

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2
Form DEF 14A
October 23, 2002

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]
Filed by a Party other than the Registrant []

Check the appropriate box:

- Preliminary Proxy Statement.
- CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2)).
- Definitive Proxy Statement.
- Definitive Additional Materials.
- Soliciting Material Pursuant to Section 240.14A-11(c) or Section 240.14a-12

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

NOTICE OF ANNUAL MEETING
OF SHAREHOLDERS --
NOVEMBER 21, 2002

333 West Wacker Drive
Chicago, Illinois
60606
(800) 257-8787

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND (NAC)
NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 (NVX)
NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 3 (NZH)
NUVEEN CALIFORNIA INVESTMENT QUALITY MUNICIPAL FUND, INC. (NQC)
NUVEEN CALIFORNIA MUNICIPAL MARKET OPPORTUNITY FUND, INC. (NCO)
NUVEEN CALIFORNIA MUNICIPAL VALUE FUND, INC. (NCA)
NUVEEN CALIFORNIA PERFORMANCE PLUS MUNICIPAL FUND, INC. (NCP)
NUVEEN CALIFORNIA PREMIUM INCOME MUNICIPAL FUND (NCU)
NUVEEN CALIFORNIA QUALITY INCOME MUNICIPAL FUND, INC. (NUC)
NUVEEN CALIFORNIA SELECT QUALITY MUNICIPAL FUND, INC. (NVC)
NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND, INC. (NPC)
NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2, INC. (NCL)
NUVEEN FLORIDA INVESTMENT QUALITY MUNICIPAL FUND (NQF)
NUVEEN FLORIDA QUALITY INCOME MUNICIPAL FUND (NUF)
NUVEEN INSURED FLORIDA PREMIUM INCOME MUNICIPAL FUND (NFL)

October 23, 2002

TO THE SHAREHOLDERS OF THE ABOVE FUNDS:

Notice is hereby given that the Annual Meeting of Shareholders of each of Nuveen California Dividend Advantage Municipal Fund, Nuveen California Dividend Advantage Municipal Fund 2, Nuveen California Dividend Advantage Municipal Fund 3, Nuveen California Premium Income Municipal Fund, Nuveen Florida Investment Quality Municipal Fund, Nuveen Florida Quality Income Municipal Fund and Nuveen Insured Florida Premium Income Municipal Fund, each a Massachusetts business trust, and Nuveen California Investment Quality Municipal Fund, Inc., Nuveen California Municipal Market Opportunity Fund, Inc., Nuveen California Municipal Value Fund, Inc. ("California Value"), Nuveen California Performance Plus Municipal Fund, Inc., Nuveen California Quality Income Municipal Fund, Inc., Nuveen California Select Quality Municipal Fund, Inc., Nuveen Insured California Premium Income Municipal Fund, Inc. and Nuveen Insured California Premium Income

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Municipal Fund 2, Inc., each a Minnesota corporation (individually, a "Fund" and, collectively, the "Funds"), will be held in the 31st floor conference room of Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois, on Thursday, November 21, 2002, at 10:00 a.m., Chicago time, for the following purposes and to transact such other business, if any, as may properly come before the Annual Meeting:

MATTERS TO BE VOTED ON BY ALL SHAREHOLDERS OF EACH FUND:

1. To elect Members to the Board of each Fund as outlined below:

a. For each Fund except California Value, to elect seven (7) Board Members to serve until the next Annual Meeting and until their successors shall have been duly elected and qualified:

(i) five (5) Board Members to be elected by the holders of Common Shares and Municipal Auction Rate Cumulative Preferred ("MuniPreferred"), voting together as a single class; and

(ii) two (2) Board Members to be elected by the holders of MuniPreferred only, voting separately as a single class.

b. For California Value, to elect one (1) Board Member for a three year term or until the successor has been duly elected and qualified.

2. To transact such other business as may properly come before the Annual Meeting.

Shareholders of record of each Fund at the close of business on September 24, 2002 are entitled to notice of and to vote at that Fund's Annual Meeting.

ALL SHAREHOLDERS ARE CORDIALLY INVITED TO ATTEND THE MEETING. IN ORDER TO AVOID DELAY AND ADDITIONAL EXPENSE TO YOUR FUND, AND TO ASSURE THAT YOUR SHARES ARE REPRESENTED, PLEASE VOTE AS PROMPTLY AS POSSIBLE, WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING. YOU MAY VOTE BY MAIL, TELEPHONE OR OVER THE INTERNET. TO VOTE BY MAIL, PLEASE MARK, SIGN, DATE AND MAIL THE ENCLOSED PROXY CARD. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES. TO VOTE BY TELEPHONE, PLEASE CALL THE TOLL-FREE NUMBER LOCATED ON YOUR PROXY CARD, ENTER THE CONTROL NUMBER PROVIDED ON YOUR PROXY CARD, AND FOLLOW THE RECORDED INSTRUCTIONS, USING YOUR PROXY CARD AS A GUIDE. TO VOTE OVER THE INTERNET, GO TO WWW.PROXYVOTE.COM, ENTER THE CONTROL NUMBER PROVIDED ON THE PROXY CARD, AND FOLLOW THE INSTRUCTIONS, USING YOUR PROXY CARD AS A GUIDE.

Gifford R. Zimmerman
Vice President and Secretary

JOINT PROXY STATEMENT

333 West Wacker Drive
Chicago, Illinois
60606
(800) 257-8787

October 23, 2002

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND (NAC)
NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 (NVX)
NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 3 (NZH)
NUVEEN CALIFORNIA INVESTMENT QUALITY MUNICIPAL FUND, INC. (NQC)

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NUVEEN CALIFORNIA MUNICIPAL MARKET OPPORTUNITY FUND, INC. (NCO)
NUVEEN CALIFORNIA MUNICIPAL VALUE FUND, INC. (NCA)
NUVEEN CALIFORNIA PERFORMANCE PLUS MUNICIPAL FUND, INC. (NCP)
NUVEEN CALIFORNIA PREMIUM INCOME MUNICIPAL FUND (NCU)
NUVEEN CALIFORNIA QUALITY INCOME MUNICIPAL FUND, INC. (NUC)
NUVEEN CALIFORNIA SELECT QUALITY MUNICIPAL FUND, INC. (NVC)
NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND, INC. (NPC)
NUVEEN INSURED CALIFORNIA PREMIUM INCOME MUNICIPAL FUND 2, INC. (NCL)
NUVEEN FLORIDA INVESTMENT QUALITY MUNICIPAL FUND (NQF)
NUVEEN FLORIDA QUALITY INCOME MUNICIPAL FUND (NUF)
NUVEEN INSURED FLORIDA PREMIUM INCOME MUNICIPAL FUND (NFL)

GENERAL INFORMATION

This Joint Proxy Statement is furnished in connection with the solicitation by the Board of Directors or Board of Trustees, as the case may be, (each a "Board" and each Director or Trustee a "Board Member") of each of Nuveen California Dividend Advantage Municipal Fund ("California Dividend"), Nuveen California Dividend Advantage Municipal Fund 2 ("California Dividend 2"), Nuveen California Dividend Advantage Municipal Fund 3 ("California Dividend 3"), Nuveen California Investment Quality Municipal Fund, Inc. ("California Investment"), Nuveen California Municipal Market Opportunity Fund, Inc. ("California Opportunity"), Nuveen California Municipal Value Fund, Inc. ("California Value"), Nuveen California Performance Plus Municipal Fund, Inc. ("California Performance"), Nuveen California Premium Income Municipal Fund ("California Premium"), Nuveen California Quality Income Municipal Fund, Inc. ("California Quality"), Nuveen California Select Quality Municipal Fund, Inc. ("California Select"), Nuveen Insured California Premium Income Municipal Fund, Inc. ("Insured California") and Nuveen Insured California Premium Income Municipal Fund 2, Inc. ("Insured California 2") (the aforementioned California Funds will be referred to collectively as the "California Funds"), Nuveen Florida Investment Quality Municipal Fund ("Florida Investment"), Nuveen Florida Quality Income Municipal Fund ("Florida Quality") and Nuveen Insured Florida Premium Income Municipal Fund ("Insured Florida"), (the aforementioned Florida Funds will be referred to collectively as the "Florida Funds"), (individually, a "Fund" and, collectively, the "Funds"), of proxies to be voted at the Annual Meeting of Shareholders of each Fund to be held on November 21, 2002 (for each Fund, an "Annual Meeting" and, collectively, the "Annual Meetings"), and at any and all adjournments thereof.

