	0	1,300	850
Arizona Premium Income	3,800	3,400	0	0	0	0	3,800	3,400
California Dividend Advantage	800	850	0	0	0	0	800	850
California Dividend Advantage 2	800	850	0	0	0	0	800	850
California Dividend Advantage 3	800	850	0	0	0	0	800	850
California Investment Quality	3,300	1,700	0	0	0	0	3,300	1,700
California Market Opportunity	3,300	1,700	0	0	0	0	3,300	1,700

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California Value	0	0	0	0	0	0	0	0
California Performance								
Plus	3,300	1,700	0	0	0	0	3,300	1,700
California Premium								
Income	800	850	0	0	0	0	800	850
California Quality								
Income	3,300	1,700	0	0	0	0	3,300	1,700
California Select Quality	3,300	1,700	0	0	0	0	3,300	1,700
Insured California								
Dividend Advantage	800	850	0	0	0	0	800	850
Insured California								
Premium Income	3,300	1,700	0	0	0	0	3,300	1,700
Insured California								
Premium Income 2	3,300	1,700	0	0	0	0	3,300	1,700
Insured California								
Tax-Free Advantage	800	850	0	0	0	0	800	850

48

Fund	Total Non-Audit Fees Billed to Fund		Total Non-Audit Fees Billed to Adviser and Adviser Entities (Engagements Related Directly to the Operations and Financial Reporting of Fund)		Total Non-Audit Fees Billed to Adviser and Adviser Entities (All Other Engagements)		Total	
	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009
Connecticut Dividend Advantage	\$ 1,300	\$ 850	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,300	\$ 850
Connecticut Dividend Advantage 2	1,300	850	0	0	0	0	1,300	850
Connecticut Dividend Advantage 3	1,300	850	0	0	0	0	1,300	850
Connecticut Premium Income	1,300	850	0	0	0	0	1,300	850
Georgia Dividend Advantage	1,300	850	0	0	0	0	1,300	850
Georgia Dividend Advantage 2	1,300	850	0	0	0	0	1,300	850
Georgia Premium Income	1,300	850	0	0	0	0	1,300	850
Maryland Dividend Advantage	1,300	850	0	0	0	0	1,300	850
Maryland Dividend Advantage 2	1,300	850	0	0	0	0	1,300	850
Maryland Dividend Advantage 3	1,300	850	0	0	0	0	1,300	850
Maryland Premium Income	1,300	850	0	0	0	0	1,300	850
Massachusetts Dividend Advantage	1,300	850	0	0	0	0	1,300	850
Massachusetts Premium Income	1,300	850	0	0	0	0	1,300	850
Insured Massachusetts Tax-Free Advantage	1,300	850	0	0	0	0	1,300	850

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Michigan Dividend Advantage	1,300	850	0	0	0	0	1,300	850
Michigan Premium Income	3,800	1,700	0	0	0	0	3,800	1,700
Michigan Quality Income	3,800	1,700	0	0	0	0	3,800	1,700
Missouri Premium Income	1,300	850	0	0	0	0	1,300	850
New Jersey Dividend Advantage	1,300	850	0	0	0	0	1,300	850
New Jersey Dividend Advantage 2	1,300	850	0	0	0	0	1,300	850
New Jersey Investment Quality	3,750	3,400	0	0	0	0	3,750	3,400
New Jersey Premium Income	3,750	3,400	0	0	0	0	3,750	3,400
North Carolina Dividend Advantage	1,300	850	0	0	0	0	1,300	850
North Carolina Dividend Advantage 2	1,300	850	0	0	0	0	1,300	850
North Carolina Dividend Advantage 3	1,300	850	0	0	0	0	1,300	850
North Carolina Premium Income	1,300	850	0	0	0	0	1,300	850

Fund	Total Non-Audit Fees Billed to Fund		Total Non-Audit Fees Billed to Adviser and Adviser Entities (Engagements Related Directly to the Operations and Financial Reporting of Fund)		Total Non-Audit Fees Billed to Adviser and Adviser Entities (All Other Engagements)		Total	
	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009
Ohio Dividend Advantage	\$ 1,300	\$ 850	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,300	\$ 850
Ohio Dividend Advantage 2	1,300	850	0	0	0	0	1,300	850
Ohio Dividend Advantage 3	1,300	850	0	0	0	0	1,300	850
Ohio Quality Income	3,800	1,700	0	0	0	0	3,800	1,700
Pennsylvania Dividend Advantage	1,300	850	0	0	0	0	1,300	850
Pennsylvania Dividend Advantage 2	1,300	850	0	0	0	0	1,300	850
Pennsylvania Investment Quality	1,300	850	0	0	0	0	1,300	850
Pennsylvania Premium Income 2	1,300	850	0	0	0	0	1,300	850
Texas Quality Income	1,300	850	0	0	0	0	1,300	850
Virginia Dividend Advantage	1,300	850	0	0	0	0	1,300	850
Virginia Dividend Advantage 2	1,300	850	0	0	0	0	1,300	850
Virginia Premium Income	1,300	850	0	0	0	0	1,300	850

Audit Committee Pre-Approval Policies and Procedures. Generally, the audit committee must approve each Fund's independent registered public accounting firm's engagements (i) with the Fund for audit or non-audit services and (ii) with the Adviser and Adviser Entities for non-audit services if the engagement relates directly to the operations and financial reporting of the Fund. Regarding tax and research projects conducted by the independent registered public accounting firm for each Fund and the Adviser and Adviser Entities (with respect to the operations and financial reporting of each Fund), such engagements will be (i) pre-approved by the audit committee if they are expected to be for amounts greater than \$10,000; (ii) reported to the audit committee chairman for his verbal approval prior to engagement if they are expected to be for amounts under \$10,000 but greater than \$5,000; and (iii) reported to the audit committee at the next audit committee meeting if they are expected to be for an amount under \$5,000.

The audit committee has approved in advance all audit services and non-audit services that the independent registered public accounting firm provided to each Fund and to the Adviser and Adviser Entities (with respect to the operations and financial reporting of each Fund). None of the services rendered by the independent registered public accounting firm to each Fund or the Adviser or Adviser Entities were pre-approved by the audit committee pursuant to the pre-approval exception under Rule 2.01(c)(7)(i)(C) or Rule 2.01(c)(7)(ii) of Regulation S-X.

Additional Information

Appointment of the Independent Registered Public Accounting Firm

Each Board has appointed Ernst & Young LLP as independent registered public accounting firm to audit the books and records of each Fund for its current fiscal year. A representative of Ernst & Young LLP will be present at the Annual Meetings to make a statement, if such representative so desires, and to respond to shareholders' questions. Ernst & Young LLP has informed each Fund that it has no direct or indirect material financial interest in the Funds, Nuveen, the Adviser or any other investment company sponsored by Nuveen.

Section 16(a) Beneficial Interest Reporting Compliance

Section 30(h) of the 1940 Act and Section 16(a) of the 1934 Act require Board Members and officers, the Adviser, affiliated persons of the Adviser and persons who own more than 10% of a registered class of a Fund's equity securities to file forms reporting their affiliation with that Fund and reports of ownership and changes in ownership of that Fund's shares with the SEC and the New York Stock Exchange or NYSE Amex, as applicable. These persons and entities are required by SEC regulation to furnish the Funds with copies of all Section 16(a) forms they file. Based on a review of these forms furnished to each Fund, each Fund believes that its Board Members and officers, Adviser and affiliated persons of the Adviser have complied with all applicable Section 16(a) filing requirements during its last fiscal year, except as follows: James F. Ruane, an officer of NAM and the Funds, made an amended filing on Form 3 with respect to Arizona Dividend Advantage, Arizona Dividend Advantage 2, Arizona Dividend Advantage 3, Arizona Premium Income, California Dividend Advantage, California Dividend Advantage 2, California Dividend Advantage 3, California Investment Quality, California Market Opportunity, California Value, California Performance Plus, California Premium Income, California Quality Income, California Select Quality, Insured California Dividend Advantage, Insured California Premium Income, Insured California Premium Income 2, Insured California Tax-Free Advantage

Connecticut Dividend Advantage, Connecticut Dividend Advantage 2, Connecticut Dividend Advantage 3, Connecticut Premium Income, Floating Rate Income, Floating Rate Income Opportunity, Georgia Dividend Advantage, Georgia Dividend Advantage 2, Georgia Premium Income Maryland Dividend Advantage 2 and Insured Massachusetts Tax-Free Advantage. To the knowledge of management of the Funds, no shareholder of a Fund owns more than 10% of a registered class of a Fund's equity securities, except as provided in Appendix B.

Information About the Adviser

The Adviser, located at 333 West Wacker Drive, Chicago, Illinois 60606, serves as investment adviser and manager for each Fund. The Adviser is a wholly-owned subsidiary of Nuveen. Nuveen is a wholly-owned subsidiary of Windy City, a corporation formed by investors led by Madison Dearborn Partners, LLC ("MDP"), a private equity investment firm based in Chicago, Illinois. Windy City is controlled by MDP on behalf of the Madison Dearborn Capital Partner V funds.

Shareholder Proposals

To be considered for presentation at the annual meeting of shareholders of the Funds to be held in 2010, a shareholder proposal submitted pursuant to Rule 14a-8 of the 1934 Act must be received at the offices of that Fund, 333 West Wacker Drive, Chicago, Illinois 60606, not later than June 21, 2010. A shareholder wishing to provide notice in the manner prescribed by Rule 14a-4(c)(1) of a proposal submitted outside of the process of Rule 14a-8 must, pursuant to each Fund's By-Laws, submit such written notice to the Fund not later than September 2, 2010 or prior to August 18, 2010. Timely submission of a proposal does not mean that such proposal will be included in a proxy statement.

