

TAX-EXEMPT FINANCING QUESTIONNAIRE

BOND ISSUE: **STATE PUBLIC WORKS BOARD LEASE REVENUE BONDS –
SERIES 2002C**

ENTITY: **CALIFORNIA DEPARTMENT OF GENERAL SERVICES (“DGS”)**

PROJECT: **MISSION VALLEY STATE OFFICE BUILDING (the “Project”)**

This questionnaire is intended to elicit facts to enable Stradling Yocca Carlson & Rauth, as Bond Counsel, to perform its “due diligence” review of the facilities to be refinanced with the above-referenced obligations (the “Bonds”). It is our understanding that the above-referenced entity (the “Entity”) may have entered (or will enter) into various contractual arrangements (including, but not limited to: leasing arrangements, management, service or incentive payment contracts, naming rights contracts, licensing agreements, output or take-or-pay contracts, or research agreements) with various private entities (“Private Users”) such that the Private Users may have been (or may be) granted some special legal entitlement to the Bond-refinanced facility (the above referenced Project) pursuant to the terms of such contractual arrangement.

Based on the responses to the questionnaire, Bond Counsel may render its opinion that interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). The information elicited may also form the basis for certain closing documents and certain disclosures contained in the Official Statement.

This questionnaire should be completed by managerial or administrative personnel of the Entity, with the assistance of outside advisers and consultants as necessary. Ultimately, the representative of the Entity with financial responsibility for the Entity’s obligations with respect to the Bonds should approve the questionnaire.

If assistance is needed in interpreting or completing any of the questions contained herein, please contact Carol Lew of Stradling Yocca Carlson & Rauth, Newport Beach, California, at (949) 725-4237 or e-mail address: clew@sycr.com.

I. General Description of Property to be Financed.

1. Describe briefly each component of the Project to be refinanced by the Bonds and include the amount of proceeds of the refinanced obligations allocated to each component.

The Mission Valley State Office Building is located at 7575 Metropolitan Drive, San Diego, California. The Mission Valley State Office Building Project (the “Mission Valley Project”) consists of approximately 12.35 acres of land; which includes one building, a commercial grade trash compactor (located adjacent to the building, enclosed in concrete enclosure) and approximately 880 parking spaces. The building is approximately 219,000 square feet of office space. The building is a steel-frame construction. The building design also includes back-up generator, state-of-the-art the energy efficiency management systems (controls lighting, heating, ventilation and air conditioning

system (HVAC) as well as automatic toilets and lavatories), card-key security system, FM 200 fire suppression system (72,000 sq. feet) in addition to code required fire system.

2. Please describe if any portion of the Project costs were paid prior to the issuance of the applicable refinanced bond issue. Attach schedules showing the amounts reimbursed and dates of expenditures.

The project was acquired by the state from exercising a lease purchase option in June 29, 2001. Prior to exercising the purchase price of \$37,900,000, the state paid the Lessor monthly rent from June 1, 2000 through June 28, 2001. (schedule attached)

3. Please describe any noncapital expenditures to be refinanced.

None.

4. Please list the placed in service (or expected placed in service) date for each component of the Project.

The project was occupied in June 1, 2000.

II. Ownership and Use of the Project

1. How has the Project (or each portion thereof) been owned?

The project was originally owned by the developer/owner prior to the state exercising the option to acquire the project in June 2001. Since then it has continuously been owned by the Department of General Services.

2. Will (or has) any portion of the Project (including any land, buildings or equipment that make up the Project) be (or been) the subject of a lease with a person or entity?

Yes () No ()

If yes, please describe the nature of the arrangement and attach a copy of the lease to this questionnaire.

The project has a lease for an ATM machine on the 1st floor. (copy attached)

3. Will (or has) any portion of the Project (including any land, buildings or equipment that make up the Project) be (or been) the subject of a naming rights contract with a person or entity?

Yes () No ()

If yes, please describe the nature of the arrangement and attach a copy of the naming rights contract to this questionnaire.

4. Will (or has) any portion of the Project (including any land, buildings or equipment that make up the Project) be (or been) the subject of a management or operating contract(s) with a person or entity?

Yes () No (X)

If yes, please describe the nature of the arrangement and attach a copy of the management or operating contract(s) to this questionnaire.

5. Will (or has) any portion of the Project (including any land, buildings or equipment that make up the Project) be (or been) the subject of a service contract(s) with a person or entity?

Yes (X) No ()

If yes, please describe the nature of the arrangement and attach a copy of the service contract(s) to this questionnaire.

The project has multiple operating contracts to maintain the operation of the building. The contracts are all with private entities for the following: Elevator, Fire Life Safety, Pest Control, Water Treatment, Generator, Plumbing, Fire Extinguishers. (copies attached)

6. Will (or has) any portion of the Project (including any land, buildings or equipment that make up the Project) be (or been) the subject of a research agreement(s) with a person or entity?

Yes () No (X)

*If yes, please describe the nature of the arrangement and attach a copy of the research agreement(s) to this questionnaire. *If the arrangements are too numerous please schedule a conference call to refine this question.*

7. Will (or has) any portion of the Project (including any land, buildings or equipment that make up the Project) be (or been) the subject of an output contract with a person or entity?

Yes () No (X)

If yes, please describe the nature of the arrangement and attach a copy of the output contract to this questionnaire.

8. Does any portion of the Project include any professional office space occupied by private entities or individuals?

Yes () No (X)

If yes, please describe the size and nature of such office space.

9. Except as may be described elsewhere in this questionnaire, is any other portion of the Project used by entities other than Entity?

Yes () No (X)

If yes, please describe the nature and extent of such use, identify the entity or entities so using the space, and quantify the space as a percentage, both in terms of square footage and fair rental value. Please list all contracts, whether formal or informal, with providers of services and facilities that require remuneration (e.g., a lease for restaurant space). Copies of all contracts, leases and/or agreements the Entity has with private persons or entities for its services and with respect to the Project should be enclosed with this questionnaire.

10. Does the Entity expect any change in the use of any portion of the Project in any way that is not described elsewhere in this questionnaire?

Yes () No (X)

If yes, please describe the nature and extent of such anticipated change.

11. Does the Project include parking areas? If so, please describe the size and number of the parking areas, to whom such parking available and on what basis is it available? Please quantify the use of the parking areas among various groups by proportion of area and fair rental value.

The project is on one parcel totaling 12.35 acres. There are approximately 880 parking spaces surrounding the building that are available to employees and customers on a first come first serve basis. There is no charge for parking at the site.

(i) Who manages or operates such parking areas? Are the parking areas managed by other than Entity? If so, please provide a description of the terms of the management contract, including its term, cancellation provisions and method of compensating the parking manager.

The parking areas are managed solely by the Department of General Services. There are no contracts to outside entities to manage the parking areas.

(ii) Please provide copies of any management or operating contracts for these parking areas.

None.