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On the matters coming before each Fund's Annual Meeting as to which a choice has been specified by the shareholders of that Fund on the proxy, the shares of that Fund will be voted accordingly. If no choice is so specified, the shares of each Fund will be voted FOR the election of the nominees as listed in this Joint Proxy Statement. Shareholders of any Fund who execute proxies may revoke them at any time before they are voted by filing with that Fund a written notice of revocation, by delivering a duly executed proxy bearing a later date, or by attending the Annual Meeting and voting in person.

This Joint Proxy Statement is first being mailed to shareholders of the Funds on or about October 23, 2002.

The Board of each Fund has determined that the use of this Joint Proxy Statement for each Fund's Annual Meeting is in the best interest of each Fund and its shareholders in light of the similar matters being considered and voted on by the shareholders. Shareholders of each Fund will vote separately on each proposal relating to their Fund, and a vote on a proposal by the shareholders of one Fund will not affect the vote on the proposal by the shareholders of another Fund.

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The following table indicates which shareholders are solicited with respect to each matter:

| MATTER | COMMON SHARES | MUNIPREFERRED (1) |
|---|---------------|-------------------|
| 1a(i) Election of Board Members by all shareholders (except California Value) (Lawrence H. Brown, Robert P. Bremner, Anne E. Impellizzeri, Peter R. Sawers and Judith M. Stockdale nominated) | X | X |
| a(ii) Election of Board Members by MuniPreferred only (except California Value) (William J. Schneider and Timothy R. Schwertfeger nominated) | N/A | X |
| b. Election of Board Member for California Value by all shareholders (Anne E. Impellizzeri nominated) | X | N/A |

(1) "MuniPreferred" means "Municipal Auction Rate Cumulative Preferred Shares."

A quorum of shareholders is required to take action at each Fund's Annual Meeting. A majority of the shares entitled to vote at each Annual Meeting, represented in person or by proxy, will constitute a quorum of shareholders at that Annual Meeting, except that for the election of the two Board Member nominees to be elected by holders of MuniPreferred of each Fund (except California Value), 33 1/3% of the MuniPreferred shares entitled to vote and represented in person or by proxy will constitute a quorum. Votes cast by proxy or in person at each Annual Meeting will be tabulated by the inspectors of election appointed for that Annual Meeting. The inspectors of election will determine whether or not a quorum is present at the Annual Meeting. The inspectors of election will treat abstentions and "broker non-votes" (i.e., shares held by brokers or nominees, typically in "street name," as to which (i) instructions have not been received from the beneficial owners or persons entitled to vote and (ii) the broker or nominee does not have discretionary voting power on a particular matter) as present for purposes of determining a quorum.

For each Fund (except California Dividend, California Dividend 2, California Dividend 3, California Premium, Florida Investment, Florida Quality and Insured Florida, the "Massachusetts Business Trusts"), abstentions and broker non-votes will be treated as shares voted

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against the election of Board Members. For the Massachusetts Business Trusts, abstentions and broker non-votes will have no effect on the election of Board Members. The details of the proposal to be voted on by the shareholders of each Fund and the vote required for approval of the proposal are set forth under the description of the proposal below.

Those persons who were shareholders of record at the close of business on September 24, 2002 will be entitled to one vote for each share held. As of

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September 24, 2002, the shares of the Funds were issued and outstanding as follows:

| FUND | SYMBOL* | COMMON SHARES | MUNIPREFERRED |
|------------------------|---------|---------------|---|
| California Dividend | NAC | 23,412,013 | 3,500 Series TH 3,500 Series F |
| California Dividend 2 | NVX | 14,790,660 | 2,200 Series M 2,200 Series F |
| California Dividend 3 | NZH | 24,112,833 | 3,740 Series M 3,740 Series TH |
| California Investment | NQC | 13,580,232 | 3,600 Series M 880 Series W |
| California Opportunity | NCO | 8,154,681 | 2,200 Series W 520 Series F |
| California Value | NCA | 25,241,808 | N/A |
| California Performance | NCP | 12,965,767 | 1,800 Series T 640 Series W 1,800 Series F |
| California Premium | NCU | 5,774,216 | 1,720 Series M |
| California Quality | NUC | 21,956,097 | 1,400 Series M 3,000 Series W 3,000 Series F |
| California Select | NVC | 23,096,654 | 2,400 Series T 1,680 Series W 3,600 Series TH |
| Insured California | NQF | 6,438,911 | 1,800 Series T |
| Insured California 2 | NUF | 12,653,932 | 1,900 Series T 1,900 Series TH |
| Florida Investment | NPC | 16,466,824 | 3,080 Series T 2,200 Series F |
| Florida Quality | NCL | 14,200,759 | 1,700 Series M 1,700 Series TH 1,280 Series F |
| Insured Florida | NFL | 14,312,032 | 1,640 Series W 2,800 Series TH |

* The common shares of all the Funds are listed on the New York Stock Exchange with the exception of California Dividend 2, California Dividend 3 and California Premium which are listed on the American Stock Exchange.

This Joint Proxy Statement is first being mailed to shareholders of the Funds on or about October 23, 2002.

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1. ELECTION OF BOARD MEMBERS OF EACH FUND

At each Fund's Annual Meeting (except California Value), seven (7) Board Members are to be elected to serve until the next Annual Meeting and until their successors shall have been duly elected and qualified. Under the terms of each Fund's organizational documents (except California Value), under normal circumstances, holders of MuniPreferred are entitled to elect two (2) Board Members, and the remaining Board Members are to be elected by holders of Common Shares and MuniPreferred, voting together as a single class. Pursuant to the

organizational documents of California Value, the Board is divided into three classes, with each class being elected to serve a term of three years. This year, one (1) Board Member is to be elected at this meeting to serve on the Board of California Value for a three year term.

A. FOR CALIFORNIA DIVIDEND, CALIFORNIA DIVIDEND 2, CALIFORNIA DIVIDEND 3, CALIFORNIA INVESTMENT, CALIFORNIA OPPORTUNITY, CALIFORNIA PERFORMANCE, CALIFORNIA PREMIUM, CALIFORNIA QUALITY, CALIFORNIA SELECT, INSURED CALIFORNIA, INSURED CALIFORNIA 2, FLORIDA INVESTMENT, FLORIDA QUALITY AND INSURED FLORIDA.

- (i) Five Board Members are to be elected by holders of Common Shares and the MuniPreferred, voting together as a single class. Board Members Bremner, Brown, Impellizzeri, Sawers and Stockdale are nominees for election by all shareholders.
- (ii) Holders of MuniPreferred are entitled to elect two of the Board Members. William J. Schneider and Timothy R. Schwertfeger are nominees for election by holders of MuniPreferred.

B. FOR CALIFORNIA VALUE. The Board of California Value has designated Anne E. Impellizzeri as the Class II Board Member, and as nominee for Board Member for a term expiring at the Annual Meeting of Shareholders in 2005, and until a successor has been duly elected and qualified. The remaining Board Members, Brown, Bremner, Sawers, Schneider, Schwertfeger and Stockdale, are current and continuing Board Members. The terms of Robert P. Bremner, William J. Schneider and Judith M. Stockdale as Class III Board Members of California Value expire in 2003. The terms of Lawrence H. Brown, Peter R. Sawers and Timothy R. Schwertfeger as Class I Board Members of California Value expire in 2004.