Shareholder Communications

Fund shareholders who want to communicate with the Board or any individual Board Member should write to the attention of Lorna Ferguson, Manager of Fund Board Relations, Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois 60606. The letter should indicate that you are a Fund shareholder and note the fund or funds that you own. If the communication is intended for a specific Board Member and so indicates it will be sent only to that Board Member. If a communication does not indicate a specific Board Member, it will be sent to the Independent Chairman and the outside counsel to the Independent Board Members for further distribution as deemed appropriate by such persons.

Expenses of Proxy Solicitation

With respect to routine items, the cost of preparing, printing and mailing the enclosed proxy, accompanying notice and proxy statement and all other costs in connection with the solicitation of proxies will be paid by the Funds pro rata based on the number of shareholder accounts. For non-routine items, the costs in connection with the solicitation of proxies will be paid by the Funds subject to such non-routine items based on the number of shareholder accounts. Additional solicitation may be made by letter or telephone by officers or employees of Nuveen or the Adviser, or by dealers and their representatives. Any additional costs of solicitation will be paid by the Fund that requires additional solicitation.

Fiscal Year

February 28, 2009 for California Dividend Advantage, California Dividend Advantage 2, California Dividend Advantage 3, California Investment Quality, California Market Opportunity, California Value, California Performance Plus, California Premium Income, California Quality Income, California Select Quality, Insured California Dividend Advantage, Insured California Premium Income, Insured California Premium Income 2, Insured California Tax-Free Advantage, Michigan Dividend Advantage, Michigan Premium Income, Michigan Quality Income, Ohio Dividend Advantage, Ohio Dividend Advantage 2, Ohio Dividend Advantage 3, Ohio Quality Income; April 30, 2009 for New Jersey Dividend Advantage, New Jersey Dividend Advantage 2, New Jersey Investment Quality, New Jersey Premium Income, Pennsylvania Dividend Advantage, Pennsylvania Dividend Advantage 2, Pennsylvania Investment Quality and Pennsylvania Premium Income 2; May 31, 2009 for Connecticut Dividend Advantage, Connecticut Dividend Advantage 2, Connecticut Dividend Advantage 3, Connecticut Premium Income, Georgia Dividend Advantage, Georgia Dividend Advantage 2, Georgia Premium Income, Maryland Dividend Advantage, Maryland Dividend Advantage 2, Maryland Dividend Advantage 3, Massachusetts Dividend Advantage, Massachusetts Premium Income, Insured Massachusetts Tax-Free Advantage, Missouri Premium Income, North Carolina Dividend Advantage, North Carolina Dividend Advantage 2, North Carolina Dividend Advantage 3, North Carolina Premium Income, Virginia Dividend Advantage, Virginia Dividend Advantage 2 and Virginia Premium Income; June 30, 2009 for Tax-Advantaged Floating Rate; and July 31, 2009 for Floating Rate Income, Floating Rate Income Opportunity, Senior Income, Arizona Dividend Advantage, Arizona Dividend Advantage 2, Arizona Dividend Advantage 3, Arizona Premium Income, and Texas Quality Income.

Annual Report Delivery

Annual reports will be sent to shareholders of record of each Fund following each Fund's fiscal year end. Each Fund will furnish, without charge, a copy of its annual report and/or semi-annual report as available upon request. Such written or oral requests should be directed to such Fund at 333 West Wacker Drive, Chicago, Illinois 60606 or by calling 1-800-257-8787.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting To Be Held on November 30, 2009:

Each Fund's Proxy Statement is available at www.nuveen.com/CEF/Info/Shareholder/ProxyStatements.aspx. For more information, shareholders may also contact the applicable Fund at the address and phone number set forth above.

Please note that only one annual report, semi-annual report or proxy statement may be delivered to two or more shareholders of a Fund who share an address, unless the Fund has received instructions to the contrary. To request a separate copy of an annual report, semi-annual report or proxy statement, or for instructions as to how to request a separate copy of such documents or as to how to request a single copy if multiple copies of such documents are received, shareholders should contact the applicable Fund at the address and phone number set forth above.

General

Management does not intend to present and does not have reason to believe that any other items of business will be presented at the Annual Meetings. However, if other matters are properly presented to the Annual Meetings for a vote, the proxies will be voted by the persons acting under the proxies upon such matters in accordance with their judgment of the best interests of the Fund.

A list of shareholders entitled to be present and to vote at each Annual Meeting will be available at the offices of the Funds, 333 West Wacker Drive, Chicago, Illinois, for inspection by any shareholder during regular business hours beginning ten days prior to the date of the Annual Meeting.

Failure of a quorum to be present at any Annual Meeting will necessitate adjournment and will subject that Fund to additional expense. The persons named in the enclosed proxy may also move for an adjournment of any Annual Meeting to permit further solicitation of proxies with respect to the proposal if they determine that adjournment and further solicitation is reasonable and in the best interests of the shareholders. Under each Fund's By-Laws, an adjournment of a meeting with respect to a matter requires the affirmative vote of a majority of the shares entitled to vote on the matter present in person or represented by proxy at the meeting.

IF YOU CANNOT BE PRESENT AT THE MEETING, YOU ARE REQUESTED TO FILL IN, SIGN AND RETURN THE ENCLOSED PROXY PROMPTLY. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES.

Kevin J. McCarthy
Vice President and Secretary

October 26, 2009

APPENDIX A

Beneficial Ownership

The following table lists the dollar range of equity securities beneficially owned by each Board Member nominee in each Fund and in all Nuveen funds overseen by the Board Member nominee as of December 31, 2008.

Board Member Nominees	Floating Rate Income	Floating Rate Opportunity	Senior Income	Tax-Advantaged Floating Rate	Arizona Dividend Advantage	Arizona Dividend Advantage 2
Board Members/Nominees who are not interested persons of the Funds						
Robert P. Bremner	\$0	\$0	\$0	\$0	\$0	\$0
Jack B. Evans	\$1-\$10,000	\$0	\$10,001-\$50,000	\$0	\$0	\$0
William C. Hunter	\$0	\$0	\$0	\$0	\$0	\$0
David J. Kundert	\$0	\$0	\$0	\$0	\$0	\$0
William J. Schneider	\$0	\$0	\$0	\$0	\$0	\$0
Judith M. Stockdale	\$0	\$0	\$0	\$0	\$0	\$0
Carole E. Stone	\$0	\$0	\$0	\$0	\$0	\$0
Terence J. Toth	\$0	\$0	\$0	\$0	\$0	\$0
Board Member/Nominee who is an interested person of the Funds						
John P. Amboian	\$0	\$0	\$0	\$10,001-\$50,000	\$0	\$0

Board Member Nominees	Arizona Dividend Advantage 3	Arizona Premium Income	California Premium Advantage	California Dividend Advantage 2	California Dividend Advantage 3	California Investment Quality
Board Members/Nominees who are not interested persons of the Funds						
Robert P. Bremner	\$0	\$0	\$0	\$0	\$0	\$0
Jack B. Evans	\$0	\$0	\$0	\$0	\$0	\$0
William C. Hunter	\$0	\$0	\$0	\$0	\$0	\$0
David J. Kundert	\$0	\$0	\$0	\$0	\$0	\$0
William J. Schneider	\$0	\$0	\$0	\$0	\$0	\$0
Judith M. Stockdale	\$0	\$0	\$0	\$0	\$0	\$0
Carole E. Stone	\$0	\$0	\$0	\$0	\$0	\$0
Terence J. Toth	\$0	\$0	\$0	\$0	\$0	\$0
Board Member/Nominee who is an interested person of the Funds						
John P. Amboian	\$0	\$0	\$0	\$0	\$0	\$0

A-1

Board Member Nominees	Dollar Range of Equity Securities					
	California Market Opportunity	California Value	California Performance Plus	California Premium Income	California Quality Income	California Select Quality
Board Members/Nominees who are not interested persons of the Funds						
Robert P. Bremner	\$0	\$0	\$0	\$0	\$0	\$0
Jack B. Evans	\$0	\$0	\$0	\$0	\$0	\$0
William C. Hunter	\$0	\$0	\$0	\$0	\$0	\$0
David J. Kundert	\$0	\$0	\$0	\$0	\$0	\$0
William J. Schneider	\$0	\$0	\$0	\$0	\$0	\$0
Judith M. Stockdale	\$0	\$0	\$0	\$0	\$0	\$0
Carole E. Stone	\$0	\$0	\$0	\$0	\$0	\$0
Terence J. Toth	\$0	\$0	\$0	\$0	\$0	\$0
Board Member/Nominee who is an interested person of the Funds						
John P. Amboian	\$0	\$0	\$0	\$0	\$0	\$0

Board Member Nominees	Insured California Dividend Advantage	Insured California Premium Income	Insured California Premium Income 2	Insured California Tax-Free Advantage	Connecticut Dividend Advantage	Connecticut Dividend Advantage 2
	Board Members/Nominees who are not interested persons of the Funds					
Robert P. Bremner	\$0	\$0	\$0	\$0	\$0	\$0
Jack B. Evans	\$0	\$0	\$0	\$0	\$0	\$0
William C. Hunter	\$0	\$0	\$0	\$0	\$0	\$0
David J. Kundert	\$0	\$0	\$0	\$0	\$0	\$0
William J. Schneider	\$0	\$0	\$0	\$0	\$0	\$0
Judith M. Stockdale	\$0	\$0	\$0	\$0	\$0	\$0
Carole E. Stone	\$0	\$0	\$0	\$0	\$0	\$0
Terence J. Toth	\$0	\$0	\$0	\$0	\$0	\$0
Board Member/Nominee who is an interested person of the Funds						
John P. Amboian	\$0	\$0	\$0	\$0	\$0	\$0

Board Member Nominees	Dollar Range of Equity Securities					
	Connecticut Dividend Advantage 3	Connecticut Premium Income	Georgia Dividend Advantage	Georgia Dividend Advantage 2	Georgia Premium Income	Maryland Dividend Advantage

Board Members/Nominees who are not interested persons of the Funds

Robert P. Bremner	\$0	\$0	\$0	\$0	\$0	\$0
Jack B. Evans	\$0	\$0	\$0	\$0	\$0	\$0
William C. Hunter	\$0	\$0	\$0	\$0	\$0	\$0
David J. Kundert	\$0	\$0	\$0	\$0	\$0	\$0
William J. Schneider	\$0	\$0	\$0	\$0	\$0	\$0
Judith M. Stockdale	\$0	\$0	\$0	\$0	\$0	\$0
Carole E. Stone	\$0	\$0	\$0	\$0	\$0	\$0
Terence J. Toth	\$0	\$0	\$0	\$0	\$0	\$0

Board Member/Nominee who is an interested person of the Funds

John P. Amboian	\$0	\$0	\$0	\$0	\$0	\$0
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Board Member Nominees	Insured					
	Maryland Dividend Advantage 2	Maryland Dividend Advantage 3	Maryland Premium Income	Massachusetts Dividend Advantage	Massachusetts Premium Income	Massachusetts Tax-Free Advantage

Board Members/Nominees who are not interested persons of the Funds

Robert P. Bremner	\$0	\$0	\$0	\$0	\$0	\$0
Jack B. Evans	\$0	\$0	\$0	\$0	\$0	\$0
William C. Hunter	\$0	\$0	\$0	\$0	\$0	\$0
David J. Kundert	\$0	\$0	\$0	\$0	\$0	\$0
William J. Schneider	\$0	\$0	\$0	\$0	\$0	\$0
Judith M. Stockdale	\$0	\$0	\$0	\$0	\$0	\$0
Carole E. Stone	\$0	\$0	\$0	\$0	\$0	\$0
Terence J. Toth	\$0	\$0	\$0	\$0	\$0	\$0

Board Member/Nominee who is an interested person of the Funds

John P. Amboian	\$0	\$0	\$0	\$0	\$0	\$0
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Dollar Range of Equity Securities

	Michigan Dividend Advantage	Michigan Premium Income	Michigan Quality Income	Missouri Premium Income	New Jersey Dividend Advantage	New Jersey Dividend Advantage 2
Board Members/Nominees who are not interested persons of the Funds						
Robert P. Bremner	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Jack B. Evans	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
William C. Hunter	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
David J. Kundert	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
William J. Schneider	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Judith M. Stockdale	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Carole E. Stone	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Terence J. Toth	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Board Member/Nominee who is an interested person of the Funds						
John P. Amboian	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Board Member Nominees	New Jersey Investment Quality	New Jersey Premium Income	North Carolina Dividend Advantage	North Carolina Dividend Advantage 2	North Carolina Dividend Advantage 3	North Carolina Premium Income
Board Members/Nominees who are not interested persons of the Funds						
Robert P. Bremner	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Jack B. Evans	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
William C. Hunter	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
David J. Kundert	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
William J. Schneider	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Judith M. Stockdale	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Carole E. Stone	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Terence J. Toth	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Board Member/Nominee who is an interested person of the Funds						
John P. Amboian	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Board Member Nominees	Dollar Range of Equity Securities						Ohio Quality Income	Pennsylvania Dividend Advantage	Pennsylvania Dividend Advantage 2
	Ohio Dividend Advantage	Ohio Dividend Advantage 2	Ohio Dividend Advantage 3						
Board Members/Nominees who are not interested persons of the Funds									
Robert P. Bremner	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Jack B. Evans	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
William C. Hunter	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
David J. Kundert	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
William J. Schneider	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1-\$10,000	\$ 0	\$ 0	\$ 0
Judith M. Stockdale	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Carole E. Stone	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Terence J. Toth	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Board Member/Nominee who is an interested person of the Funds									
John P. Amboian	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Dollar Range of Equity Securities

Board Member Nominees	Dollar Range of Equity Securities						Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Board Member Nominees in Family of Investment Companies ⁽¹⁾
	Pennsylvania Investment Quality	Pennsylvania Premium Income 2	Texas Quality Income	Virginia Dividend Advantage	Virginia Dividend Advantage 2	Virginia Premium Income	
Board Members/Nominees who are not interested persons of the Funds							
Robert P. Bremner	\$0	\$0	\$0	\$0	\$0	\$0	Over \$100,000
Jack B. Evans	\$0	\$0	\$0	\$0	\$0	\$0	Over \$100,000
William C. Hunter	\$0	\$0	\$0	\$0	\$0	\$0	Over \$100,000
David J. Kundert	\$0	\$0	\$0	\$0	\$0	\$0	Over \$100,000
William J. Schneider	\$0	\$0	\$0	\$0	\$0	\$0	Over \$100,000
Judith M. Stockdale	\$0	\$0	\$0	\$0	\$0	\$0	Over \$100,000
Carole E. Stone	\$0	\$0	\$0	\$0	\$0	\$0	\$50,001-\$100,000
Terence J. Toth	\$0	\$0	\$0	\$0	\$0	\$0	Over \$100,000
Board Member/Nominee who is an interested persons of the Funds							
John P. Amboian	\$0	\$0	\$0	\$0	\$0	\$0	Over \$100,000

(1) The amounts reflect the aggregate dollar range of equity securities and the number of shares beneficially owned by the Board Member in the Funds and in all Nuveen funds overseen by the Board Member.

A-5

The following table sets forth, for each Board Member and Board Member Nominee and for the Board Members and Board Member Nominees and officers as a group, the amount of shares beneficially owned in each Fund as of December 31, 2008. The information as to beneficial ownership is based on statements furnished by each Board Member and officer.

Fund Shares Owned By Board Members And Officers⁽¹⁾

Board Member Nominees	Floating	Floating	Senior	Tax-	Arizona	Arizona
	Rate	Rate		Advantaged	Dividend	Dividend
	Income	Income	Income	Floating	Advantage	Advantage 2
	Opportunity	Opportunity		Rate		
Board Members/Nominees who are not interested persons of the Funds						
Robert P. Bremner	0	0	0	0	0	0
Jack B. Evans	1,600	0	10,000	0	0	0
William C. Hunter	0	0	0	0	0	0
David J. Kundert	0	0	0	0	0	0
William J. Schneider	0	0	0	0	0	0
Judith M. Stockdale	0	0	0	0	0	0
Carole E. Stone	0	0	0	0	0	0
Terence J. Toth	0	0	0	0	0	0
Board Member/Nominee who is an interested person of the Funds						
John P. Amboian	0	0	0	15,000	0	0
All Board Members and Officers as a Group	1,600	0	10,000	15,000	0	0

Fund Shares Owned By Board Members And Officers⁽¹⁾

Board Member Nominees	Arizona	Arizona	California	California	California	California
	Dividend	Premium	Dividend	Dividend	Dividend	Investment
	Advantage 3	Income	Advantage	Advantage 2	Advantage 3	Quality
Board Members/Nominees who are not interested persons of the Funds						
Robert P. Bremner	0	0	0	0	0	0
Jack B. Evans	0	0	0	0	0	0
William C. Hunter	0	0	0	0	0	0
David J. Kundert	0	0	0	0	0	0
William J. Schneider	0	0	0	0	0	0
Judith M. Stockdale	0	0	0	0	0	0
Carole E. Stone	0	0	0	0	0	0
Terence J. Toth	0	0	0	0	0	0
Board Member/Nominee who is an interested person of the Funds						
John P. Amboian	0	0	0	0	0	0

**All Board Members and
Officers as a Group**

0 0 0 0 0 0

(1) The numbers include share equivalents of certain Nuveen funds in which the Board Member is deemed to be invested pursuant to the Deferred Compensation Plan.

A-6

Board Member Nominees	Fund Shares Owned By Board Members And Officers ⁽¹⁾					
	California Market Opportunity	California Value	California Performance Plus	California Premium Income	California Quality Income	California Select Quality
Board Members/Nominees who are not interested persons of the Funds						
Robert P. Bremner	0	0	0	0	0	0
Jack B. Evans	0	0	0	0	0	0
William C. Hunter	0	0	0	0	0	0
David J. Kundert	0	0	0	0	0	0
William J. Schneider	0	0	0	0	0	0
Judith M. Stockdale	0	0	0	0	0	0
Carole E. Stone	0	0	0	0	0	0
Terence J. Toth	0	0	0	0	0	0
Board Member/Nominee who is an interested person of the Funds						
John P. Amboian	0	0	0	0	0	0
All Board Members and Officers as a Group	0	0	0	0	0	0

Board Member Nominees	Fund Shares Owned By Board Members And Officers ⁽¹⁾					
	Insured California Dividend Advantage	Insured California Premium Income	Insured California Premium Income 2	Insured California Tax-Free Advantage	Connecticut Dividend Advantage	Connecticut Dividend Advantage 2
Board Members/Nominees who are not interested persons of the Funds						
Robert P. Bremner	0	0	0	0	0	0
Jack B. Evans	0	0	0	0	0	0
William C. Hunter	0	0	0	0	0	0
David J. Kundert	0	0	0	0	0	0
William J. Schneider	0	0	0	0	0	0
Judith M. Stockdale	0	0	0	0	0	0
Carole E. Stone	0	0	0	0	0	0
Terence J. Toth	0	0	0	0	0	0
Board Member/Nominee who is an interested person of the Funds						
John P. Amboian	0	0	0	0	0	0
All Board Members and Officers as a Group	0	0	0	0	0	0

(1) The numbers include share equivalents of certain Nuveen funds in which the Board Member is deemed to be invested pursuant to the Deferred Compensation Plan.