The affirmative vote of a majority of the shares of a Fund present and entitled to vote at the Annual Meeting (except for the Massachusetts Business Trusts) will be required to elect Board Members of that Fund. For Massachusetts Business Trusts, the affirmative vote of a plurality of the shares present and entitled to vote at the Annual Meeting will be required to elect the Board of those Funds.

It is the intention of the persons named in the enclosed proxy to vote the shares represented thereby for the election of the nominees listed below unless the proxy is marked otherwise. Each of the nominees has agreed to serve as a Board Member of each Fund if elected. However, should any nominee become unable or unwilling to accept nomination for election, the proxies for each Fund will be voted for one or more substitute nominees designated by that Fund's present Board.

All of the nominees were last elected to the Board at the 2001 annual meeting of shareholders except for California Value which only elected Class I Board Members.

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Other than Mr. Schwertfeger, none of the Board Members have ever been a director or an employee of Nuveen Investments or any affiliate.

EACH FUND'S BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE ELECTION OF THE NOMINEES NAMED BELOW.

BOARD NOMINEES

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| NAME, BIRTHDATE AND ADDRESS | POSITIONS AND OFFICES WITH THE FUNDS, TERM OF OFFICE AND LENGTH OF TIME SERVED | PRINCIPAL OCCUPATIONS INCLUDING OTHER DIRECTORSHIPS DURING PAST FIVE YEARS | NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY TRUSTEE (1) |
|-----------------------------|--|--|--|
|-----------------------------|--|--|--|

Board Member who is an interested person* of the Fund:

| | | | |
|---|--|---|-----|
| Timothy R. Schwertfeger(2), (4) 3/28/49 333 West Wacker Drive Chicago, IL 60606 | Chairman of the Board, President and Board Member. Term of Office: 2002--All Funds, except 2004-- California Value Length of Time Served: since 1994--All Funds except 1999-- California Dividend 2001--California Dividend 2 and California Dividend 3 | Chairman and Director (since July 1996) of The John Nuveen Company, Nuveen Investments, Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.; prior thereto, Executive Vice President and Director of The John Nuveen Company and Nuveen Investments; Director (since 1992) and Chairman (since 1996) of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.; Chairman and Director (since January 1997) of Nuveen Asset Management Inc.; Director (since 1996) of Institutional Capital Corporation; Chairman and Director (since 1999) of Rittenhouse Financial Services Inc.; Chief Executive Officer and Director (since September 1999) of Nuveen Senior Loan Asset Management Inc. | 135 |
|---|--|---|-----|

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BOARD NOMINEES CONTINUED

| NAME, BIRTHDATE AND ADDRESS | POSITIONS AND OFFICES WITH THE FUNDS, TERM OF OFFICE AND LENGTH OF TIME SERVED | PRINCIPAL OCCUPATIONS INCLUDING OTHER DIRECTORSHIPS DURING PAST FIVE YEARS | NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY TRUSTEE (1) |
|-----------------------------|--|--|--|
|-----------------------------|--|--|--|

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Board Members who are not interested persons of the Fund:

| | | | |
|---|--|---|------------|
| <p>----- Robert P. Bremner(3) 8/22/40 3725 Huntington Street, N.W. Washington, D.C. 20015</p> | <p>Board Member. Term of Office: 2002--All Funds, except 2003-- California Value Length of Time Served: since 1997--All Funds except 1999-- California Dividend 2001--California Dividend 2 and California Dividend 3</p> | <p>Private Investor and Management Consultant.</p> | <p>117</p> |
| <p>Lawrence H. Brown(4) 7/29/34 201 Michigan Avenue Highwood, IL 60040</p> | <p>Board Member. Term of Office: 2002--All Funds, except 2004-- California Value Length of Time Served: since 1993--All Funds except 1999-- California Dividend 2001--California Dividend 2 and California Dividend 3</p> | <p>Retired (August 1989) as Senior Vice President of The Northern Trust Company.</p> | <p>117</p> |
| <p>Anne E. Impellizzeri(5) 1/26/33 3 West 29th Street New York, NY 10001</p> | <p>Board Member. Term of Office: 2002--All Funds Length of Time Served: since 1994--All Funds except 1999-- California Dividend 2001--California Dividend 2 and California Dividend 3</p> | <p>Retired; formerly, Executive Director (1998- 2002) of Manitoga/The Russel Wright Design Center; prior thereto, President and Chief Executive Officer of Blanton-Peale Institute; prior thereto, Vice President, Metropolitan Life Insurance Co.</p> | <p>117</p> |

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BOARD NOMINEES CONTINUED

| NAME, BIRTHDATE AND ADDRESS | POSITIONS AND OFFICES WITH THE FUNDS, TERM OF OFFICE AND LENGTH OF TIME SERVED | PRINCIPAL OCCUPATIONS INCLUDING OTHER DIRECTORSHIPS DURING PAST FIVE YEARS | NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY TRUSTEE(1) |
|-----------------------------|---|---|---|
|-----------------------------|---|---|---|

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| | | | |
|--|---|--|------------|
| <p>Peter R. Sawers(4) 4/3/33 22 The Landmark Northfield, IL 60093</p> | <p>Board Member. Term of Office: 2002-- All Funds, except 2004-- California Value Length of Time Served: since 1991--All Funds except 1992--Insured Florida and Insured California 1993-- Insured California 2 1999--California Dividend 2001-- California Dividend 2 and California Dividend 3</p> | <p>Adjunct Professor of Business and Economics, University of Dubuque, Iowa; formerly (1991- 2000) Adjunct Professor, Lake Forest Graduate School of Management, Lake Forest, Illinois; Director, Executive Service Corps of Chicago; Director, Hadley School for the Blind; prior thereto, Executive Director, Towers Perrin Australia, a management consulting firm; Chartered Financial Analyst; Certified Management Consultant.</p> | <p>117</p> |
| <p>William J. Schneider(2), (3) 9/24/44 4000 Miller-Valentine Ct. P. O. Box 744 Dayton, OH 45401</p> | <p>Board Member. Term of Office: 2002-- All Funds, except 2003 --California Value Length of Time Served: since 1997--All Funds except 1999-- California Dividend 2001--California Dividend 2 and California Dividend 3</p> | <p>Senior Partner and Chief Operating Officer, Miller- Valentine Group, Vice President, Miller-Valentine Realty, a development and contract company; Chair, Miami Valley Hospital; Chair, Miami Valley Economic Development Coalition; formerly, Member, Community Advisory Board, National City Bank, Dayton, Ohio; and Business Advisory Council, Cleveland Federal Reserve Bank.</p> | <p>117</p> |
| <p>Judith M. Stockdale(3) 12/29/47 35 East Wacker Drive Suite 2600 Chicago, IL 60601</p> | <p>Board Member. Term of Office: 2002--All Funds, except 2003-- California Value Length of Time Served: since 1997--All Funds except 1999-- California Dividend 2001--California Dividend 2 and California Dividend 3</p> | <p>Executive Director, Gaylord and Dorothy Donnelley Foundation (since 1994); prior thereto, Executive Director, Great Lakes Protection Fund (from 1990 to 1994).</p> | <p>117</p> |

* "Interested person" as defined in the Investment Company Act of 1940, as amended, by reason of being an officer or director of the Funds' investment

adviser, Nuveen Advisory Corp.

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(1) As of October 1, 2002, the Board Members and nominees were board members of 30 Nuveen open-end funds and 87 closed-end funds managed by Nuveen Advisory Corp. ("NAC"). In addition, Mr. Schwertfeger is a board member of 8 open-end and 10 closed-end funds managed by Nuveen Institutional Advisory Corp. ("NIAC").

(2) Board Members Schneider and Schwertfeger are Board nominees to be elected by holders of MuniPreferred for all Funds except California Value.

(3) Board Members Bremner, Schneider and Stockdale are currently Class III Board Members of California Value, whose term will expire in 2003.

(4) Board Members Brown, Sawers and Schwertfeger are currently Class I Board Members of California Value, whose term will expire in 2004.