A-7

Fund Shares Owned By Board Members And Officers⁽¹⁾						
Board Member	Connecticut Dividend	Connecticut Premium	Georgia Dividend	Georgia Dividend Advantage	Georgia Premium	Maryland Dividend
Nominees	Advantage 3	Income	Advantage	2	Income	Advantage
Board Members/Nominees who are not interested persons of the Funds						
Robert P. Bremner	0	0	0	0	0	0
Jack B. Evans	0	0	0	0	0	0
William C. Hunter	0	0	0	0	0	0
David J. Kundert	0	0	0	0	0	0
William J. Schneider	0	0	0	0	0	0
Judith M. Stockdale	0	0	0	0	0	0
Carole E. Stone	0	0	0	0	0	0
Terence J. Toth	0	0	0	0	0	0
Board Member/Nominee who is an interested person of the Funds						
John P. Amboian	0	0	0	0	0	0
All Board Members and Officers as a Group						
	0	0	0	0	0	0

Insured						
Board Member	Maryland Dividend	Maryland Dividend	Maryland Premium	Massachusetts Dividend	Massachusetts Premium	Massachusetts Tax-Free
Nominees	Advantage 2	Advantage 3	Income	Advantage	Income	Advantage
Board Members/Nominees who are not interested persons of the Funds						
Robert P. Bremner	0	0	0	0	0	0
Jack B. Evans	0	0	0	0	0	0
William C. Hunter	0	0	0	0	0	0
David J. Kundert	0	0	0	0	0	0
William J. Schneider	0	0	0	0	0	0
Judith M. Stockdale	0	0	0	0	0	0
Carole E. Stone	0	0	0	0	0	0
Terence J. Toth	0	0	0	0	0	0
Board Member/Nominee who is an interested person of the Funds						
John P. Amboian	0	0	0	0	0	0
All Board Members and Officers as a Group						
	0	0	0	0	0	0

(1) The numbers include share equivalents of certain Nuveen funds in which the Board Member is deemed to be invested pursuant to the Deferred Compensation Plan.

Fund Shares Owned By Board Members And Officers⁽¹⁾

Board Member	Michigan Dividend	Michigan Premium	Michigan Quality Income	Missouri Premium Income	New Jersey Dividend Advantage	New Jersey Dividend Advantage 2
Board Members/Nominees who are not interested persons of the Funds						
Robert P. Bremner	0	0	0	0	0	0
Jack B. Evans	0	0	0	0	0	0
William C. Hunter	0	0	0	0	0	0
David J. Kundert	0	0	0	0	0	0
William J. Schneider	0	0	0	0	0	0
Judith M. Stockdale	0	0	0	0	0	0
Carole E. Stone	0	0	0	0	0	0
Terence J. Toth	0	0	0	0	0	0
Board Member/Nominee who is an interested person of the Funds						
John P. Amboian	0	0	0	0	0	0
All Board Members and Officers as a Group	0	0	0	0	0	0

Board Member	New Jersey Investment Quality	New Jersey Premium Income	North Carolina Dividend Advantage	North Carolina Dividend Advantage 2	North Carolina Dividend Advantage 3	North Carolina Premium Income
Board Members/Nominees who are not interested persons of the Funds						
Robert P. Bremner	0	0	0	0	0	0
Jack B. Evans	0	0	0	0	0	0
William C. Hunter	0	0	0	0	0	0
David J. Kundert	0	0	0	0	0	0
William J. Schneider	0	0	0	0	0	0
Judith M. Stockdale	0	0	0	0	0	0
Carole E. Stone	0	0	0	0	0	0
Terence J. Toth	0	0	0	0	0	0
Board Member/Nominee who is an interested person of the Funds						
John P. Amboian	0	0	0	0	0	0
All Board Members and Officers as a Group	0	0	0	0	0	0

- (1) The numbers include share equivalents of certain Nuveen funds in which the Board Member is deemed to be invested pursuant to the Deferred Compensation Plan.

A-9

Fund Shares Owned By Board Members And Officers⁽¹⁾

Board Member Nominees	Ohio Dividend Advantage	Ohio Dividend Advantage 2	Ohio Dividend Advantage 3	Ohio Quality Income	Pennsylvania Dividend Advantage	Pennsylvania Dividend Advantage 2
Board Members/Nominees who are not interested persons of the Funds						
Robert P. Bremner	0	0	0	0	0	0
Jack B. Evans	0	0	0	0	0	0
William C. Hunter	0	0	0	0	0	0
David J. Kundert	0	0	0	0	0	0
William J. Schneider	0	0	0	57	0	0
Judith M. Stockdale	0	0	0	0	0	0
Carole E. Stone	0	0	0	0	0	0
Terence J. Toth	0	0	0	0	0	0
Board Member/Nominee who is an interested person of the Funds						
John P. Amboian	0	0	0	0	0	0
All Board Members and Officers as a Group	0	0	0	57	0	0

Fund Shares Owned By Board Members And Officers⁽¹⁾

Board Member Nominees	Pennsylvania Investment Quality	Pennsylvania Premium Income 2	Texas Quality Income	Virginia Dividend Advantage	Virginia Dividend Advantage 2	Virginia Premium Income
Board Members/Nominees who are not interested persons of the Funds						
Robert P. Bremner	0	0	0	0	0	0
Jack B. Evans	0	0	0	0	0	0
William C. Hunter	0	0	0	0	0	0
David J. Kundert	0	0	0	0	0	0
William J. Schneider	0	0	0	0	0	0
Judith M. Stockdale	0	0	0	0	0	0
Carole E. Stone	0	0	0	0	0	0
Terence J. Toth	0	0	0	0	0	0
Board Member/Nominee who is an interested person of the Funds						
John P. Amboian	0	0	0	0	0	0
All Board Members and Officers as a Group	0	0	0	0	0	0

(1) The numbers include share equivalents of certain Nuveen funds in which the Board Member is deemed to be invested pursuant to the Deferred Compensation Plan.

APPENDIX B

List of Beneficial Owners Who Own More Than 5% of Any Class of Shares in Any Fund

The following chart lists each shareholder or group of shareholders who beneficially own more than 5% of any class of shares of any Fund*:

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
Floating Rate Income Opportunity (JRO) Common Shares	First Trust Portfolios L.P. ^(a) 1001 Warrenville Road Lisle, IL 60532	2,197,549	7.7%
	First Trust Advisors L.P. ^(a) 1001 Warrenville Road Lisle, IL 60532		
	The Charger Corporation ^(a) 1001 Warrenville Road Lisle, IL 60532		
Tax-Advantaged Floating Rate (JFP) Common Shares	Claymore Securities, Inc. 2455 Corporate West Drive Lisle, IL 60532	706,824	5.09%
Arizona Dividend Advantage (NFZ) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	136	28.3%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		

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Citigroup Inc.^(b)
399 Park Avenue
New York, NY 10043

UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	44	9.17%
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Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	58	12.1%
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Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	27	5.6%
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Bank of America, N.A. 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	31	6.5%
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B-1

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
Arizona Dividend Advantage 2 (NKR) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	115	15.5%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		
	UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	68	9.46%
	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	130	17.6%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	117	15.8%
Arizona Dividend Advantage 3 (NXE) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street	354	40.2%

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New York, NY 10013

Citigroup Financial Products Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Global Markets Holdings
Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Inc.^(b)
399 Park Avenue
New York, NY 10043

UBS AG	90	10.23%
Bahnhofstrasse 45		
PO Box CH-8021		
Zurich, Switzerland		

Arizona Premium Income (NAZ) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	151	12.6%
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Citigroup Financial Products Inc.^(b)
388 Greenwich Street
New York, NY 10013

B-2

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		
	Merrill Lynch & Co. ^(c) 4 World Financial Center 250 Vesey Street New York, NY 10080	275	22.9%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. ^(c) 4 World Financial Center 250 Vesey Street New York, NY 10080		
	JP Morgan Chase & Co. 270 Park Ave. New York, NY 10017	83	6.9%
	UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	98	8.17%
	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	420	35.0%
		413	34.4%

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Merrill Lynch, Pierce, Fenner & Smith,
Inc.
4 World Financial Center
250 Vesey Street
New York, NY 10080

California Dividend Advantage (NAC) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	364	6.7%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		
	Bank of America Corporation ^(d) 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	803	14.8%

B-3

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
California Dividend Advantage 2 (NVX) Auction Rate Preferred Shares	Blue Ridge Investments, L.L.C. ^(d) 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	344	7.8%
	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		
	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	584	13.3%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	254	5.8%
	Bank of America, N.A. 100 North Tryon Street, Floor 25	330	7.5%

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Bank of America Corporate Center
Charlotte, NC 28255

UBS AG 259 5.89%
Bahnhofstrasse 45
PO Box CH-8021
Zurich, Switzerland

California Dividend Advantage 3 (NZH) Auction Rate Preferred Shares Citigroup Global Markets Inc.^(b) 512 8.0%
388 Greenwich Street
New York, NY 10013

Citigroup Financial Products Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Global Markets Holdings
Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Inc.^(b)
399 Park Avenue
New York, NY 10043

B-4

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	839	13.6%
	Bank of America, N.A. 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	630	10.2%
	UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	402	6.4%
California Investment Quality (NQC) Auction Rate Preferred Shares	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	771	20.3%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	371	9.8%
	Bank of America, N.A. 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	400	10.5%
California Market Opportunity (NCO) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	207	7.8%

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Citigroup Financial Products Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Global Markets Holdings
Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Inc.^(b)
399 Park Avenue
New York, NY 10043

Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	274	10.1%
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Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	140	5.1%
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B-5

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
	UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	77	5.13%
California Performance Plus (NCP) Auction Rate Preferred Shares	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	410	10.3%
	Bank of America, N.A. 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	302	7.6%
California Premium Income (NCU) Auction Rate Preferred Shares	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	552	32.1%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	421	24.5%
	Bank of America, N.A. 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	131	7.6%
	Morgan Stanley ^(e) 1585 Broadway New York, NY 10036	105	6.1%

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Morgan Stanley & Co. Inc.^(e)
1585 Broadway
New York, NY 10036

California Quality Income (NUC)
Auction Rate Preferred Shares

Citigroup Global Markets Inc.^(b)
388 Greenwich Street
New York, NY 10013

374

5.7%

Citigroup Financial Products Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Global Markets Holdings
Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Inc.^(b)
399 Park Avenue
New York, NY 10043

Bank of America Corporation
100 North Tryon Street, Floor 25
Bank of America Corporate Center
Charlotte, NC 28255

770

11.7%

B-6

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
	Bank of America, N.A. 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	462	7.0%
	UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	451	6.83%
California Select Quality (NVC) Auction Rate Preferred Shares	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	726	10.7%
	Bank of America, N.A. 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	396	5.8%
	JP Morgan Chase & Co. 270 Park Ave. New York, NY 10017	465	6.9%
	Bank of America Corporation ^(d) 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	376	5.6%
	Blue Ridge Investments, L.L.C. ^(d) 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255		
		505	11.7%

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Insured California Dividend Advantage
(NKL)
Auction Rate Preferred Shares

Citigroup Global Markets Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Financial Products Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Global Markets Holdings
Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Inc.^(b)
399 Park Avenue
New York, NY 10043

Bank of America Corporation
100 North Tryon Street, Floor 25
Bank of America Corporate Center
Charlotte, NC 28255

517

11.9%

B-7

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	269	6.2%
	Bank of America, N.A. 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	248	5.7%
	UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	249	5.75%
Insured California Premium Income (NPC) Auction Rate Preferred Shares	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	421	23.4%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	275	15.3%
	Bank of America, N.A. 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	146	8.1%
	Morgan Stanley ^(e) 1585 Broadway New York, NY 10036	98	5.4%

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Morgan Stanley & Co. Inc.^(e)
 1585 Broadway
 New York, NY 10036

UBS AG	114	6.33%
Bahnhofstrasse 45		
PO Box CH-8021		
Zurich, Switzerland		

Insured California Premium Income 2 (NCL) Auction Rate Preferred Shares	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	530	16.6%
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Merrill Lynch, Pierce, Fenner & Smith, Inc.	313	9.8%
4 World Financial Center		
250 Vesey Street		
New York, NY 10080		

Bank of America, N.A.	217	6.8%
100 North Tryon Street, Floor 25		
Bank of America Corporate Center		
Charlotte, NC 28255		

B-8

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
Connecticut Dividend Advantage (NFC) Auction Rate Preferred Shares	UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	366	11.46%
	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	202	25.9%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		
	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	201	25.8%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	177	22.7%
	Morgan Stanley ^(e) 1585 Broadway	57	7.3%

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New York, NY 10036

Morgan Stanley & Co. Inc.^(e)
 1585 Broadway
 New York, NY 10036

Connecticut Dividend Advantage 2 (NGK) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	209	29.9%
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Citigroup Financial Products Inc.^(b)
 388 Greenwich Street
 New York, NY 10013

Citigroup Global Markets Holdings
 Inc.^(b)
 388 Greenwich Street
 New York, NY 10013

Citigroup Inc.^(b)
 399 Park Avenue
 New York, NY 10043

Bank of America Corporation ^(f) 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	124	17.7%
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Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
	Merrill Lynch, Pierce, Fenner & Smith, Inc. ^(f) 4 World Financial Center 250 Vesey Street New York, NY 10080		
	UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	73	10.43%
Connecticut Dividend Advantage 3 (NGO) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	331	25.9%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		
	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	217	17.0%
	Merrill Lynch, Pierce, Fenner & Smith, Inc.	193	15.1%

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4 World Financial Center
250 Vesey Street
New York, NY 10080

UBS AG	82	6.41%
Bahnhofstrasse 45		
PO Box CH-8021		
Zurich, Switzerland		

Connecticut Premium Income (NTC)
Auction Rate Preferred Shares

Citigroup Global Markets Inc. ^(b)	536	35.0%
388 Greenwich Street		
New York, NY 10013		

Citigroup Financial Products Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Global Markets Holdings
Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Inc.^(b)
399 Park Avenue
New York, NY 10043

B-10

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	246	16.1%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	227	14.8%
	Morgan Stanley ^(e) 1585 Broadway New York, NY 10036	208	13.6%
	Morgan Stanley & Co. Inc. ^(e) 1585 Broadway New York, NY 10036		
	UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	80	5.22%
Georgia Dividend Advantage (NZX) Auction Rate Preferred Shares	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	93	23.5%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	59	14.9%

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	Bank of America, N.A. 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	34	8.6%
Georgia Dividend Advantage 2 (NKG) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	191	14.5%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		
	Bank of America Corporation ^(d) 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	83	6.3%

B-11

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
	Blue Ridge Investments, L.L.C. ^(d) 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255		
Georgia Premium Income (NPG) Auction Rate Preferred Shares	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	300	27.0%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	242	21.8%
	Bank of America, N.A. 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	58	5.2%
Maryland Dividend Advantage (NFM) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	526	41.1%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		

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Citigroup Inc.^(b)
399 Park Avenue
New York, NY 10043

Morgan Stanley^(e) 65 5.1%
1585 Broadway
New York, NY 10036

Morgan Stanley & Co. Inc.^(e)
1585 Broadway
New York, NY 10036

Maryland Dividend Advantage 2 (NZR) Auction Rate Preferred Shares Citigroup Global Markets Inc.^(b) 486 38.0%
388 Greenwich Street
New York, NY 10013

Citigroup Financial Products Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Global Markets Holdings
Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Inc.^(b)
399 Park Avenue
New York, NY 10043

B-12

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
Maryland Dividend Advantage 3 (NWI) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	606	38.8%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		
Maryland Premium Income (NMY) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	1,084	34.3%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		

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Massachusetts Dividend Advantage (NMB) Auction Rate Preferred Shares	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	72	12.0%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	66	11.0%
	Morgan Stanley ^(e) 1585 Broadway New York, NY 10036	46	7.7%
	Morgan Stanley & Co. Inc. ^(e) 1585 Broadway New York, NY 10036		
	UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	102	17.0%
Massachusetts Premium Income (NMT) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	111	8.2%

B-13

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		
	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	383	28.2%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	381	28.0%
	UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	209	15.37%
Insured Massachusetts Tax-Free Advantage (NGX) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	115	14.0%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street		

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New York, NY 10013

Citigroup Global Markets Holdings
Inc.^(b)

388 Greenwich Street
New York, NY 10013

Citigroup Inc.^(b)

399 Park Avenue
New York, NY 10043

Morgan Stanley^(e)
1585 Broadway
New York, NY 10036

45

5.5%

Morgan Stanley & Co. Inc.^(e)

1585 Broadway
New York, NY 10036

UBS AG
Bahnhofstrasse 45
PO Box CH-8021
Zurich, Switzerland

61

7.44%

Michigan Dividend Advantage (NZW)
Auction Rate Preferred Shares

Citigroup Global Markets Inc.^(b)
388 Greenwich Street
New York, NY 10013

145

22.7%

B-14

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		
Michigan Premium Income (NMP) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	285	12.7%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	154	6.9%

	<p>UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland</p>	293	13.08%
Michigan Quality Income (NUM) Auction Rate Preferred Shares	<p>Citigroup Global Markets Inc.^(b) 388 Greenwich Street New York, NY 10013</p> <p>Citigroup Financial Products Inc.^(b) 388 Greenwich Street New York, NY 10013</p> <p>Citigroup Global Markets Holdings Inc.^(b) 388 Greenwich Street New York, NY 10013</p> <p>Citigroup Inc.^(b) 399 Park Avenue New York, NY 10043</p>	375	10.0%
	<p>Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255</p>	491	13.1%

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	487	13.0%
	UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	479	13.17%
Missouri Premium Income (NOM) Auction Rate Preferred Shares	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	230	35.9%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	71	11.1%
	Bank of America, N.A. 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	159	24.8%
New Jersey Dividend Advantage (NXJ) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	181	9.4%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		

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Citigroup Global Markets Holdings
Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Inc.^(b)
399 Park Avenue
New York, NY 10043

Morgan Stanley ^(e) 1585 Broadway New York, NY 10036	100	5.2%
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Morgan Stanley & Co. Inc.^(e)
1585 Broadway
New York, NY 10036

Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	304	15.8%
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Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	252	13.1%
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Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
New Jersey Dividend Advantage 2 (NUJ) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	206	14.9%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		
New Jersey Investment Quality (NQJ) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	585	9.0%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		

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	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	1,170	18.1%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	895	13.8%
New Jersey Premium Income (NNJ) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	203	5.5%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		

B-17

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	815	22.2%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	617	16.8%
	Bank of America, N.A. 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	198	5.4%
North Carolina Dividend Advantage (NRB) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	47	6.9%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		
	Royal Bank of Canada ^(g) 200 Bay Street	59	8.7%

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Toronto, Ontario M5J2J5 Canada

RBC Capital Markets^(g)
One Liberty Plaza 165 Broadway
New York, NY 10006

North Carolina Dividend Advantage 2 (NNO) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	113	10.1%
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Citigroup Financial Products Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Global Markets Holdings
Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Inc.^(b)
399 Park Avenue
New York, NY 10043

UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	35	5.44%
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B-18