(5) Ms. Impellizzeri is a Class II Board Member, whose current term will expire at the annual meeting and has been nominated for a new term to expire in 2005.

BENEFICIAL OWNERSHIP

The following table lists the dollar range and number of common shares beneficially owned by each Board Member in each Fund and in all Nuveen Funds overseen by the Board Members as of July 31, 2002:

DOLLAR RANGE AND NUMBER OF COMMON SHARES

| BOARD MEMBERS | CALIFORNIA DIVIDEND | CALIFORNIA DIVIDEND 2 | CALIFORNIA DIVIDEND 3 | CALIFORNIA INVESTMENT | CALIFORNIA OPPORTUNITY |
|--------------------------------|------------------------|--------------------------|--------------------------|--------------------------|---------------------------|
| Timothy R. Schwertfeger (1) | 0 | 0 | 0 | 0 | 0 |
| Robert P. Bremner | 0 | 0 | 0 | 0 | 0 |
| Lawrence H. Brown | 0 | 0 | 0 | 0 | 0 |
| Anne E. Impellizzeri | 0 | 0 | 0 | 0 | 0 |
| Peter R. Sawers | 0 | 0 | 0 | 0 | 0 |
| William J. Schneider | 0 | 0 | 0 | 0 | 0 |
| Judith M. Stockdale | 0 | 0 | 0 | 0 | 0 |

DOLLAR RANGE AND NUMBER OF COMMON SHARES

| BOARD MEMBERS | CALIFORNIA VALUE | CALIFORNIA PERFORMANCE | CALIFORNIA PREMIUM | CALIFORNIA QUALITY | CALIFORNIA SELECT |
|--------------------------------|---------------------|---------------------------|-----------------------|-----------------------|----------------------|
| Timothy R. Schwertfeger (1) | 0 | 0 | 0 | 0 | 0 |
| Robert P. Bremner | 0 | 0 | 0 | 0 | 0 |
| Lawrence H. Brown | 0 | 0 | 0 | 0 | 0 |
| Anne E. Impellizzeri | 0 | 0 | 0 | 0 | 0 |

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| | | | | | |
|----------------------|---|---|---|---|---|
| Peter R. Sawers | 0 | 0 | 0 | 0 | 0 |
| William J. Schneider | 0 | 0 | 0 | 0 | 0 |
| Judith M. Stockdale | 0 | 0 | 0 | 0 | 0 |

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DOLLAR RANGE AND NUMBER OF COMMON SHARES

| BOARD MEMBERS | INSURED CALIFORNIA | INSURED CALIFORNIA 2 | FLORIDA INVESTMENT | FLORIDA QUALITY | INSURED FLORIDA |
|-------------------------------|--------------------|----------------------|--------------------|-----------------|-----------------|
| Timothy R. Schwertfeger(1)... | 0 | 0 | 0 | 0 | 0 |
| Robert P. Bremner..... | 0 | 0 | 0 | 0 | 0 |
| Lawrence H. Brown..... | 0 | 0 | 0 | 0 | 0 |
| Anne E. Impellizzeri..... | 0 | 0 | 0 | 0 | 0 |
| Peter R. Sawers..... | 0 | 0 | 0 | 0 | 0 |
| William J. Schneider..... | 0 | 0 | 0 | 0 | 0 |
| Judith M. Stockdale..... | 0 | 0 | 0 | 0 | 0 |

DOLLAR RANGE OF EQUITY SECURITIES

| BOARD MEMBERS | AGGREGATE DOLLAR RANGE OF EQUITY SECURITIES IN ALL REGISTERED INVESTMENT COMPANIES OVERSEEN BY BOARD MEMBER IN FAMILY OF INVESTMENT COMPANIES (2) |
|---------------------------------|---|
| Timothy R. Schwertfeger(1)..... | over \$100,000 |
| Robert P. Bremner..... | \$10,001-\$50,000 |
| Lawrence H. Brown..... | over \$100,000 |
| Anne E. Impellizzeri..... | \$50,001-\$100,000 |
| Peter R. Sawers..... | over \$100,000 |
| William J. Schneider..... | over \$100,000 |
| Judith M. Stockdale..... | \$10,001-\$50,000 |

(1) For Mr. Schwertfeger, the amount reflected also includes shares held in Nuveen's 401(k)/Profit Sharing Plan.

(2) The amounts reflect the aggregate dollar range of equity securities beneficially owned by the Board Member in the Funds and in all Nuveen funds overseen by each Board Member and reflects share equivalents of certain Nuveen funds in which the Board Member is deemed to be invested pursuant to the Deferred Compensation Plan for Independent Board Members, as more fully described under "Compensation."

On July 31, 2002, Board Members and executive officers of the Funds as a group beneficially owned 468,068 common shares of all funds managed by Nuveen Advisory Corp. ("NAC" or the "Adviser") and Nuveen Institutional Advisory Corp. ("NIAC")

(includes Deferred Units and shares held by the executive officers in Nuveen's 401(k)/profit sharing plan). Each Board Member's individual beneficial shareholdings of each Fund constitute less than 1% of the outstanding shares of each Fund. As of September 24, 2002, the Board Members and executive officers of the Funds as a group beneficially owned no outstanding common shares of each Fund. As of September 24, 2002, the Board Members and executive officers of the Funds did not own any shares of MuniPreferred. As of September 24, 2002, no shareholder owned more than 5% of any class of shares of any Fund.

OTHER AFFILIATIONS OR RELATIONSHIPS OF BOARD MEMBERS

As of July 31, 2002, none of the Board Members who are not "interested persons" of a Fund (as that term is defined in the Investment Company Act of 1940, as amended (the "1940 Act")) and who are not affiliated with Nuveen Investments ("Nuveen") or the Adviser (the

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"Independent Board Members"), nor any immediate family member of an Independent Board Member, owns shares of the Adviser or a principal underwriter of a Fund, nor does any such person own shares of a company controlling, controlled by or under common control with the Adviser or a principal underwriter of a Fund.

There have been no transactions by a Fund since the beginning of the Fund's last fiscal year, nor are there any transactions currently proposed, in which the amount exceeds \$60,000 and in which any Board Member, executive officer or security holder of more than 5% of the voting securities of a Fund, or any immediate family members of the foregoing persons, has or will have a direct or indirect material interest, nor have any of the foregoing persons been indebted to a Fund in an amount in excess of \$60,000 at any time since that date.

No Independent Board Member, nor any immediate family member of such a Board Member, has had, in the past five years, any direct or indirect interest, the value of which exceeds \$60,000, in the Adviser or principal underwriter of the Funds or in a person (other than a registered investment company) directly or indirectly controlling, controlled by or under common control with, the Adviser or principal underwriter of the Funds. Moreover, no Independent Board Member (or immediate family member of any Independent Board Member) has, or has had in the last two fiscal years of the Funds, any direct or indirect relationships or any direct or indirect material interest in any transaction or series of transactions or in any currently proposed transaction or series of transactions, in which the amount involved exceeds \$60,000, in which the following persons were or are a party: the Funds, an officer of the Funds, any investment company sharing the same Adviser or principal underwriter of the Funds or any officer of such a party, any person directly or indirectly controlling, controlled by or under common control with, the Adviser or principal underwriter of the Funds, or any officer of such a person.

Within the last two completed fiscal years of the Funds, no officer of any investment adviser or principal underwriter of the Funds or of any person directly or indirectly controlling, controlled by or under common control with the investment adviser or principal underwriter of the Funds, has served as a board member on a board of a company where any of the Board Members or Nominees of the Funds has served as an officer.