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
North Carolina Dividend Advantage 3 (NII) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	136	12.1%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		
North Carolina Premium Income (NNC) Auction Rate Preferred Shares	Merrill Lynch & Co., Inc. ^(c) 4 World Financial Center 250 Vesey Street New York, NY 10080	617	16.8%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. ^(c) 4 World Financial Center 250 Vesey Street New York, NY 10080	617	16.8%
Ohio Dividend Advantage (NXI) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	167	13.5%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		

Citigroup Global Markets Holdings
Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Inc.^(b)
399 Park Avenue
New York, NY 10043

Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	126	10.6%
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Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	126	10.6%
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UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	223	17.98%
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Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
Ohio Dividend Advantage 2 (NBJ) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	90	9.4%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	82	12.9%
	UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	118	12.77%
Ohio Dividend Advantage 3 (NVJ) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	49	7.4%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		

Citigroup Global Markets Holdings
 Inc.^(b)
 388 Greenwich Street
 New York, NY 10013

Citigroup Inc.^(b)
 399 Park Avenue
 New York, NY 10043

UBS AG	121	18.33%
Bahnhofstrasse 45		
PO Box CH-8021		
Zurich, Switzerland		

Ohio Quality Income (NUO) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	194	6.3%
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Citigroup Financial Products Inc.^(b)
 388 Greenwich Street
 New York, NY 10013

Citigroup Global Markets Holdings
 Inc.^(b)
 388 Greenwich Street
 New York, NY 10013

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		
	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	545	17.7%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	541	17.6%
	JP Morgan Chase & Co. 270 Park Ave. New York, NY 10017	231	7.5%
	UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	360	11.69%
Pennsylvania Dividend Advantage (NXM) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	263	26.3%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street		

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New York, NY 10013

Citigroup Inc.^(b)
399 Park Avenue
New York, NY 10043

Pennsylvania Dividend Advantage 2 (NVY) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	267	23.4%
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Citigroup Financial Products Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Global Markets Holdings
Inc.^(b)
388 Greenwich Street
New York, NY 10013

Citigroup Inc.^(b)
399 Park Avenue
New York, NY 10043

Pennsylvania Investment Quality (NQP) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	564	10.7%
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B-21

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		
	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	548	10.4%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	505	9.6%
Pennsylvania Premium Income 2 (NPY) Auction Rate Preferred Shares	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	522	11.0%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	496	10.5%

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Texas Quality Income (NTX) Auction Rate Preferred Shares	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	1,146	41.5%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	1,077	39.0%
	Morgan Stanley ^(e) 1585 Broadway New York, NY 10036	168	6.1%
	Morgan Stanley & Co. Inc. ^(e) 1585 Broadway New York, NY 10036		
	UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	181	6.56%
Virginia Dividend Advantage (NGB) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	158	16.5%

B-22

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		
	Morgan Stanley ^(e) 1585 Broadway New York, NY 10036	102	10.6%
	Morgan Stanley & Co. Inc. ^(e) 1585 Broadway New York, NY 10036		
Virginia Dividend Advantage 2 (NNB) Auction Rate Preferred Shares	Citigroup Global Markets Inc. ^(b) 388 Greenwich Street New York, NY 10013	300	17.9%
	Citigroup Financial Products Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		

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Citigroup Inc.^(b)
 399 Park Avenue
 New York, NY 10043

Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	171	10.2%
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Bank of America, N.A. 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	97	5.8%
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UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	108	6.43%
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Virginia Premium Income (NPV) Auction Rate Preferred Shares	200	7.8%
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Citigroup Financial Products Inc.^(b)
 388 Greenwich Street
 New York, NY 10013

B-23

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
	Citigroup Global Markets Holdings Inc. ^(b) 388 Greenwich Street New York, NY 10013		
	Citigroup Inc. ^(b) 399 Park Avenue New York, NY 10043		
	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	386	15.1%
	Merrill Lynch, Pierce, Fenner & Smith, Inc. 4 World Financial Center 250 Vesey Street New York, NY 10080	265	10.4%
	UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	137	5.37%

* The information contained in this table is based on Schedule 13G filings made on or after December 1, 2008.

- (a) First Trust Portfolios L.P., First Trust Advisors L.P. and The Charger Corporation filed their schedule 13G jointly and did not differentiate holdings as to each entity.
- (b) Citigroup Global Markets Inc., Citigroup Financial Products Inc., Citigroup Global Markets Holdings Inc. and Citigroup Inc. filed their Schedule 13G jointly and did not differentiate holdings as to each entity.
- (c) Merrill Lynch & Co. and Merrill Lynch, Pierce, Fenner & Smith, Inc. filed their Schedule 13G jointly and did not differentiate holdings as to each entity.
- (d)

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Bank of America Corporation and Blue Ridge Investments, L.L.C. filed their schedule 13G jointly and did not differentiate holdings as to each entity.

- (e) Morgan Stanley and Morgan Stanley & Co., Inc. filed their schedule 13G jointly and did not differentiate holdings as to each entity.
- (f) Bank of America Corporation and Merrill Lynch, Pierce, Fenner & Smith, Inc. filed their schedule 13G jointly and did not differentiate holdings as to each entity.
- (g) Royal Bank of Canada and RBC Capital Markets filed their Schedule 13G jointly and did not differentiate holdings as to each entity.

B-24

APPENDIX C

**NUMBER OF BOARD AND COMMITTEE MEETINGS
HELD DURING EACH FUND'S LAST FISCAL YEAR**

Fund	Regular Board Meeting	Special Board Meeting	Executive Committee Meeting	Dividend Committee Meeting	Compliance, Risk Management and Regulatory Oversight Committee Meeting	Audit Committee Meeting	Nominating and Governance Committee Meeting
Floating Rate Income	4	3	0	6	4	4	4
Floating Rate Income Opportunity	4	3	0	6	4	4	4
Senior Income	4	3	0	6	4	4	4
Tax Advantage Floating Rate	4	5	0	6	4	4	4
Arizona Dividend Advantage	4	5	0	6	4	4	4
Arizona Dividend Advantage 2	4	5	0	6	4	4	4
Arizona Dividend Advantage 3	4	5	0	6	4	4	4
Arizona Premium Income	4	3	0	6	4	4	4
California Dividend Advantage	2	2	0	5	2	2	2
California Dividend Advantage 2	2	2	0	5	2	2	2
California Dividend Advantage 3	2	2	0	5	2	2	2
California Investment Quality	2	2	0	5	2	2	2
California Market Opportunity	2	2	0	5	2	2	2
California Value	2	2	0	5	2	2	2
California Performance Plus	2	2	0	5	2	2	2
California Premium Income	2	2	0	5	2	2	2
California Quality Income	2	2	0	5	2	2	2
California Select Quality	2	2	0	5	2	2	2
Insured California Dividend Advantage	2	2	0	5	2	2	2
Insured California Premium Income	2	2	0	5	2	2	2
Insured California Premium Income 2	2	2	0	5	2	2	2

C-1

Fund					Compliance, Risk Management and Regulatory Oversight Committee Meeting	Audit Committee Meeting	Nominating and Governance Committee Meeting
	Regular Board Meeting	Special Board Meeting	Executive Committee Meeting	Dividend Committee Meeting			
Insured California Tax-Free Advantage	2	2	1	5	2	2	2
Connecticut Dividend Advantage	4	5	0	6	4	4	4
Connecticut Dividend Advantage 2	4	5	0	6	4	4	4
Connecticut Dividend Advantage 3	4	5	0	6	4	4	4
Connecticut Premium Income	4	5	0	6	4	4	4
Georgia Dividend Advantage	4	5	0	6	4	4	4
Georgia Dividend Advantage 2	4	5	0	6	4	4	4
Georgia Premium Income	4	5	0	6	4	4	4
Maryland Dividend Advantage	4	5	0	6	4	4	4
Maryland Dividend Advantage 2	4	5	0	6	4	4	4
Maryland Dividend Advantage 3	4	5	0	6	4	4	4
Maryland Premium Income	4	5	0	6	4	4	4
Massachusetts Dividend Advantage	4	5	0	6	4	4	4
Massachusetts Premium Income	4	5	0	6	4	4	4
Insured Massachusetts Tax-Free Advantage	4	5	0	6	4	4	4
Michigan Dividend Advantage	2	2	0	5	2	2	2
Michigan Premium Income	2	2	0	5	2	2	2
Michigan Quality Income	2	2	0	5	2	2	2
Missouri Premium Income	4	5	0	6	4	4	4
New Jersey Dividend Advantage	4	5	0	7	4	4	4
New Jersey Dividend Advantage 2	4	5	0	7	4	4	4
New Jersey Investment Quality	4	5	0	7	4	4	4
New Jersey Premium Income	4	5	0	7	4	4	4
North Carolina Dividend Advantage	4	5	0	6	4	4	4
North Carolina Dividend Advantage 2	4	5	0	6	4	4	4
North Carolina Dividend Advantage 3	4	5	0	6	4	4	4

C-2

Fund					Compliance, Risk Management and Regulatory Oversight Committee Meeting	Audit Committee Meeting	Nominating and Governance Committee Meeting
	Regular Board Meeting	Special Board Meeting	Executive Committee Meeting	Dividend Committee Meeting			
North Carolina Premium Income	4	5	0	6	4	4	4
Ohio Dividend Advantage	2	2	0	5	2	2	2
Ohio Dividend Advantage 2	2	2	0	5	2	2	2
Ohio Dividend Advantage 3	2	2	0	5	2	2	2
Ohio Quality Income	2	2	0	5	2	2	2
Pennsylvania Dividend Advantage	4	5	0	7	4	4	4
Pennsylvania Dividend Advantage 2	4	5	0	7	4	4	4
Pennsylvania Investment Quality	4	5	0	7	4	4	4
Pennsylvania Premium Income 2	4	5	0	7	4	4	4
Texas Quality Income	4	5	0	6	4	4	4
Virginia Dividend Advantage	4	5	0	6	4	4	4
Virginia Dividend Advantage 2	4	5	0	6	4	4	4
Virginia Premium Income	4	5	0	6	4	4	4