COMPENSATION

The Board Members affiliated with Nuveen Investments ("Nuveen") or Nuveen Advisory Corp. (the "Adviser") serve without any compensation from the Funds. The Independent Board Members receive a \$15,000 quarterly retainer (\$60,000 annually) for serving as a board member of all funds affiliated with Nuveen and

the Adviser and a \$1,750 fee per day plus expenses for attendance in person or by telephone at all meetings (including any committee meetings) held on a day on which a regularly scheduled Board meeting is held, a \$1,000 fee per day plus expenses for attendance in person or a \$500 fee per day plus expenses for attendance by telephone at all meetings (including any committee meetings) held on a day on which no regular Board meeting is held, and a \$500 fee per day plus expenses for attendance in person or \$250 if by telephone at a meeting of any committee. The annual retainer, fees and expenses are allocated among the funds managed by the Adviser on the basis of relative net asset sizes although Fund management may, in its discretion, establish a minimum amount to be allocated to each Fund. Effective January 1, 1999, the Boards of certain Nuveen Funds (the "Participating Funds") established a Deferred Compensation Plan for Independent

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Board Members ("Deferred Compensation Plan"). Under the Deferred Compensation Plan, Independent Board Members of the Participating Funds may defer receipt of all, or a portion, of the compensation they earn for their services to the Participating Funds, in lieu of receiving current payments of such compensation. Any deferred amount is treated as though an equivalent dollar amount had been invested in shares of one or more eligible Nuveen funds. Each Independent Board Member, other than Mr. Brown, has elected to defer at least a portion of their fees. Each of the Funds except California Opportunity, California Premium, California Value, Insured California and California Dividend 3 are Participating Funds under the Deferred Compensation Plan.

The table below shows, for each Board Member who is not affiliated with Nuveen or the Adviser, the aggregate compensation (i) paid by each Fund to each Board Member for its last fiscal year and (ii) paid (including deferred fees) for service on the boards of the NAC Funds for the calendar year ended 2001. Mr. Schwertfeger, a Board Member who is an interested person of each Fund, does not receive any compensation from the Fund or any Nuveen Funds.

AGGREGATE COMPENSATION FROM THE FUNDS(1)

| BOARD MEMBERS | CALIFORNIA DIVIDEND | CALIFORNIA DIVIDEND 2 | CALIFORNIA DIVIDEND 3 | CALIFORNIA INVESTMENT | CALIFORNIA OPPORTUNITY |
|----------------------|------------------------|--------------------------|--------------------------|--------------------------|---------------------------|
| Robert P. Bremner | 742 | 469 | 577 | 457 | 274 |
| Lawrence H. Brown | 798 | 498 | 636 | 491 | 290 |
| Anne E. Impellizzeri | 624 | 459 | 577 | 384 | 274 |
| Peter R. Sawers | 649 | 441 | 736 | 399 | 271 |
| William J. Schneider | 646 | 447 | 577 | 398 | 274 |
| Judith M. Stockdale | 717 | 462 | 577 | 441 | 274 |

AGGREGATE COMPENSATION FROM THE FUNDS(1)

| BOARD MEMBERS | CALIFORNIA VALUE | CALIFORNIA PERFORMANCE | CALIFORNIA PREMIUM | CALIFORNIA QUALITY | CALIFORNIA SELECT |
|-------------------|---------------------|---------------------------|-----------------------|-----------------------|----------------------|
| Robert P. Bremner | 372 | 427 | 180 | 753 | 773 |

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| | | | | | |
|----------------------|-----|-----|-----|-----|-----|
| Lawrence H. Brown | 393 | 459 | 190 | 810 | 831 |
| Anne E. Impellizzeri | 372 | 359 | 180 | 633 | 650 |
| Peter R. Sawers | 368 | 373 | 178 | 659 | 676 |
| William J. Schneider | 372 | 371 | 180 | 656 | 673 |
| Judith M. Stockdale | 372 | 412 | 180 | 728 | 746 |

AGGREGATE COMPENSATION FROM THE FUNDS (1)

| BOARD MEMBERS | INSURED CALIFORNIA | INSURED CALIFORNIA 2 | FLORIDA INVESTMENT | FLORIDA QUALITY | INSURED FLORIDA |
|----------------------|--------------------|----------------------|--------------------|-----------------|-----------------|
| Robert P. Bremner | 212 | 401 | 492 | 432 | 435 |
| Lawrence H. Brown | 224 | 431 | 532 | 468 | 469 |
| Anne E. Impellizzeri | 212 | 337 | 396 | 348 | 359 |
| Peter R. Sawers | 210 | 351 | 429 | 377 | 390 |
| William J. Schneider | 212 | 349 | 413 | 362 | 376 |
| Judith M. Stockdale | 212 | 387 | 473 | 416 | 420 |

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AGGREGATE COMPENSATION FROM THE FUNDS

| BOARD MEMBERS | TOTAL COMPENSATION FROM NUVEEN FUNDS PAID TO BOARD MEMBERS (2) |
|----------------------|--|
| Robert P. Bremner | \$47,500 |
| Lawrence H. Brown | 38,150 |
| Anne E. Impellizzeri | 44,500 |
| Peter R. Sawers | 48,000 |
| William J. Schneider | 51,000 |
| Judith M. Stockdale | 48,000 |

(1) Includes compensation for service on the Boards of the NAC Funds for the fiscal year ended 2002, including deferred fees.

DEFERRED FEES

| | BOARD MEMBER (3) | | | | |
|---------------------|-------------------|----------------------|-----------------|----------------------|---------------------|
| | ROBERT P. BREMNER | ANNE E. IMPELLIZZERI | PETER R. SAWERS | WILLIAM J. SCHNEIDER | JUDITH M. STOCKDALE |
| California Dividend | \$100 | 624 | 649 | 646 | 150 |

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| | | | | | |
|------------------------|-------|-----|-----|-----|-----|
| California Dividend 2 | \$ 34 | 237 | 225 | 225 | 52 |
| California Dividend 3 | \$ -- | -- | -- | -- | -- |
| California Investment | \$ 61 | 384 | 399 | 398 | 92 |
| California Opportunity | \$ -- | -- | -- | -- | -- |
| California Value | \$ -- | -- | -- | -- | -- |
| California Performance | \$ 57 | 359 | 373 | 371 | 86 |
| California Premium | \$ -- | -- | -- | -- | -- |
| California Quality | \$101 | 633 | 659 | 656 | 152 |
| California Select | \$104 | 650 | 676 | 673 | 156 |
| Insured California | \$ -- | -- | -- | -- | -- |
| Insured California 2 | \$ 54 | 337 | 351 | 349 | 81 |
| Florida Investment | \$ 66 | 396 | 429 | 413 | 98 |
| Florida Quality | \$ 58 | 348 | 377 | 362 | 86 |
| Insured Florida | \$ 60 | 359 | 390 | 376 | 89 |

(2) Includes compensation for services on the Boards of the NAC Funds for the calendar year ended 2001, including deferred fees.

(3) Mr. Brown did not defer any compensation.

COMMITTEES

The Board Members serve on five standing committees: the executive committee, the audit committee, the governance committee, the dividend committee and the valuation committee.

Peter R. Sawers and Timothy R. Schwertfeger serve as members of the executive committee of the Board of each Fund. The executive committee, which meets between regular meetings of the Board, is authorized to exercise all of the powers of the Board; provided that the scope of the powers of the executive committee, unless otherwise specifically authorized by the full Board, are limited to: (i) emergency matters where assembly of the full Board is impracticable (in which case management will take all reasonable steps to quickly notify each individual

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Board Member of the actions taken by the executive committee) or (ii) matters of an administrative or ministerial nature. The executive committee of each Fund held no meetings during their fiscal year except the executive committee of the California Dividend 3 Fund held two meetings during its fiscal year.

Lawrence H. Brown and Timothy R. Schwertfeger are current members of the dividend committee. The dividend committee is authorized to disclose distributions on the Funds' shares including, but not limited to, regular and special dividends, capital gains and ordinary income distributions. The dividend committee of each Fund held five meetings during its last fiscal year.

Lawrence H. Brown and Judith M. Stockdale are current members of the valuation committee for each Fund. The valuation committee oversees the Funds' Pricing Procedures including, but not limited to, the review and approval of fair value pricing determinations made by Nuveen's Valuation Group. The valuation committee held one meeting during its last fiscal year.