C-3

**NUVEEN FUND BOARD
AUDIT COMMITTEE CHARTER**

I. Organization and Membership

There shall be a committee of each Board of Directors/Trustees (the Board) of the Nuveen Management Investment Companies (the Funds or, individually, a Fund) to be known as the Audit Committee. The Audit Committee shall be comprised of at least three Directors/Trustees. Audit Committee members shall be independent of the Funds and free of any relationship that, in the opinion of the Directors/Trustees, would interfere with their exercise of independent judgment as an Audit Committee member. In particular, each member must meet the independence and experience requirements applicable to the Funds of the exchanges on which shares of the Funds are listed, Section 10a of the Securities Exchange Act of 1934 (the Exchange Act), and the rules and regulations of the Securities and Exchange Commission (the Commission). Each such member of the Audit Committee shall have a basic understanding of finance and accounting, be able to read and understand fundamental financial statements, and be financially literate, and at least one such member shall have accounting or related financial management expertise, in each case as determined by the Directors/Trustees, exercising their business judgment (this person may also serve as the Audit Committee's financial expert as defined by the Commission). The Board shall appoint the members and the Chairman of the Audit Committee, on the recommendation of the Nominating and Governance Committee. The Audit Committee shall meet periodically but in any event no less frequently than on a semi-annual basis. Except for the Funds, Audit Committee members shall not serve simultaneously on the audit committees of more than two other public companies.

II. Statement of Policy, Purpose and Processes

The Audit Committee shall assist the Board in oversight and monitoring of (1) the accounting and reporting policies, processes and practices, and the audits of the financial statements, of the Funds; (2) the quality and integrity of the financial statements of the Funds; (3) the Funds' compliance with legal and regulatory requirements, (4) the independent auditors' qualifications, performance and independence; and (5) oversight of the Pricing Procedures of the Funds and the Valuation Group. In exercising this oversight, the Audit Committee can request other committees of the Board to assume responsibility for some of the monitoring as long as the other committees are composed exclusively of independent directors.

In doing so, the Audit Committee shall seek to maintain free and open means of communication among the Directors/Trustees, the independent auditors, the internal auditors and the management of the Funds. The Audit Committee shall meet periodically with Fund management, the Funds' internal auditor, and the Funds' independent auditors, in separate executive sessions. The Audit Committee shall prepare reports of the Audit Committee as required by the Commission to be included in the Fund's annual proxy statements or otherwise.

The Audit Committee shall have the authority and resources in its discretion to retain special legal, accounting or other consultants to advise the Audit Committee and to otherwise discharge its responsibilities, including appropriate funding as determined by the Audit Committee for compensation to independent auditors engaged for the purpose of preparing

or issuing an audit report or performing other audit, review or attest services for a Fund, compensation to advisers employed by the Audit Committee, and ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties, as determined in its discretion. The Audit Committee may request any officer or employee of Nuveen Investments, Inc. (or its affiliates) (collectively, Nuveen) or the Funds independent auditors or outside counsel to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. The Funds independent auditors and internal auditors shall have unrestricted accessibility at any time to Committee members.

Responsibilities

Fund management has the primary responsibility to establish and maintain systems for accounting, reporting, disclosure and internal control.

The independent auditors have the primary responsibility to plan and implement an audit, with proper consideration given to the accounting, reporting and internal controls. Each independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Funds shall report directly to the Audit Committee. The independent auditors are ultimately accountable to the Board and the Audit Committee. It is the ultimate responsibility of the Audit Committee to select, appoint, retain, evaluate, oversee and replace any independent auditors and to determine their compensation, subject to ratification of the Board, if required. These Audit Committee responsibilities may not be delegated to any other Committee or the Board.

The Audit Committee is responsible for the following:

With respect to Fund financial statements:

- A. Reviewing and discussing the annual audited financial statements and semiannual financial statements with Fund management and the independent auditors including major issues regarding accounting and auditing principles and practices, and the Funds disclosures in its periodic reports under Management s Discussion and Analysis.
- B. Requiring the independent auditors to deliver to the Chairman of the Audit Committee a timely report on any issues relating to the significant accounting policies, management judgments and accounting estimates or other matters that would need to be communicated under Statement on Auditing Standards (sas) No. 90, Audit Committee Communications (which amended sas No. 61, Communication with Audit Committees), that arise during the auditors review of the Funds financial statements, which information the Chairman shall further communicate to the other members of the Audit Committee, as deemed necessary or appropriate in the Chairman s judgment.
- C. Discussing with management the Funds press releases regarding financial results and dividends, as well as financial information and earnings guidance provided to analysts and rating agencies. This discussion may be done generally, consisting of discussing the types of information to be disclosed and the types of presentations to be made. The Chairman of the Audit Committee shall be authorized to have these discussions with management on behalf of the Audit Committee.
- D. Discussing with management and the independent auditors (a) significant financial reporting issues and judgments made in connection with the preparation and

presentation of the Funds' financial statements, including any significant changes in the Funds' selection or application of accounting principles and any major issues as to the adequacy of the Funds' internal controls and any special audit steps adopted in light of material control deficiencies; and (b) analyses prepared by Fund management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative gaap methods on the financial statements.

- E. Discussing with management and the independent auditors the effect of regulatory and accounting initiatives on the Funds' financial statements.
- F. Reviewing and discussing reports, both written and oral, from the independent auditors and/or Fund management regarding (a) all critical accounting policies and practices to be used; (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative treatments and disclosures, and the treatment preferred by the independent auditors; and (c) other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
- G. Discussing with Fund management the Funds' major financial risk exposures and the steps management has taken to monitor and control these exposures, including the Funds' risk assessment and risk management policies and guidelines. In fulfilling its obligations under this paragraph, the Audit Committee may review in a general manner the processes other Board committees have in place with respect to risk assessment and risk management.
- H. Reviewing disclosures made to the Audit Committee by the Funds' principal executive officer and principal financial officer during their certification process for the Funds' periodic reports about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Funds' internal controls. In fulfilling its obligations under this paragraph, the Audit Committee may review in a general manner the processes other Board committees have in place with respect to deficiencies in internal controls, material weaknesses, or any fraud associated with internal controls.

With respect to the independent auditors:

- A. Selecting, appointing, retaining or replacing the independent auditors, subject, if applicable, only to Board and shareholder ratification; and compensating, evaluating and overseeing the work of the independent auditor (including the resolution of disagreements between Fund management and the independent auditor regarding financial reporting).
- B. Meeting with the independent auditors and Fund management to review the scope, fees, audit plans and staffing for the audit, for the current year. At the conclusion of the audit, reviewing such audit results, including the independent auditors' evaluation of the Funds' financial and internal controls, any comments or recommendations of the independent auditors, any audit problems or difficulties and management's

response, including any restrictions on the scope of the independent auditor's activities or on access to requested information, any significant disagreements with management, any accounting adjustments noted or proposed by the auditor but not made by the Fund, any communications between the audit team and the audit firm's national office regarding auditing or accounting issues presented by the engagement, any significant changes required from the originally planned audit programs and any adjustments to the financial statements recommended by the auditors.

- C. Pre-approving all audit services and permitted non-audit services, and the terms thereof, to be performed for the Funds by their independent auditors, subject to the de minimis exceptions for non-audit services described in Section 10a of the Exchange Act that the Audit Committee approves prior to the completion of the audit, in accordance with any policies or procedures relating thereto as adopted by the Board or the Audit Committee. The Chairman of the Audit Committee shall be authorized to give pre-approvals of such non-audit services on behalf of the Audit Committee.
- D. Obtaining and reviewing a report or reports from the independent auditors at least annually (including a formal written statement delineating all relationships between the auditors and the Funds consistent with Independent Standards Board Standard 1, as may be amended, restated, modified or replaced) regarding (a) the independent auditor's internal quality-control procedures; (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years, respecting one or more independent audits carried out by the firm; (c) any steps taken to deal with any such issues; and (d) all relationships between the independent auditor and the Funds and their affiliates, in order to assist the Audit committee in assessing the auditor's independence. After reviewing the foregoing report[s] and the independent auditor's work throughout the year, the Audit Committee shall be responsible for evaluating the qualifications, performance and independence of the independent auditor and their compliance with all applicable requirements for independence and peer review, and a review and evaluation of the lead partner, taking into account the opinions of Fund management and the internal auditors, and discussing such reports with the independent auditors. The Audit Committee shall present its conclusions with respect to the independent auditor to the Board.
- E. Reviewing any reports from the independent auditors mandated by Section 10a(b) of the Exchange Act regarding any illegal act detected by the independent auditor (whether or not perceived to have a material effect on the Funds' financial statements) and obtaining from the independent auditors any information about illegal acts in accordance with Section 10a(b).
- F. Ensuring the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law, and further considering the rotation of the independent auditor firm itself.
- G. Establishing and recommending to the Board for ratification policies for the Funds, Fund management or the Fund adviser's hiring of employees or former employees of the independent auditor who participated in the audits of the Funds.

- H. Taking, or recommending that the Board take, appropriate action to oversee the independence of the outside auditor.

With respect to any internal auditor:

- A. Reviewing the proposed programs of the internal auditor for the coming year. It is not the obligation or responsibility of the Audit Committee to confirm the independence of any Nuveen internal auditors performing services relating to the Funds or to approve any termination or replacement of the Nuveen Manager of Internal Audit.
- B. Receiving a summary of findings from any completed internal audits pertaining to the Funds and a progress report on the proposed internal audit plan for the Funds, with explanations for significant deviations from the original plan.