Each Fund's Board has an audit committee composed of Board Members who are not "interested persons" of the Fund and who are "independent" as that term is defined in Section 303.01(B) (2) (a) and (3) of the New York Stock Exchange's listing standards or Section 121(A) of American Stock Exchange's listing standards, as applicable. The audit committee monitors the accounting and

reporting policies and practices of the Funds, the quality and integrity of the financial statements of the Funds, compliance by the Funds with legal and regulatory requirements and the independence and performance of the external and internal auditors. The audit committee reviews the work and any recommendations of the Fund's independent auditors. Based on such review, it is authorized to make recommendations to the Board. A copy of the Audit Committee Charter is attached to the proxy statement as Appendix A. The audit committee of each Fund held two meetings during its last fiscal year.

Nomination of those Board Members who are not "interested persons" of each Fund is committed to a governance committee composed of all Board Members who are not "interested persons" of that Fund. It identifies and recommends individuals to be nominated for election as non-interested Board Members. The committee also reviews matters relating to (1) the composition, duties, recruitment, independence and tenure of Board Members, (2) the selection and review of committee assignments, and (3) Board Member education, board meetings and board performance. The governance committee of each Fund held one meeting during its last fiscal year. In the event of a vacancy on the Board, the governance committee receives suggestions from various sources as to suitable candidates. Suggestions should be sent in writing to Lorna Ferguson, Vice President for Board Relations, Nuveen Investments, 333 West Wacker Drive, Chicago, IL 60606. The governance committee sets appropriate standards and requirements for nominations for new Board Members and reserves the right to interview all candidates and to make the final selection regarding the nomination of any new Board Members.

The Board of each Fund with a June 30 fiscal year end (the Florida Funds) held four regular quarterly meetings and one special board meeting during its last fiscal year. Four regular meetings and one special board meeting were held by the Board of each Fund with a August 31 fiscal year end (the California Funds). During the last fiscal year, each Board Member attended 75% or more of each Fund's Board meetings and the committee meetings (if a member thereof).

THE FUND'S OFFICERS

The following table sets forth information as of October 1, 2002 with respect to each officer of the Funds, other than Mr. Schwertfeger, who is a Board Member and is included in the table relating to nominees for the Board. Officers of the Funds receive no compensation from the Funds. The officers of each Fund are elected by the Board on an annual basis to serve until successors are elected and qualified.

| NAME, BIRTHDATE AND ADDRESS | POSITIONS AND OFFICES WITH THE FUND, TERM OF OFFICE AND LENGTH OF TIME SERVED | PRINCIPAL OCCUPATIONS INCLUDING OTHER DIRECTORSHIPS DURING PAST FIVE YEARS | NUMBER OF PORTFOLIOS IN FUND COMPLEX SERVED BY OFFICER |
|---|---|--|--|
| Michael T. Atkinson 2/3/66 333 West Wacker Drive Chicago, IL 60606 | Vice President. Term of Office: 2002. Length of Time Served: since 2002. | Vice President (since January 2002), formerly, Assistant Vice President (from 2000), previously, Associate of Nuveen Investments. | 135 |

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| | | | |
|---|--|--|-----|
| Paul L. Brennan 11/10/66 333 West Wacker Drive Chicago, IL 60606 | Vice President. Term of Office: 2002. Length of Time Served: since 2002. | Vice President (since January 2002), formerly Assistant Vice President (from 1997), of Nuveen Advisory Corp. | 130 |
| Peter H. D'Arrigo 11/28/67 333 West Wacker Drive Chicago, IL 60606 | Vice President and Treasurer. Term of Office: 2002. Length of Time Served: since 1999. | Vice President of Nuveen Investments (since January 1999), prior thereto, Assistant Vice President (from January 1997 to January 1999); formerly, Associate of Nuveen Investments; Vice President and Treasurer of Nuveen Senior Loan Asset Management Inc. (since September 1999); Chartered Financial Analyst. | 135 |
| Susan M. DeSanto 9/8/54 333 West Wacker Drive Chicago, IL 60606 | Vice President. Term of Office: 2002. Length of Time Served: since 2001. | Vice President of Nuveen Advisory Corp. (since August 2001); previously, Vice President of Van Kampen Investment Advisory Corp. (from 1998); prior thereto, Assistant Vice President of Van Kampen Investment Advisory Corp. (from 1994). | 135 |

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| NAME, BIRTHDATE AND ADDRESS | POSITIONS AND OFFICES WITH THE FUND, TERM OF OFFICE AND LENGTH OF TIME SERVED | PRINCIPAL OCCUPATIONS INCLUDING OTHER DIRECTORSHIPS DURING PAST FIVE YEARS | NUMBER OF PORTFOLIOS IN FUND COMPLEX SERVED BY OFFICER |
|---|---|---|--|
| Jessica R. Droeger 9/24/64 333 West Wacker Drive Chicago, IL 60606 | Vice President. Term of Office: 2002. Length of Time Served: since 2002. | Vice President (since January 2002) and Assistant General Counsel (since 1998), formerly, Assistant Vice President (from May 1998) of Nuveen Investments; Vice President (since May 2002), and Assistant | 135 |

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| | | | |
|---|--|--|-----|
| | | Secretary (from 1998) formerly, Assistant Vice President of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.; prior thereto, Associate at the law firm D'Ancona Partners LLC. | |
| Lorna C. Ferguson 10/24/45 333 West Wacker Drive Chicago, IL 60606 | Vice President. Term of Office: 2002. Length of Time Served: since 1998. | Vice President of Nuveen Investments; Vice President (since January 1998) of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp. | 135 |
| William M. Fitzgerald 3/2/64 333 West Wacker Drive Chicago, IL 60606 | Vice President. Term of Office: 2002. Length of Time Served: since 1995. | Managing Director (since 2001), formerly Vice President (since 1995) of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.; Chartered Financial Analyst. | 135 |
| Stephen D. Foy 5/31/54 333 West Wacker Drive Chicago, IL 60606 | Vice President and Controller. Term of Office: 2002. Length of Time Served: since 1998. | Vice President of Nuveen Investments and (since May 1998) The John Nuveen Company; Vice President (since September 1999) of Nuveen Senior Loan Management Inc.; Certified Public Accountant. | 135 |
| J. Thomas Futrell 7/5/55 333 West Wacker Drive Chicago, IL 60606 | Vice President. Term of Office: 2002. Length of Time Served: since 1992 | Vice President of Nuveen Advisory Corp.; Chartered Financial Analyst. | 130 |
| Richard A. Huber 3/26/63 333 West Wacker Drive Chicago, IL 60606 | Vice President. Term of Office: 2002. Length of Time Served: since 1997 | Vice President of Nuveen Institutional Advisory Corp. (since 1998) and Nuveen Advisory Corp. (since 1997). | 130 |

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| POSITIONS AND OFFICES WITH THE FUND, | PRINCIPAL OCCUPATIONS INCLUDING OTHER | NUMBER OF PORTFOLIOS IN FUND |
|---|--|---------------------------------|
|---|--|---------------------------------|

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| NAME, BIRTHDATE AND ADDRESS | TERM OF OFFICE AND LENGTH OF TIME SERVED | DIRECTORSHIPS DURING PAST FIVE YEARS | COMPLEX SERVED BY OFFICER |
|---|--|---|---------------------------|
| Steve J. Krupa 8/21/57 333 West Wacker Drive Chicago, IL 60606 | Vice President. Term of Office: 2002. Length of Time Served: since 1990. | Vice President of Nuveen Advisory Corp. | 130 |
| David J. Lamb 3/22/63 333 West Wacker Drive Chicago, IL 60606 | Vice President. Term of Office: 2002. Length of Time Served: since 2000. | Vice President (since March 2000) of Nuveen Investments, previously Assistant Vice President (from January 1999); prior thereto, Associate of Nuveen Investments; Certified Public Accountant. | 135 |
| Tina M. Lazar 8/27/61 333 West Wacker Drive Chicago, IL 60606 | Vice President. Term of Office: 2002. Length of Time Served: 2002. | Vice President (since 1999), previously, Assistant Vice President (since 1993) of Nuveen Investments. | 135 |
| Larry W. Martin 7/27/51 333 West Wacker Drive Chicago, IL 60606 | Vice President and Assistant Secretary. Term of Office: 2002. Length of Time Served: since 1988. | Vice President, Assistant Secretary and Assistant General Counsel of Nuveen Investments; Vice President and Assistant Secretary of Nuveen Advisory Corp., Nuveen Institutional Advisory Corp. and Nuveen Senior Loan Asset Management Inc. (since September 1999); Assistant Secretary of The John Nuveen Company; and Assistant Secretary of Nuveen Asset Management Inc. (since January 1997). | 135 |
| Edward F. Neild, IV 7/7/65 333 West Wacker Drive Chicago, IL 60606 | Vice President. Term of Office: 2002. Length of Time Served: since 1996. | Managing Director (since 2002), formerly, Vice President (from September 1996) of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.; Chartered Financial Analyst. | 135 |
| Thomas J. O'Shaughnessy 9/4/60 333 West Wacker Drive | Vice President. Term of Office: 2002. Length of Time Served: since 2002. | Vice President (since January 2002), formerly, Assistant Vice President (from | 130 |

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Chicago, IL 60606

1998), of Nuveen
Advisory Corp.

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| NAME, BIRTHDATE AND ADDRESS | POSITIONS AND OFFICES WITH THE FUND, TERM OF OFFICE AND LENGTH OF TIME SERVED | PRINCIPAL OCCUPATIONS INCLUDING OTHER DIRECTORSHIPS DURING PAST FIVE YEARS | NUMBER OF PORTFOLIOS IN FUND COMPLEX SERVED BY OFFICER |
|--|--|---|--|
| Thomas C. Spalding, Jr. 7/31/51 333 West Wacker Drive Chicago, IL 60606 | Vice President. Term of Office: 2002. Length of Time Served: since 1982. | Vice President of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp; Chartered Financial Analyst. | 130 |
| Gifford R. Zimmerman 9/9/56 333 West Wacker Drive Chicago, IL 60606 | Vice President and Secretary. Term of Office: 2002. Length of Time Served: since 1988. | Managing Director (since 2002), Assistant Secretary and Associate General Counsel, formerly, Vice President of Nuveen Investments; Managing Director (since 2002), General Counsel and Assistant Secretary, formerly, Vice President of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.; Managing Director (since 2002), and Assistant Secretary, formerly, Vice President of Nuveen Senior Loan Asset Management Inc. (since September 1999); Managing Director and Assistant Secretary of Nuveen Asset Management Inc.; Vice President and Assistant Secretary of The John Nuveen Company; Chartered Financial Analyst. | 135 |

AUDIT COMMITTEE REPORT

The Audit Committee of the Board of each Fund is responsible for assisting the Board in monitoring (1) the quality and integrity of the Fund's financial statements, (2) each Fund's compliance with regulatory requirements, and (3) the

independence and performance of the Fund's independent and internal auditors. Among other responsibilities, the Committee reviews, in its oversight capacity, each Fund's annual financial statements with both management and the independent auditors and the Committees meet periodically with the independent and internal auditors to consider their evaluation of the Fund's financial and internal controls. The Committee also recommends to the Board the selection of each Fund's independent auditors. The Committee is currently composed of six Board Members and operates under a written charter adopted and approved by the Board. Each Committee member is independent as defined by New York Stock Exchange and American Stock Exchange listing standards, as applicable.

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The Committee, in discharging its duties, has met with and held discussions with management and each Fund's independent and internal auditors. The Committee has reviewed and discussed the audited financial statements with management. Management has represented to the independent auditors that each Fund's financial statements were prepared in accordance with generally accepted accounting principles. The Committee has also discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 (Communications with Audit Committees). Each Fund's independent auditors provided to the Committee the written disclosure required by Independent Standards Board Standard No. 1 (Independent Discussions with Audit Committees), and the Committee discussed with representatives of the independent auditor 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 auditors, the representations of management and the report of the independent auditors to the Committee, the Committee has recommended that the Board include the audited financial statements in each Fund's Annual Report.

The members of the Committee are:

Robert P. Bremner
 Lawrence H. Brown
 Anne E. Impellizzeri
 Peter R. Sawers
 William J. Schneider
 Judith M. Stockdale

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AUDIT AND RELATED FEES

AUDIT FEES. The aggregate fees billed by Ernst & Young LLP for professional services for the audit of each Fund's financial statements for its most recently completed fiscal year were as follows:

| FUND | AUDIT FEES | FINANCIAL INFORMATION SYSTEMS DESIGN AND IMPLEMENTATION FEES | ALL OTHER FEES |
|------|---------------|--|-------------------|
|------|---------------|--|-------------------|

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| | | | |
|------------------------|----------|-----|---------|
| California Dividend | \$12,930 | \$0 | \$2,491 |
| California Dividend 2 | 9,805 | 0 | 2,383 |
| California Dividend 3 | 11,440 | 0 | 1,669 |
| California Investment | 9,720 | 0 | 2,380 |
| California Opportunity | 7,602 | 0 | 2,306 |
| California Value | 8,683 | 0 | 144 |
| California Performance | 9,369 | 0 | 2,367 |
| California Premium | 6,566 | 0 | 2,269 |
| California Quality | 13,051 | 0 | 2,496 |
| California Select | 13,270 | 0 | 2,503 |
| Insured California | 6,917 | 0 | 2,282 |
| Insured California 2 | 9,090 | 0 | 2,358 |
| Florida Investment | 10,657 | 0 | 2,412 |
| Florida Quality | 9,901 | 0 | 2,386 |
| Insured Florida | 9,929 | 0 | 2,387 |

ALL NON-AUDIT FEES. The Audit Committee of each Fund has generally considered whether the receipt of non-audit fees by Ernst & Young LLP from the Fund is compatible with maintaining Ernst & Young LLP's independence.

APPOINTMENT OF INDEPENDENT AUDITORS

Each Fund's Board of Directors/Trustees has appointed Ernst & Young LLP, independent public accountants, as independent auditors to audit the books and records of each Fund for its fiscal year. A representative of Ernst & Young LLP will be present at the meeting 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 Fund, Nuveen, the Adviser or any other investment company sponsored by Nuveen.

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SECTION 16(a) BENEFICIAL INTEREST REPORTING COMPLIANCE

Section 30(h) of the Investment Company Act of 1940, as amended (the "1940 Act") and Section 16(a) of the Securities Exchange Act of 1934, as amended (the "1934 Act"), require each Fund's Board Members and officers, investment adviser, affiliated persons of the investment adviser and persons who own more than 10% of a registered class of the Funds' 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 Securities and Exchange Commission (the "SEC") and the New York Stock Exchange or American Stock Exchange, 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 the Fund's Board Members and officers, investment adviser and affiliated persons of the investment adviser have complied with all applicable Section 16(a) filing requirements during its last fiscal year except that late filings were made on Form 3 on behalf of the Board Members and officers, investment adviser and affiliated persons of the investment adviser for California Dividend 3. 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.

INFORMATION ABOUT THE FUNDS' INVESTMENT ADVISER

The Adviser, located at 333 West Wacker Drive, Chicago, Illinois, serves as investment adviser and manager for each Fund. The Adviser is a wholly owned subsidiary of The John Nuveen Company, 333 West Wacker Drive, Chicago, Illinois

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60606. The John Nuveen Company is approximately 78% owned by The St. Paul Companies, Inc. ("St. Paul"). St. Paul is located at 385 Washington Street, St. Paul, Minnesota 55102, and is principally engaged in providing property-liability insurance through subsidiaries.

SHAREHOLDER PROPOSALS

To be considered for presentation at the Annual Meeting of Shareholders of any of the Funds to be held in 2003, 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 25, 2003. 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 submit such written notice to the Fund not later than September 8, 2003. Timely submission of a proposal does not mean that such proposal will be included.