With respect to pricing and valuation oversight:

- A. The Board has responsibilities regarding the pricing of a Fund's securities under the 1940 Act. The Board has delegated this responsibility to the Committee to address valuation issues that arise between Board meetings, subject to the Board's general supervision of such actions. The Committee is primarily responsible for the oversight of the Pricing Procedures and actions taken by the internal Valuation Group ("Valuation Matters"). The Valuation Group will report on Valuation Matters to the Committee and/or the Board of Directors/Trustees, as appropriate.
- B. Performing all duties assigned to it under the Funds' Pricing Procedures, as such may be amended from time to time.
- C. Periodically reviewing and making recommendations regarding modifications to the Pricing Procedures as well as consider recommendations by the Valuation Group regarding the Pricing Procedures.
- D. Reviewing any issues relating to the valuation of a Fund's securities brought to the Committee's attention, including suspensions in pricing, pricing irregularities, price overrides, self-pricing, nav errors and corrections thereto, and other pricing matters. In this regard, the Committee should consider the risks to the Funds in assessing the possible resolutions of these Valuation Matters.
- E. Evaluating, as it deems necessary or appropriate, the performance of any pricing agent and recommend changes thereto to the full Board.
- F. Reviewing any reports or comments from examinations by regulatory authorities relating to Valuation Matters of the Funds and consider management's responses to any such comments and, to the extent the Committee deems necessary or appropriate, propose to management and/or the full Board the modification of the Fund's policies and procedures relating to such matters. The Committee, if deemed necessary or desirable, may also meet with regulators.
- G. Meeting with members of management of the Funds, outside counsel, or others in fulfilling its duties hereunder, including assessing the continued appropriateness and adequacy of the Pricing Procedures, eliciting any recommendations for improvements of such procedures or other Valuation Matters, and assessing the possible resolutions of issues regarding Valuation Matters brought to its attention.

D-5

- H. Performing any special review, investigations or oversight responsibilities relating to Valuation as requested by the Board of Directors/Trustees.
- I. Investigating or initiating an investigation of reports of improprieties or suspected improprieties in connection with the Funds' policies and procedures relating to Valuation Matters not otherwise assigned to another Board committee.

Other responsibilities:

- A. Reviewing with counsel to the Funds, counsel to Nuveen, the Fund adviser's counsel and independent counsel to the Board legal matters that may have a material impact on the Funds' financial statements or compliance policies.
- B. Receiving and reviewing periodic or special reports issued on exposure/controls, irregularities and control failures related to the Funds.
- C. Reviewing with the independent auditors, with any internal auditor and with Fund management, the adequacy and effectiveness of the accounting and financial controls of the Funds, and eliciting any recommendations for the improvement of internal control procedures or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis should be given to the adequacy of such internal controls to expose payments, transactions or procedures that might be deemed illegal or otherwise improper.
- D. Reviewing the reports of examinations by regulatory authorities as they relate to financial statement matters.
- E. Discussing with management and the independent auditor any correspondence with regulators or governmental agencies that raises material issues regarding the Funds' financial statements or accounting policies.
- F. Obtaining reports from management with respect to the Funds' policies and procedures regarding compliance with applicable laws and regulations.
- G. Reporting regularly to the Board on the results of the activities of the Audit Committee, including any issues that arise with respect to the quality or integrity of the Funds' financial statements, the Funds' compliance with legal or regulatory requirements, the performance and independence of the Funds' independent auditors, or the performance of the internal audit function.
- H. Performing any special reviews, investigations or oversight responsibilities requested by the Board.
- I. Reviewing and reassessing annually the adequacy of this charter and recommending to the Board approval of any proposed changes deemed necessary or advisable by the Audit Committee.
- J. Undertaking an annual review of the performance of the Audit Committee.
- K. Establishing procedures for the receipt, retention and treatment of complaints received by the Funds regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters by employees of Fund

management, the

D-6

investment adviser, administrator, principal underwriter, or any other provider of accounting related services for the Funds, as well as employees of the Funds.

Although the Audit Committee shall have the authority and responsibilities set forth in this Charter, it is not the responsibility of the Audit Committee to plan or conduct audits or to determine that the Funds' financial statements are complete and accurate and are in accordance with generally accepted accounting principles. That is the responsibility of management and the independent auditors. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditors or to ensure compliance with laws and regulations.

D-7

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606-1286

(800) 257-8787

www.nuveen.com

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www.nuveen.com

999 999 999 999 99

3 EASY WAYS TO VOTE YOUR PROXY

1. Automated Touch Tone Voting: Call toll-free 1-888-221-0697 and follow the recorded instructions.
2. On the Internet at www.proxyweb.com, and follow the simple instructions.
3. Sign, Date and Return this proxy card using the enclosed postage-paid envelope.

**FUND NAME PRINTS
HERE
COMMON SHARES**

**THIS PROXY IS SOLICITED BY THE BOARD OF THE FUND
FOR AN ANNUAL MEETING OF SHAREHOLDERS, NOVEMBER 30, 2009**

The Annual Meeting of shareholders will be held Monday, November 30, 2009 at 9:30 a.m. Central time, in the offices of Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois, 60606. At this meeting, you will be asked to vote on the proposals described in the proxy statement attached. The undersigned hereby appoints Kevin J. McCarthy and Gifford R. Zimmerman, and each of them, with full power of substitution, proxies for the undersigned, to represent and vote the shares of the undersigned at the Annual Meeting of shareholders to be held on November 30, 2009, or any adjournment or adjournments thereof.

WHETHER OR NOT YOU PLAN TO JOIN US AT THE MEETING, PLEASE COMPLETE, DATE AND SIGN YOUR PROXY CARD AND RETURN IT IN THE ENCLOSED ENVELOPE SO THAT YOUR VOTE WILL BE COUNTED. AS AN ALTERNATIVE, PLEASE CONSIDER VOTING BY TELEPHONE AT (888) 221-0697 OR OVER THE INTERNET (www.proxyweb.com).

- Date: _____

SIGN HERE EXACTLY AS NAME(S) APPEAR(S) ON LEFT.
(Please sign in Box)

NOTE: PLEASE SIGN YOUR NAME EXACTLY AS IT APPEARS ON THIS PROXY. IF SHARES ARE HELD JOINTLY, EACH HOLDER MUST SIGN THE PROXY. IF YOU ARE SIGNING ON BEHALF OF AN ESTATE, TRUST OR CORPORATION, PLEASE STATE YOUR TITLE OR CAPACITY.

- NCU-NTC-NPG-NMT-NTX-
NPV-NOM-NQP-NPY

In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Annual Meeting.

Properly executed proxies will be voted as specified. If no specification is made, such shares will be voted FOR each proposal.

- **Please fill in box(es) as shown using black or blue ink or number 2 pencil. x PLEASE DO NOT USE FINE POINT PENS.** -

1c. Election of Board Members: Class III: (01) Robert P. Bremner (02) Jack B. Evans	FOR NOMINEES listed at left (except as marked to the contrary)	WITHHOLD AUTHORITY to vote for all nominees listed at left		
		
(INSTRUCTION: To withhold authority to vote for any individual nominee(s), write the number(s) of the nominee(s) on the line provided above.)				
	FOR	AGAINST	ABSTAIN	
2a. To approve the elimination of the Fund's fundamental policies relating to investments in municipal securities and below investment grade securities.	..	..	..
2b. To approve the new fundamental policy relating to investments in municipal securities.	..	..	..
2c. To approve the elimination of the Fund's fundamental policy relating to commodities.	..	..	..
2d. To approve the new fundamental policy relating to commodities.	..	..	..
2e. To approve the elimination of the Fund's fundamental policies relating to derivatives and short sales.	..	..	..
2f. To approve the elimination of the Fund's fundamental policy prohibiting investment in other investment companies.	..	..	..
4. To transact such other business as may properly come before the Annual Meeting.				

PLEASE SIGN ON REVERSE SIDE

Nuveen Investments 333 West Wacker Dr. Chicago IL 60606
www.nuveen.com

999 999 999 999 99

3 EASY WAYS TO VOTE YOUR PROXY

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**FUND NAME PRINTS
HERE
PREFERRED SHARES**

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FOR AN ANNUAL MEETING OF SHAREHOLDERS, NOVEMBER 30, 2009**

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- NCU-NTC-NPG-NMT-NTX-
NPV-NOM-NQP-NPY

In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Annual Meeting.

Properly executed proxies will be voted as specified. If no specification is made, such shares will be voted FOR each proposal.

- **Please fill in box(es) as shown using black or blue ink or number 2 pencil. x PLEASE DO NOT USE FINE POINT PENS.** -

1c.	Election of Board Members: Class III: (01) Robert P. Bremner (02) Jack B. Evans	<u>Preferred Shares Only:</u> (03) William C. Hunter (04) William J. Schneider	FOR NOMINEES listed at left (except as marked to the contrary) ..	WITHHOLD AUTHORITY to vote for all nominees listed at left ..	
(INSTRUCTION: To withhold authority to vote for any individual nominee(s), write the number(s) of the nominee(s) on the line provided above.)			FOR	AGAINST	ABSTAIN
2a.	To approve the elimination of the Fund's fundamental policies relating to investments in municipal securities and below investment grade securities.		..	..	..
2b.	To approve the new fundamental policy relating to investments in municipal securities.		..	..	..
2c.	To approve the elimination of the Fund's fundamental policy relating to commodities.		..	..	..
2d.	To approve the new fundamental policy relating to commodities.		..	..	..
2e.	To approve the elimination of the Fund's fundamental policies relating to derivatives and short sales.		..	..	..
2f.	To approve the elimination of the Fund's fundamental policy prohibiting investment in other investment companies.		..	..	..
4.	To transact such other business as may properly come before the Annual Meeting.				

PLEASE SIGN ON REVERSE SIDE