EXPENSES OF PROXY SOLICITATION

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. Additional solicitation may be made by letter, telephone or telegraph by officers or employees of Nuveen Investments or Nuveen Advisory Corp., or by dealers and their representatives.

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FISCAL YEAR

The last fiscal year for each Florida Fund was June 30, 2002 and for each California Fund was August 31, 2002.

ANNUAL REPORT DELIVERY

Annual reports for the Funds' fiscal year ended in 2002 were sent (Florida Funds) or will be sent (California Funds) 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.

GENERAL

Management does not intend to present and does not have reason to believe that any other items of business will be presented at any Fund's Annual Meeting. However, if other matters are properly presented to the Annual Meeting 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 Fund's 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 that 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 any of the proposals 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 requires the affirmative vote of a majority of the shares 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.

Gifford R. Zimmerman
Vice President and Secretary

October 23, 2002

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APPENDIX A

NUVEEN MANAGEMENT INVESTMENT COMPANIES
AUDIT COMMITTEE CHARTER

January 31, 2002

ORGANIZATION

There shall be a committee of each Board of Directors/Trustees of the Nuveen Management Investment Companies to be known as the Audit Committee. The Audit Committee shall be composed of at least three Directors/Trustees. Audit Committee Members shall be independent of the Management Investment Companies and free of any relationship that, in the opinion of the Directors/Trustees, would interfere with their exercise of independent judgment as a committee member. Each such member of the Audit Committee shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements, 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.

STATEMENT OF POLICY

The Audit Committee shall assist the Board in monitoring (1) the accounting and reporting policies and practices of the Management Investment Companies (hereafter referred to as "Funds" or individually "Fund"), (2) the quality and integrity of the financial statements of the Funds, (3) the compliance by the Funds with legal and regulatory requirements and (4) the independence and performance of the external and internal auditors. In doing so, the Audit Committee shall seek to maintain free and open means of communication among the Directors, the independent auditors, the internal auditors and the management of Nuveen.

The Audit Committee shall have the authority in its discretion to retain special legal, accounting or other consultants to advise the Committee. The Audit Committee may request any officer or employee of the John Nuveen Company or the Funds' independent auditors or outside counsel to attend a meeting of the Committee or to meet with any members of, or consultants to, the 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 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. The independent auditors are ultimately accountable to the Board and Audit Committee. It is the ultimate responsibility of the Board and the Audit Committee for selection, evaluation and replacement of the independent auditors.

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In carrying out its responsibilities the Audit Committee believes its policies and procedures should remain flexible, in order to react to changing conditions and requirements applicable to the Funds.

The audit Committee is responsible for the following:

Fund Financial Statements:

1. Reviewing the annual audited financial statements with Fund management including major issues regarding accounting and auditing principles and practices.
2. Requiring the independent auditors to deliver to the Chairman of the Committee a timely report on any issues relating to the significant accounting policies, management judgements and accounting estimates or other matters that would need to be communicated under SAS 61, that arise during the auditor's review of the Fund's financial statements, which information shall be further communicated by the Chairman to the other members of the Committee, as deemed necessary or appropriate in the judgment of the Chairman.

With respect to the independent auditors:

3. Receiving periodic reports (including a formal written statement delineating all relationships between the auditors and the Funds) from the firms of independent auditors regarding their independence, their membership in the SEC practice section of the AICPA and their compliance with all applicable requirements for independence and peer review, and discussing such reports with the auditors.
4. Reviewing and recommending to the Directors/Trustees the independent auditors to be selected to audit the annual financial statements of the Funds.
5. Meeting with the independent auditors and Fund management to review the scope and fees of the proposed audits for the current year and the audit procedures to be utilized. At the conclusion of the audit, reviewing such audit results, including any comments or recommendations of the independent auditors, any significant changes required from the originally planned audit programs and any adjustments to such statements recommended by the auditors.
6. Providing sufficient opportunity at all meetings of the Audit Committee for the independent auditors to meet with the members of the Audit Committee without members of Fund management being present.

With respect to any internal auditor:

7. Reviewing the internal audit function as it relates to the Funds including the proposed programs 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.

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8. 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.

Other responsibilities:

9. Receiving and reviewing periodic or special reports issued on exposure/controls, irregularities and control failures related to the Funds.
10. 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 elicit 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 which might be deemed illegal or otherwise improper.
11. Reviewing the reports of examinations by regulatory authorities.
12. Reporting to the Directors/Trustees on the results of the activities of the Committee.
13. Performing any special reviews, investigations or oversight responsibilities requested by the Directors/Trustees.
14. With respect to the Exchange-Traded Funds, preparing any report required by the rules of the SEC to be included in a proxy statement for a fund.
15. Reviewing and reassessing annually the adequacy of this charter and providing a recommendation to the Board of Directors/Trustees for approval of any proposed changes deemed necessary or advisable by the Committee.

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' principal 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.

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NUVEEN INVESTMENTS LOGO

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606-1286
(800) 257-8787
www.nuveen.com

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[NUVEEN LOGO]
 NUVEEN INVESTMENTS

333 WEST WACKER DRIVE
 CHICAGO, IL 60606-1256

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ANNUAL MEETING O

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 NOVEMBER 2

The annual meeting of shareholder
 21, 2002, at 10:00 a.m. Central T
 Room of Nuveen Investments, 333 W
 Illinois. At this meeting, you wi
 proposal described in the proxy s
 hereby appoints Timothy R. Schwer
 Gifford R. Zimmerman, and each of
 substitution, proxies for the und
 shares of the undersigned at the
 be held on November 21, 2002, or
 thereof.

You are encouraged to specify your choice by marking the appropriate box. If you do not mark any box, your proxy will be voted "FOR" the proposal. Please mark, sign, date and return this proxy card promptly using the enclosed envelope if you are not voting by telephone or over the Internet. To vote by telephone, please call (800) 690-6903. To vote over the Internet, go to www.proxyvote.com. In either case you will be asked to enter the control number on the right hand side of this proxy card.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: X NUNEW 1

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

(NAME OF FUND)
 Common Shares

Vote On Proposal

For All Withhold All For All Except

- ELECTION OF NOMINEES TO THE BOARD
 01) Robert P. Bremner
 02) Lawrence H. Brown
 03) Anne E. Impellizzeri
 04) Peter R. Sawers
 05) Judith M. Stockdale

[] [] []

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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 (800) 690-6903 OR OVER THE INTERNET (www.proxyvote.com).

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

The shares to which this proxy relates will be voted as specified. If no specification is made, such shares will be voted "FOR" the election of nominees to the Board and "FOR" the proposal set forth on this proxy.

Please be sure to sign and date this proxy if you are not voting by telephone or over the Internet.

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.

| | | | |
|------------------------------------|------|--------------------------|------|
| ----- | | ----- | |
| ----- | | ----- | |
| Signature (PLEASE SIGN WITHIN BOX) | Date | Signature (Joint Owners) | Date |

[NUVEEN LOGO]
 NUVEEN INVESTMENTS

 333 WEST WACKER DRIVE
 CHICAGO, IL 60606-1256

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TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: X NUNEW 2

 DETACH AND RETURN THIS PORTION ONLY
 THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

(NAME OF FUND)
 Preferred Shares

| Vote On Proposal | For All | Withhold All | For All Except | To wit All Ex number |
|-----------------------------------|------------|-----------------|-------------------|----------------------------|
| ELECTION OF NOMINEES TO THE BOARD | [] | [] | [] | |
| 01) Robert P. Bremner | | | | |
| 02) Lawrence H. Brown | | | | |
| 03) Anne E. Impellizzeri | | | | |
| 04) Peter R. Sawers | | | | |
| 05) Judith M. Stockdale | | | | |
| 06) William J. Schneider | | | | |
| 07) Timothy R. Schwertfeger | | | | |

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 (800) 690-6903 OR OVER THE INTERNET (www.proxyvote.com).

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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.

 Signature (PLEASE SIGN WITHIN BOX) Date Signature (Joint Owners) Date